

An illustration showing two men in business suits running across a red carpet. A large, stylized white dollar sign is painted on the carpet. The background is a sketchy, textured grey. A dark semi-transparent box on the right contains the title text.

Goods and Service Tax updates alert June 2020

AMIT H GOEL & CO

Goods and Service tax

KEY TAKEAWAYS OF 40TH COUNCIL MEETING

Waiver of Late fees for the period Jul 2017 to Jan 2020

The Late fees for GSTR 3B for the period July 2017 to January 2020 has been waived fully for returns having no tax liability. For cases where there is any tax liability in the return, the maximum late fees would be Rs.500. The benefit of reduced late fee would be applicable only for returns which are furnished between 01 July, 2020 to 30 September, 2020.

Reduction in rate of interest for Feb 2020 to Apr 2020

Interest for the period Feb March and April 2020 for small taxpayers (aggregate turnover upto Rs. 5 crore has been reduced from 18% to 9% if GSTR 3B is furnished after the prescribed due dates but before 30 Sep 2020.

Waiver of Late Fee & interest for May 2020 to Jul 2020 for small taxpayers

Late fee and interest have been waived for GSTR 3B for the period May, June and July 2020 for small taxpayers (aggregate turnover upto Rs. 5 crore) if GSTR 3B is furnished on or before 30 September 2020.

Timeline extended for application for revocation of cancellation of registration

GST Council has facilitated taxpayers to file application for revocation of cancellation of registration up to 30.09.2020, in all cases where registrations have been cancelled till 12.06.2020.

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TITLE	BRIEF
Clarification on RCM liability on remuneration to directors	CBIC has clarified that the remuneration paid to independent directors or directors who are not employees of the company is taxable in hands of the company on reverse charge basis. Further, the part of Director's remuneration which is declared as 'Salaries' in the books of a company and subjected to TDS under Section 192 of the IT Act, are not taxable under GST in terms of Schedule III of the CGST Act.
Reduction in GST rates proposal	With regard to the need for reduction in GST rates in the badly affected sectors, GST rate reduction will go to the Council. But the council is also looking for revenue. The decision for reduction in rate for any sector has to be taken by the Council.
Clarification on refund of accumulated ITC relating to imports	CBIC has clarified that refund of accumulated ITC relating to imports, ISD invoices and the inward supplies liable to reverse charge shall continue to be available. Circular No. 135/05/2020 dated 31-3-2020 which restricted the refund of ITC to invoices uploaded by the supplier in GSTR-1 and reflected in the GSTR-2A of the applicant would not impact the refund of ITC availed on Imports, ISD invoices, RCM etc.
Facility of Filing "NIL" GST Return through SMS	The govt. has enabled filing of NIL GSTR-3B w.e.f. June 8, 2020 through SMS. The GSTN has released FAQs on filing of NIL return through SMS in Form GSTR-3B explaining with the help of examples and screenshots.

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TITLE	BRIEF
Extension of time limit for issue of refund order	The Government has notified that cases where notice for rejection of refund claim has been issued, in full or in part, and time limit to issue order falls during the period from 20-3-2020 to 29-6-2020, then the time limit to issue the refund order shall be extended to fifteen days after the receipt of reply to the notice from the registered person or the 30 June, 2020, whichever is later.
Validity of E way bill extended	Validity of e-way bill generated on or before 24-3-2020 & expiring on or after 20-3-2020 extended till 30-6-2020.
Timelines under "Sabka Vishwas scheme" extended	The entire process under Sabka Vishwas Scheme shall be completed or on before 30 June, 2020 instead of 90 days prescribed earlier. The declarant shall pay amount indicated in statement issued by the designated committee or on before 30 June, 2020. This scheme provided period of 60 days for designated committee to decide on declaration filed by taxpayer. Now, designated committee shall be required to decide the same on or before 31 May, 2020.
Enable Form ITC-02A for transfer of ITC in same State	The Form GST ITC-02A has been recently enabled on the GST portal. This form is a declaration for transferring ITC to new registration within the same state or union territory.

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TITLE	BRIEF
Facility available for registration of IRP/RPs	IRPs/RPs appointed to undertake corporate insolvency resolution proceedings for Corporate Debtors can apply for new registration on GST Portal, on behalf of the Corporate Debtors. The GST Portal has made available facility for registration of IRP/RPs. The person appointed as IRP/RP shall be the Primary Authorized Signatory for the newly registered Company.
GST on Parota not readily consumable	Products whole wheat Parota which are not ready to eat are not similar to khakhra, plain chapatti or roti and hence, same are classifiable under Heading 2106 taxable at rate of 18 per cent and not under Heading 1905 which is taxable at 5 per cent.



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