

M2K Alert

Relaxation in Compliances under Goods and Service Tax law due to COVID-19

1. Background

Further to the announcement made by Finance Minister ("FM") of the Union Government Smt. Nirmala Sitharaman giving relaxation of several statutory and regulatory compliance deadlines in view of the lockdown in the country on account of COVID-19 outbreak, the Central Board of Indirect Taxes and Customs (CBIC) has issued certain notifications notifying such relaxations under the Goods and Service Tax (GST) law.

These notifications have been issued under Section 168A of the Central Goods and Services Tax Act, 2017 ("the CGST Act"), which empowers the Government to relax certain provisions in case of a force majeure event, inserted through the Taxation and Other Laws (Relaxation of Certain provisions) Ordinance, 2020. This alert seeks to summarise such relaxations.

2. Details of the relaxations measure

2.1 Dates for filing GSTR 1 & GSTR 3B with certain relaxation from Interest and late fee

A. Registered person having aggregate turnover of more than Rs. 5 crores

| Month | Due date for Filing of form GSTR 3B | Last Date for filing of GSTR 3B [without Interest] (Note iii) | Last Date for filing of GSTR3B with Payment of Interest @ 9% (Note i & iii) | Due date for filing of GSTR-1 (Note ii) |
|--------|-------------------------------------|---|---|---|
| Feb-20 | 20-Mar-20 | 04-Apr-20 | 24-Jun-20 | 11-Mar-20 |
| Mar-20 | 20-Apr-20 | 05-May-20 | 24-Jun-20 | 11-Apr-20 |
| Apr-20 | 20-May-20 | 04-Jun-20 | 24-Jun-20 | 11-May-20 |
| May-20 | 27-Jun-20 | Not Applicable | Not Applicable | 11-Jun-20 |

B. Registered person having aggregate turnover of less than Rs. 5 crores

| Month | Aggregate turnover between 1.5 crores to 5 crores | | | Aggregate turnover up to Rs. 1.5 crores | | |
|--------|---|--|--------------------------------------|---|--|--------------------------------------|
| | Due date for Filing GSTR 3B (Note iv) | Last Date for filing GSTR 3B without Interest (Note iii) | Due date for filing GSTR-1 (Note ii) | Due date for Filing GSTR 3B (Note iv) | Last Date for filing GSTR 3B without Interest (Note iii) | Due date for filing GSTR-1 (Note ii) |
| Feb-20 | 22 / 24 March 2020 | 29-Jun-20 | 11-Mar-20 | 22 / 24 March 2020 | 30-Jun-20 | 11-Mar-20 |
| Mar-20 | 22 / 24 April 2020 | 29-Jun-20 | 11-Apr-20 | 22 / 24 April 2020 | 03-Jul-20 | 11-Apr-20 |
| Apr-20 | 22 / 24 May 2020 | 30-Jun-20 | 11-May-20 | 22 / 24 May 2020 | 06-Jul-20 | 11-May-20 |
| May-20 | 12 / 14 July 2020 | Not Applicable | 11-Jun-20 | 12 / 14 July 2020 | Not Applicable | 11-Jun-20 |

Notes

- i. Nil rate of interest for the first 15 days from the due date of filing GSTR 3B and thereafter reduced interest rate of 9% p.a (instead of interest @ 18% p.a). will be levied till the date of payment of taxes, provided GSTR 3B is filed on or before 24 June 2020.
- ii. Waiver of late fee for delay in filing of GSTR 1 for the month of March 2020, April 2020 and May 2020, provided the returns are filed before 30 June 2020. Similarly, for small tax payer with turnover up to Rs. 1.5 Crores in the previous financial year, the late fee has been waived for the GSTR 1 for the quarter ended 31 March 2020, if filed before 30 June 2020.
- iii. Waiver of late fee for delay in filing of GSTR 3B for the month of March 2020, April 2020 and May 2020, provided the returns are filed before the last date specified for filing return without interest or with reduced interest.
- iv. Due date for filing GSTR 3B for the month of May 2020 for registered person in states having original due date of 22 Jun 2020 is extended to 12 Jul 2020 and those having original due date of 24 Jun 2020 is extended to 14 July 2020.
- v. It has been clarified by CBIC that in case the returns in FORM GSTR-3B for the said months are not furnished on or before 24 June 2020 then interest at 18% per annum shall be payable from the due date of return, till the date on which the return is filed. In addition, regular late fee shall also be leviable for such delay along with liability for penalty.

2.2 Relaxation under Rule 36(4) of CGST Rules, 2017 – Reconciliation with GSTR 2A

- The condition of Rule 36(4), requiring reconciliation of the ITC availed in the month with GSTR 2A, has been relaxed for availing Input Tax Credit in the GSTR 3B for the month of February 2020 till August 2020. In other words, the tax payer can avail ITC on the inputs / input services received in the GSTR 3B filed for period Feb 2020 to Aug 2020 without reconciling the same with the invoices reflected in GSTR 2A.
- However, the taxpayers will have to make cumulative adjustment of input tax credit, arising due to the reconciliation with GSTR 2A for the period February 2020 till August 2020 as per Rule 36(4), in the GSTR 3B for month of September 2020.

2.3 Relaxation to taxpayers under Composition Scheme

| Form | Nature | Period | Due date | Revised Due date for filing |
|---------|--|--------------------------|------------|-----------------------------|
| CMP- 02 | Intimation opting for Composition scheme | FY 2020-21 | 31-Mar-20 | 30-Jun-20 |
| ITC- 03 | Statement of ITC reversal as per section 18(4) | FY 2020-21 | 31-May -20 | 31-Jul-20 |
| CMP- 08 | Payment of Tax under composition scheme | Quarter ended March 2020 | 18-Apr-20 | 07-Jul-20 |
| GSTR- 4 | Return under composition scheme | FY 2019-20 | 30-Apr-20 | 15-Jul-20 |

2.4 Other relief measures

- Any time limit for completion or compliance of any action, by any authority or by any person, has been specified in, or prescribed or notified under the said Act, **which falls within the period 20 Mar 2020 to 29 Jun 2020** and where completion or compliance of such action has not

been made within such time, then **time limit is extended up to 30 June 2020**. This extension is including for the purpose of

- Completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, by whatever name called, by any authority, commission or tribunal, by whatever name called, under the provisions of the CGST Act, 2017.
- filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other record, by any person, by whatever name called, under the provisions of the Act.
- Such extension shall not be applicable for certain specified compliance of provisions of the Act. Some of which are as follows:
 - Compliance relating to Time and value of supply
 - Issue of Tax invoices
 - E-Way Bill related provisions under section 68
 - Due date for filing of GSTR 1 and GSTR 3B including levy of late fees, interest
 - Date of Turnover crossing the limit specified under composition scheme
 - Procedure for registration
 - Provisions relating to casual taxable person and Non-resident taxable person
- If period of validity of E-way bill expires during the period 20 March 2020 to 15 April 2020, the validity shall be deemed to be extended till 30 April 2020.
- It has been clarified that the due date of furnishing of TDS returns u/s 51, TCS returns u/s 52, ISD returns etc., under the CGST Act for the months of March 2020 till May 2020 have been extended till 30 June 2020.