

RECENT DEVELOPMENTS UNDER GOODS AND SERVICES TAX DURING THE PANDEMIC COVID-19

Background:

In view of the pandemic COVID-19 and resultant difficulties, the Government continues to provide relief to registered taxpayers through extensions for compliance under the Goods Services Tax Act(s).

Earlier, the Central Board of Indirect Taxes and Customs (the ‘Board’) issued notifications wherein it sought to extend compliance date of issuance of orders, filing of appeals, applications among other extensions relating to statutory and compliance matters under the Central Goods of Services Tax Act, 2017 (the ‘CGST Act’)

Overview of Amendments:

In furtherance of the earlier reliefs, the Board has issued notifications providing for extension of reliefs/benefits to registered taxpayers and tax authorities. The same are detailed as under:

1. Extension of time limit for completion or compliance of any action by the registered person or tax authorities as under: (No. 55/2020-Central Tax dt. 27.06.2020)
 - (i) Tax Authorities/ Commission/ Tribunals etc.: The completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, which falls during the period 20.03.2020 to 30.08.2020 (*earlier 29.06.2020*) shall stand extended to 31.08.2020 (*earlier 30.06.2020*);
 - (ii) Registered Taxpayers: The filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other record which falls during the period 20.03.2020 to 30.08.2020 (*earlier 29.06.2020*) shall stand extended to 31.08.2020 (*earlier 30.06.2020*);

However, such extension shall not apply to the following:

- (a) Chapter IV i.e. provisions of time & supply;
- (b) sub-section (3) of section 10, sections 25, 27, 31, 37, 47, 50, 69, 90, 122, 129;
- (c) section 39, except sub-section (3), (4) and (5);
- (d) section 68, in so far as e-way bill is concerned; and
- (e) rules made under the provisions specified at clause (a) to (d) above;

2. Extension of time limit for issuing Refund Order:

The Board vide Notification No. 56/2020-Central Tax dt. 27.06.2020 extended the time limit for issuance of refund order under Section 54(7) of the CGST Act. The notification applies to such cases where notice has been issued for rejection of refund claim and the time limit for issuing final refund order is during the period 20.03.2020 to 30.08.2020 (*earlier 29.06.2020*).

In terms of the Notification, a refund order may be issued within 15 days after receipt of reply to notice from registered person or 31.08.2020 (*earlier 30.06.2020*) whichever is later.

3. Extension of time limit for filing GSTR 3B by registered taxpayers with aggregate turnover of up to Rs. 5 Cr. in previous F.Y. for the month of August, 2020 (Notification No. 54/2020-Central Tax dt. 24.06.2020):

Principal place of business	Due Date
Chhattisgarh, Madhya Pradesh, Gujarat,	On or before the 01.10.2020

Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep	
Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Assam, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi	On or before the 03.10.2020

4. Waiver of late fee for filing GSTR -1 for the months or quarters for the period March, 2020 to June 2020 provided the same are furnished by specified dates (Notification No. 53/2020-Central Tax dt. 24.06.2020):

S. No.	Month/Quarter	Dates
1.	March 2020	10.07.2020
2.	April 2020	24.07.2020
3.	May 2020	28.07.2020
4.	June 2020	05.08.2020
5.	January – March 2020	17.07.2020
6.	April – June 2020	03.08.2020

5. Relaxation in late fee for failure to furnish return in FORM GSTR-3B subject to certain conditions (Notification No. 52/2020-Central Tax dt. 24.06.2020 and Notification No. 57/2020-Central Tax dt. 30.06.2020):

i.

