

GOODS & SERVICES TAX / IDT UPDATE – 85

Notifications and Circular issued to provide relief to taxpayers in view of spread of Novel Corona Virus (COVID-19)

Amendment in CGST Rules in order to allow opting Composition Scheme for FY 2020-21 till 30.06.2020 and to allow cumulative application of condition in rule 36(4).

The Central Government vide [Notification No. 30/2020- Central Tax dated 3rd April 2020](#) has made the following amendments as under:-

- **Extension of time limit for furnishing of the following for taxpayers opting for the Composition scheme for the financial year 2020-21 as under:-**

Sl.No.	Forms	Revised Date
(i)	Filing an intimation in FORM GST CMP-02	30.06.2020
(ii)	Furnishing the statement in FORM GST ITC-03	31.07.2020

- **Cumulative application of condition in 36(4) of CGST Rule:-** A proviso has been inserted in CGST Rules 2017 to provide that the condition as specified in Rule 36(4) ,i.e. **Capping of ITC on the basis of Form-2A ,shall not apply to input tax credit availed by the registered persons in the returns in FORM GSTR-3B for the months of February, March, April, May, June, July and August, 2020**, but that **the said condition shall apply cumulatively** for the said period and that the return in FORM GSTR-3B **for the tax period of September, 2020** shall be furnished with cumulative adjustment of input tax credit for the said months in accordance with the condition under rule 36(4).

[[Notification No. 30/2020- Central Tax dated 3rd April 2020](#)]

Conditional Waiver/Lowering of interest rate & Conditional Waiver of Late Fees for delay in furnishing of FORM GSTR-3B

The Central Government vide [Notification No. 31/2020- Central Tax dated 3rd April 2020](#) & [Notification No. 32/2020- Central Tax dated 3rd April 2020](#) has **waived/ lowered the interest payable & waived the Late Fees payable** , for the class of registered persons ,who are required to furnish the returns in **FORM GSTR-3B**, but fail to furnish the said return

along with payment of tax for the following months & **subject to conditions** as specified under:-

Sl. No.	Taxpayers having an aggregate turnover in the preceding financial year of	Rate of interest	Late Fees	Tax period	Condition :
1.	More than Rupees 5 crores	Nil for first 15 days from the due date, and 9% thereafter	NIL	February, 2020, March, 2020, April, 2020	If return in FORM GSTR-3B is furnished by 24th day of June, 2020
2.	More than Rupees 1.5 crores and up to Rupees 5 crores	Nil	NIL	February, 2020 & March, 2020	29th day of June, 2020
			NIL	April, 2020	30th day of June, 2020
3.	Up to Rupees 1.5 crores	Nil	NIL	February, 2020	30th day of June, 2020
			NIL	March, 2020	3rd day of July, 2020
			NIL	April, 2020	6th day of July, 2020.

[Notification No. 31/2020- Central Tax dated 3rd April 2020]

Conditional waiver of late fee for delay in furnishing FORM GSTR-1

The Central Government vide [Notification No. 33/2020- Central Tax dated 3rd April 2020](#) has **waived the Late Fees** payable , for the registered persons who fail to furnish the details of outward supplies in **FORM GSTR-1** by the due date for the months of **March, 2020, April, 2020 and May, 2020, and for the quarter ending 31st March, 2020** , but furnishes the said details in **FORM GSTR-1, on or before the 30th day of June, 2020.**

[Notification No. 33/2020- Central Tax dated 3rd April 2020]

Extension of due date of furnishing FORM GST CMP-08 and filing FORM GSTR-4

The Central Government vide [Notification No. 34/2020- Central Tax dated 3rd April 2020](#) has extended the due dates of furnishing the following forms by taxpayers registered under the **Composition scheme** as under:-

Sl.No.	Forms	For the Period	Revised Due Date
1.	FORM GST CMP 08	Quarter ending 31st March, 2020	7 th July,2020
2.	FORM GSTR-4	Financial year 31st March, 2020	15 th July, 2020

[Notification No. 34/2020- Central Tax dated 3rd April 2020]

Extension of due date of compliances & extension of validity of E-way bills.

