
HIGHLIGHTS OF THE 40TH GST COUNCIL MEETING

Background:

The 40th GST Council (the ‘Council’) meeting was held on 12.06.2020, via video conferencing. This was the first meeting post the pandemic COVID-19. In the meeting, the Council dealt with important issues and in retrospect issued press release with recommendations related to Law and Procedure.

Overview of Recommendations:

The Council in its meeting has made the following recommendations:

1. **Reduction/ waiver of late fee in filing GSTR-3B returns:** For the period 01.07.2020 to 30.09.2020 as under, provided the return is furnished between 01.07.2020 to 30.09.2020.

| S. No. | Tax Liability | Late Fee |
|--------|-------------------|---|
| 1. | Nil | Nil |
| 2. | Any tax liability | Maximum late fee capped at Rs. 500/- per return |

2. **Interest relief for the period February-April 2020:** For small taxpayers with aggregate turnover of up to Rs. 5 Crore, the rate of interest shall stand reduced to 9% p.a. for late furnishing of returns for the months beyond the specified i.e. staggered up to 06.07.2020 till 30.09.2020.
3. **Waiver of late fee and interest relief for periods May-July 2020:** For small taxpayers with aggregate turnover of up to Rs. 5 Crore, late fee and interest waived for the period May-July 2020 provided the returns in FORM GSTR-3B for the said months are furnished by September, 2020. (Staggered dates to be notified)
4. **Extension of time period for seeking revocation of cancellation of registration:** In cases where, registrations have been cancelled till 12.06.2020, a one-time extension has been given to such persons for filing application of revocation of cancellation of registration to 30.09.3030.

VA Comments:

- The aforesaid recommendations aim at providing compliance relief for small taxpayers which is a positive step towards revival of businesses during re-opening phase post the pandemic COVID-19.
- Additionally, the relief in waiver of late fee and interest will assist businesses to manage their working capital better.

For any further information/ clarification, please feel free to write to:

- Mr. Shammi Kapoor, Partner - shammi@vaishlaw.com
- Ms. Riddhi Vasistha, Associate – riddhi@vaishlaw.com
- Ms. Kritika Kapoor, Junior Associate – kritika@vaishlaw.com

DISCLAIMER

The material contained in this publication is solely for information and general guidance and not for advertising or soliciting. The information provided does not constitute professional advice that may be required before acting on any matter. While every care has been taken in the preparation of this publication to ensure its accuracy, Vaish Associates Advocates neither assumes responsibility for any errors, which despite all precautions, may be found herein nor accepts any liability, and disclaims all responsibility, for any kind of loss or damage of any kind arising on account of anyone acting/ refraining to act by placing reliance upon the information contained in this publication.