S. No.	Class of registered person	Tax Period	Condition
1.	Taxpayers having an aggregate turnover of more than Rs. 5 Cr. in previous F.Y.	February, 2020, March, 2020 and April, 2020	FORM GSTR-3B is furnished on or before 24.06.2020
2.	Taxpayers having an aggregate turnover of up to Rs. 5 Cr. in previous F.Y. whose principal place of business is in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep	February, 2020	FORM GSTR-3B is furnished on or before 30.06.2020
		March, 2020	FORM GSTR-3B is furnished on or before 03.07.2020
		April, 2020	FORM GSTR-3B is furnished on or before 06.07.2020
		May, 2020	FORM GSTR-3B is furnished on or before 12.09.2020
		June, 2020	FORM GSTR-3B is furnished on or before 23.09.2020
		July, 2020	FORM GSTR-3B is furnished on or before 27.09.2020

3.	Taxpayers having an aggregate turnover of up to Rs. 5 Cr. in previous F.Y. whose principal place of business is in Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi	February, 2020	FORM GSTR-3B is furnished on or before 30.06.2020
		March, 2020	FORM GSTR-3B is furnished on or before 05.07.2020
		April, 2020	FORM GSTR-3B is furnished on or before 09.07.2020
		May, 2020	FORM GSTR-3B is furnished on or before 15.09.2020
		June, 2020	FORM GSTR-3B is furnished on or before 25.09.2020
		July, 2020	FORM GSTR-3B is furnished on or before 29.09.2020

- ii. In the event that the returns are not furnished in line with the dates above, the late fee shall be capped at Rs. 500/-, provided the return is furnished by 30.09.2020. In cases where the amount of tax payable in the return is nil, the late fee shall stand waived completely, provided the return is furnished by 30.09.2020.
- iii. For taxpayers having an aggregate turnover of more than Rs. 5 Cr. in the previous F.Y., who fail to furnish FORM GSTR-3B for the months of May, 2020 to July, 2020, by the due date but furnish the return by 30.09.2020, the late fee shall be capped at Rs. 500/-. In cases where the amount of tax payable in the return is nil, the late fee shall stand waived completely, provided the return is furnished by 30.09.2020.
- iv. Total amount of late fee payable for a tax period for failure to furnish FORM GSTR - 3B for the months of July, 2017 to January, 2020, by the due date but furnished between the period from 01.07.2020 to 30.09.2020 shall be capped at an amount of Rs. 500/-. In cases where the amount of tax payable in the return for said period is nil, the late fee shall stand waived completely.
6. Reduced rate of interest on delayed filing of return FORM GSTR-3B subject to specified conditions (Notification No. 51/2020-Central Tax dt. 24.06.2020):

S. No.	Class of registered person	Tax Period	Rate of interest
1.	Taxpayers having an aggregate turnover of more than Rs. 5 Cr. in previous F.Y.	February, 2020, March, 2020 and April, 2020	Nil for first 15 days from the due date, and 9 per cent thereafter till 24.06.2020
2.	Taxpayers having an aggregate turnover of up to Rs. 5 Cr. in previous F.Y. whose principal place of business is in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands	February, 2020	Nil till the 30.06.2020, and 9 per cent thereafter till the 30.09.2020
		March, 2020	Nil till the 03.07.2020, and 9 per cent thereafter till the 30.09.2020
		April, 2020	Nil till the 06.07.2020, and 9 per cent thereafter till the 30.09.2020
		May, 2020	Nil till the 12.09.2020, and 9 per cent thereafter till the

	and Lakshadweep		30.09.2020
		June, 2020	Nil till the 23.09.2020, and 9 per cent thereafter till the 30.09.2020
		July, 2020	Nil till the 27.09.2020, and 9 per cent thereafter till the 30.09.2020
3.	Taxpayers having an aggregate turnover of up to Rs. 5 Cr. in previous F.Y. whose principal place of business is in Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi	February, 2020	Nil till the 30.06.2020, and 9 per cent thereafter till the 30.09.2020
		March, 2020	Nil till the 05.07.2020, and 9 per cent thereafter till the 30.09.2020
		April, 2020	Nil till the 09.07.2020, and 9 per cent thereafter till the 30.09.2020
		May, 2020	Nil till the 15.09.2020, and 9 per cent thereafter till the 30.09.2020
		June, 2020	Nil till the 25.09.2020, and 9 per cent thereafter till the 30.09.2020
		July, 2020	Nil till the 29.09.2020, and 9 per cent thereafter till the 30.09.2020

VA Comments:

- The aforesaid extensions provide registered taxpayers some ease of GST compliance during the pandemic.
- 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:

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