In view of the spread of pandemic COVID-19 across many countries of the world including India, the Central Government vide [Notification No. 35/2020- Central Tax dated 3rd April 2020](#) has extended the time limit of the following:-

➤ **Extension of Time limit of various Compliances:-** where, 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 during the period from the **20th day of March, 2020 to the 29th day of June, 2020**, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, **shall be extended upto the 30th day of June, 2020**, including for the purposes of—

(a) 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 Acts stated above; or

(b) filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other record, by whatever name called, under the provisions of the Acts stated above;

but, such extension of time shall not be applicable for the compliances of the provisions of the said Act, as mentioned below –

(a) Chapter IV;

(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;

- **Extension of Validity of E-Way Bill:-** where an e-way bill has been generated under rule 138 of the Central Goods and Services Tax Rules, 2017 and its period of validity expires during the period **20th day of March, 2020 to 15th day of April, 2020**, the validity period of such e-way bill shall be deemed to have been **extended till the 30th day of April, 2020**.

[Notification No. 35/2020- Central Tax dated 3rd April 2020]

Extension of Due date for furnishing FORM GSTR-3B for the month of May, 2020.

The Central Government vide [Notification No.36/2020- Central Tax dated 3rd April 2020](#) has **extended the due date** for filing of return in **Form GSTR-3B** in a staggered manner for the **month of May, 2020** as under:-

<u>Class of Taxpayers</u>	<u>Revised Due Date</u>
Registered person having an aggregate turnover above Rupees 5 Crore in the previous financial year,	27th June,2020
Registered person having an aggregate turnover of up to Rupees Five Crore in the previous financial year, whose principal place of business is in the States of :- Chhattisgarh, Madhya Pradesh, Gujarat, 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	12th July,2020
Registered person having an aggregate turnover of up to Rupees Five Crore in the previous financial year, whose principal place of business is in the States of :- 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 or Delhi.	14th July,2020

[Notification No.36/2020- Central Tax dated 3rd April 2020]

Clarification in respect of various measures announced by the Government for providing relief to the taxpayers in view of spread of Novel Corona Virus (COVID-19)

The Central Board of Indirect Taxes & Customs vide [Circular No.136/06/2020-GST,dated 3rd April, 2020](#) has issued clarification in respect of various issues relating to notifications issued by the Government for providing relief to the taxpayers in view of spread of Novel Corona Virus (COVID-19) .A summary of the same is reproduced below:-

S. No.	Issue	Clarification
1.	What are the measures that have been specifically taken for taxpayers, who have opted to pay tax under section 10 the CGST Act or those availing the option to pay tax under the notification No. 02/2019-Central Tax (Rate), dated the 7th March, 2019?	<p>1. The said class of taxpayers, as per the notification No. 34/2020-Central Tax, dated 03.04.2020, have been allowed, to,-</p> <p>(i) furnish the statement of details of payment of self assessed tax in FORM GST CMP-08 for the <u>quarter January to March, 2020</u> by 07.07.2020; and</p> <p>(ii) furnish the return in FORM GSTR-4 for the <u>financial year 2019-20</u> by 15.07.2020.</p> <p>2. In addition to the above, taxpayers opting for the composition scheme <u>for the financial year 2020-21</u>, have been allowed, as per the notification No. 30/2020-Central Tax, dated 03.04.2020, to,-</p> <p>(i) file an intimation in FORM GST CMP-02 by 30.06.2020; and</p> <p>(ii) furnish the statement in FORM GST ITC-03 till 31.07.2020.</p>
2.	Whether due date of furnishing FORM GSTR-3B for the months of February, March and April, 2020 has been extended ?	<p>1. The due dates for furnishing FORM GSTR-3B for the months of February, March and April, 2020 <u>has not been extended</u> through any of the notifications.</p> <p>2. However, as per notification No. 31/2020-Central Tax, dated 03.04.2020, NIL rate of interest for first 15 days after the due date of filing return in FORM GSTR-3B and <u>reduced rate of interest @ 9% thereafter has been notified</u> for those registered persons whose aggregate turnover in the preceding financial year is above Rs. 5 Crore. For those registered persons having turnover up to Rs. 5 Crore in the preceding financial year, <u>NIL rate of interest has also been</u></p>

