L&S UPDATE

An e-update to clients from Lakshmikumaran & Sridharan

12 NOVEMBER 2020

GST

Latest Updates Recent Notifications and Circulars

UPDATE NO. 45 OF 2020

Lakshmikumaran & Sridharan
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Amendment in CGST Rules Notification No. 82/2020-CT

OVERVIEW OF THE CHANGES MADE IN RULE 59, RULE 60 AND RULE 61

- An optional facility has been notified to upload invoices on monthly basis using Invoice Furnishing Facility (IFF) by quarterly taxpayers (whose aggregate turnover is upto INR 5 crores in preceding financial year). This facility is aimed to resolve grievances of large taxpayers due to non-availability of credit in GSTR-2A for the invoices issued by quarterly taxpayers leading to difficulty in compliance of Rule 36(4) of the CGST Rules, 2017.

- References of filing of GSTR-2 and GSTR-3 have been omitted. The present return system i.e. GSTR-1 and GSTR-3B has been made the default return system in light of recommendations made by GST council in its 42nd meeting.

- GSTR-2B has been notified. We await clarity as to the basis (i.e. GSTR-2A or GSTR-2B) for availing credit as per Rule 36(4) of the CGST Rules, 2017.

A. INVOICE FURNISHING FACILITY (IFF) FOR QUARTERLY TAXPAYERS *[SUBSTITUTION OF RULE 59 W.E.F. 1 JANUARY 2021]*

- Taxpayers who are required to file GSTR-1 on quarterly basis can file details of supplies using IFF.

Heading	Provisions
Period of supplies	For first and second months of quarter.
Filing Period	From 1st day of succeeding month to 13th day of succeeding month.
Maximum Value in a month	Rs. 50 lakhs.
GSTR-1	Details not to be furnished in GSTR-1.
Details of supplies	• Invoice-wise details of inter-state and intra-state to registered person. • Debit notes and credit notes for above invoices.

B. FORM AND MANNER OF ASCERTAINING DETAILS OF INWARD SUPPLIES *[SUBSTITUTION OF RULE 60 W.E.F. 1 JANUARY 2021]*

- Reference of filing GSTR-2 omitted
- **Flow of details of inward supplies**

Details of	Available in
Output supplies submitted • in GSTR-1 or • Using IFF	• Part-A of GSTR-2A • GSTR-4A • GSTR-6A
Invoices of non-residential taxable person submitted in GSTR-5	Part-A of GSTR-2A
ISD invoices submitted in GSTR-6A	Part-B of GSTR-2A
TDS submitted in GSTR-7	Part-C of GSTR-2A
TDS submitted in GSTR-8	Part-C of GSTR-2A
IGST paid through Bill of entry on • Import of goods or • Purchase of goods by DTA unit from SEZ unit / developer	Part-D of GSTR-2A

- *GSTR-2B*
    - Details of ITC available in GSTR-2B for every month.
    - GSTR-2B form notified.
    - **Details shall be available**
        - For 1st and 2nd month of quarter:
          After due-date of
            - IFF of the month for quarterly taxpayers (i.e. 13th of succeeding month) or
            - GSTR-1 of other than quarterly taxpayers (i.e. 11th of succeeding month) whichever is later.
        - For 3rd month of quarter:
          After due-date of GSTR-1 of quarterly taxpayers (i.e. 13th of succeeding month).

- *GSTR-2B*
    - **Details consist of**
        - Outward supplies submitted in GSTR-1 between due-date of GSTR-1 for previous month to due-date of GSTR-1 of current month.
        - Invoices by non-residential taxable person submitted in GSTR-5, ISD invoices submitted in GSTR-6A and Outward supplies submitted using GSTR-1 or IFF by quarterly taxpayers between
          For 1st month of quarter: Due-date of GSTR-1 of preceding quarter to due-date of IFF for 1st month of quarter.
          For 2nd month of quarter: Due-date of IFF for 1st month of quarter to due-date of IFF for 2nd month of quarter.
          For 3rd month of quarter: Due-date of IFF for 2nd month of quarter to due-date of GSTR-1 for the quarter.
        - IGST paid in the month through Bill of entry on
            - Import of goods or
            - Purchase of goods by DTA unit from SEZ unit / developer.

C. FORM AND MANNER OF FURNISHING RETURN *[SUBSTITUTION OF RULE 61 W.E.F. 1 JANUARY 2021]*

- Due-date of GSTR-3B earlier provided in Notifications are now specified in Rule 61 (w.e.f. 10 November 2020). Accordingly, Notification No. 76/2020-CT providing due-dates has been rescinded by Notification No. 86/2020-CT.

- Due-dates of GSTR-1 as per Rule 61 are as follows:
    - *Monthly Taxpayers:* 20th of the succeeding month.
    - *Quarterly Taxpayers:* 22nd or 24th (depending upon location) of the month succeeding such quarter.
  - Reference of filing GSTR-3 omitted.

D. OTHER

- New Rule 61A has been added providing manner of opting for furnishing quarterly returns for taxpayers having aggregate turnover upto 5 crores.

- Changes in Rule 62 i.e. form and manner of submission of statement and return by composition taxpayers.

OTHER UPDATES

A. APPLICABILITY OF E-INVOICE: DECREASE IN THRESHOLD FROM INR 500CR TO INR 100CR *(NOTIFICATION NO. 88/2020-CT W.E.F. 1 JANUARY 2021)*

- Registered person having aggregate turnover exceeding INR 100 crore in any preceding FY from 2017-18 onwards will be required to comply with Rule 48(4) of the CGST Rules, i.e. e-invoice provisions **with effect from 1 January 2021.**

- Earlier, the threshold limit was INR 500 crore.

B. EXTENSION OF TIME LIMIT FOR FURNISHING THE FORM GST ITC-04 *(NOTIFICATION NO. 87/2020-CT W.E.F. 25 OCTOBER 2020)*

Time limit for filing ITC-04, in respect of goods dispatched to a job worker or received from a job worker, during the period from July, 2020 to September, 2020 has been extended till 30th November, 2020.

C. DUE-DATE OF GSTR-1 FOR EVERY TAX PERIOD *(NOTIFICATION NO. 83/2020-CT W.E.F. 1 JANUARY 2021)*

- Monthly Taxpayers: 11th of succeeding month.
- Quarterly Taxpayers: 13th of succeeding quarter.

D. OTHER NOTIFICATIONS AND CIRCULAR FOR QUARTERLY TAXPAYERS

- Notified class of person under proviso to Section 39(1) who can opt to file quarterly returns from Jan-2021 onwards *(Notification No. 84/2020-CT).*
- Special procedure notified for making payment of 35% as tax liability in first two month for quarterly taxpayers *(Notification No. 85/2020-CT w.e.f. 1 January 2021).*
- Section 97 of the Finance (No. 2) Act, 2019 amending Section 39 of the CGST Act shall be enforced with effect from 10.11.2020 *(Notification No. 81/2020-CT w.e.f. 1 January 2021).*
- Circular clarifying quarterly return monthly payment scheme *(Circular No. 143/13/2020-GST, dated 10 November 2020).*

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