		<p><u>notified.</u></p> <p>3. Further, vide notification as per the notification No. 32/2020-Central Tax, dated 03.04.2020, Government has waived the late fees for delay in furnishing the return in FORM GSTR-3B for the months of February, March and April, 2020.</p> <p>4. The lower rate of interest and waiver of late fee would be available only if due tax is paid by filing return in FORM GSTR-3B by the date(s) as specified in the Notification.</p>										
3.	<p>What are the conditions attached for availing the reduced rate of interest for the months of February, March and April, 2020, for a registered person whose aggregate turnover in the preceding financial year is above Rs. 5 Crore?</p>	<p>1. As clarified at sl.no. (2) above, the due date for furnishing the return remains unchanged; i.e. 20th day of the month succeeding such month. The rate of interest has been notified as Nil for first 15 days from the due date, and 9 per cent per annum thereafter, for the said months.</p> <p>2. The reduced rate of interest is subject to the condition that the registered person must furnish the returns in FORM GSTR-3B on or before 24th day of June, 2020.</p> <p>3. In case the returns in FORM GSTR-3B for the said months are not furnished on or before 24th day of 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.</p>										
4.	<p>How to calculate the interest for late payment of tax for the months of February, March and April, 2020 for a registered person whose aggregate turnover in preceding financial year is above Rs. 5 Crore?</p>	<p>1. As explained above, the rate of interest has been notified as Nil for first 15 days from the due date, and 9 per cent per annum thereafter, for the said months. The same can be explained through an illustration.</p> <p><i>Illustration:</i> - Calculation of interest for delayed filing of return for the month of March, 2020 (due date of filing being 20.04.2020) may be illustrated as per the below Table:</p> <table border="1" data-bbox="735 1706 1329 1998"> <thead> <tr> <th>S. No.</th> <th>Date of filing GSTR-3B</th> <th>No. of days of delay</th> <th>Whether condition for reduced interest is fulfilled?</th> <th>Interest</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	S. No.	Date of filing GSTR-3B	No. of days of delay	Whether condition for reduced interest is fulfilled?	Interest					
S. No.	Date of filing GSTR-3B	No. of days of delay	Whether condition for reduced interest is fulfilled?	Interest								

		1	02.05.2020	11	Yes	Zero interest
		2	20.05.2020	30	Yes	Zero interest for 15 days + interest rate @9% p.a. for 15 days
		3	20.06.2020	61	Yes	Zero interest for 15 days + interest rate @9% p.a. for 46 days
		4	24.06.2020	65	Yes	Zero interest for 15 days + interest rate @9% p.a. for 50 days
		5	30.06.2020	71	NO	Interest rate @18% p.a. for 71 days (i.e. no benefit of reduced interest)

5.	<p>What are the conditions attached for availing the NIL rate of interest for the months of February, March and April, 2020, for a registered person whose aggregate turnover in preceding financial year is up to Rs. 5 Crore?</p>	<p>1. As clarified at sl.no. (2) above, the due date for furnishing the return remains unchanged. The rate of interest has been notified as Nil for the said months.</p> <p>2. The conditions for availing the NIL rate of interest is that the registered person must furnish the returns in FORM GSTR-3B on or before the date as mentioned in the notification No. 31/2020-Central Tax, dated 03.04.2020.</p> <p>3. In case the return for the said months are not furnished on or before the date mentioned in the notification then interest at 18% per annum shall be charged from the due date of return, till the date on which the return is filed as explained in the illustration at sl.no (4) above, against entry 5. In addition, regular late fee shall also be leviable for such delay along with liability for penalty.</p>
6.	<p>Whether the due date of furnishing the statement of outward supplies in FORM GSTR-1 under section 37 has been extended for the months of February, March and April 2020?</p>	<p>Under the provisions of section 128 of the CGST Act, in terms of notification No. 33/2020-Central Tax, dated 03.04.2020, late fee leviable under section 47 has been waived for delay in furnishing the statement of outward supplies in FORM GSTR-1 under Section 37, for the tax periods March, 2020, April 2020, May, 2020 and quarter ending 31st March 2020 if the same are furnished on or before the 30th day of June, 2020.</p>
7.	<p>Whether restriction under rule 36(4) of the CGST Rules would apply during the lockdown period?</p>	<p>Vide notification No. 30/2020-Central Tax, dated 03.04.2020, a proviso has been inserted in CGST Rules 2017 to provide that the said condition shall not apply to input tax credit availed by the registered persons in the returns in FORM GSTR-3B for the months of February, March, April, May, June, July and August, 2020, but that the said condition shall apply cumulatively for the said period and that the return in FORM GSTR-3B for the tax period of September, 2020 shall be furnished with cumulative adjustment of input tax credit for the said months in accordance with the condition under rule 36(4).</p>
8.	<p>What will be the status of e-way bills which have</p>	<p>In terms of notification No. 35/2020-Central Tax, dated 03.04.2020, Issued under the provisions of</p>

	expired during the lockdown period?	168A of the CGST Act, where the validity of an e-way bill generated under rule 138 of the CGST Rules expires during the period 20th day of March, 2020 to 15th day of April, 2020 , the validity period of such e-way bill has been extended till the 30th day of April, 2020 .
9.	What are the measures that have been specifically taken for taxpayers who are required to deduct tax at source under section 51, Input Service Distributors and Non-resident Taxable persons?	Under the provisions of section 168A of the CGST Act, in terms of notification No. 35/2020-Central Tax , dated 03.04.2020, the said class of taxpayers have been allowed to furnish the respective returns specified in sub-sections (3), (4) and (5) of section 39 of the said Act, for the months of March, 2020 to May, 2020 on or before the 30th day of June, 2020.
10.	What are the measures that have been specifically taken for taxpayers who are required to collect tax at source under section 52?	Under the provisions of section 168A of the CGST Act, in terms of notification No. 35/2020-Central Tax , dated 03.04.2020, the said class of taxpayers have been allowed to furnish the statement specified in section 52, for the months of March, 2020 to May, 2020 on or before the 30th day of June, 2020.
11.	The time limit for compliance of some of the provisions of the CGST Act is falling during the lockdown period announced by the Government. What should the taxpayer do?	Vide notification No. 35/2020-Central Tax , dated 03.04.2020, issued under the provisions of 168A of the CGST Act, except for few provisions covered in exclusion clause, any time limit for completion or compliance of any action which falls during the period from the 20th day of March, 2020 to the 29th day of June, 2020, and where completion or compliance of such action has not been made within such time, has been extended to 30th day of June, 2020.

[Circular No.136/06/2020-GST,dated 3rd April, 2020]

Customs

Measure to facilitate trade during the lockdown period- section 143AA of the Customs Act, 1962

The Central Board of Indirect Taxes & Customs vide [Circular No.17/2020-Customs,dated 3rd April, 2020](#) , in light of the unprecedented situation caused due to COVID-19 pandemic, has decided to take certain measures for a temporary period in terms of section 143AA of the Customs Act, 1962 with a view to expedite Customs clearance of goods and for maintaining balance between Customs control and facilitation of legitimate trade & **has approved relaxation of the requirement to submit bonds** prescribed under section 18, section 59 and section 143, and under notifications issued in terms of section 25 of the Customs Act, 1962, **subject to compliance of conditions as listed below:-**

- While the above-referred lockdown is presently in force till 14.04.2020, considering that the importer/ exporter may find it difficult to comply with requirement of furnishing bond for some more time thereafter till the situation normalizes, the said relaxation shall be available up to 30.04.2020. This relaxation shall however be subject to review by the Board at the end of the lockdown period i.e. 14.04.2020.
- In the period up to 30.04.2020, Customs field formations may accept request for submission of an undertaking from the importer/exporter in lieu of a bond prescribed under the above-mentioned provisions. **This relaxation will apply to the following categories of the importers/exporters:**
 - a. Government/Public Sector Undertakings (Central/State/UT Govts. or Administrations and their undertakings)**
 - b. Manufacturer/Actual User importer**
 - c. Authorised Economic Operators**
 - d. Status holder**
 - e. All importers availing warehouse facility in terms of section 59 of the Customs Act, 1962**
- Each such relaxation, where requested, should comply with the following conditions:
 - i. The content of the undertaking should, to the extent possible, be same as the content of the prescribed bond.
 - ii. The undertaking should be duly signed by the IEC holder concerned on their business letter head and submitted by the registered email ID of the IEC holder or their authorised Customs Broker.
 - iii. The undertaking should include a commitment from the IEC holder to submit the proper bond in prescribed format on notarised stamp paper etc. on or before 07.05.2020.
 - iv. The undertaking will not be treated as a substitute for security, wherever mandated.
 - v. The security, where required, shall be furnished in the nature and manner as deemed fit by the proper officer. Board's instructions issued from time to time regarding such security in specific cases should be kept in view in this regard.
 - vi. In case of warehoused goods, any subsequent movement of goods to

another warehouse under section 67 of the Customs Act, 1962, shall be allowed only to manufacturer/actual user importer or AEO or Status holders. For requests related to change of ownership after warehousing, the facility shall be considered only in cases where the prospective buyer is either manufacturer/actual user importer or AEO or Status holder.

- Such relaxation from submitting a bond may also be considered on case to case basis for any other importer and exporter who requests for the same, with such additional safeguards over and above those listed in this Circular, as deemed fit by the jurisdictional Commissioner to safeguard revenue and ensure compliance of the statutory provisions.
- Importers /Exporters availing this facility shall ensure that the undertaking furnished in lieu of bond is duly replaced with a proper bond before the stipulated period i.e. 07.05.2020. Customs field formations shall maintain a record of all cases of relaxation allowed by them.

[Circular No.17/2020-Customs,dated 3rd April, 2020]

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