

Significant Notifications and Circulars issued in GST and Customs between 16th May, 2021 to 15th June, 2021

GST

Notifications

1. Amendments in CGST Rules, 2017

CBIC has amended various CGST Rules, 2017 vide [*Notification No. 15/2021 Central Tax, dated 18th May, 2021*](#) and [*Notification No. 27/2021- Central Tax dated, 1st June 2021*](#) as under:

a) Rule 23-Revocation of cancellation of registration:

The amendment in section 30 made vide the Finance Act, 2021 has been made effective from 01.01.2021. The amended provision provides for extension of time limit for applying for revocation of cancellation of registration on sufficient cause being shown and for reasons to be recorded in writing. Consequential amendment has been made in rule 23(1) to provide that the time period of 30 days available for submission of an application for revocation of cancellation of registration in Form GST REG-21 can be extended by the Additional Commissioner or the Joint Commissioner or the Commissioner, as the case may be, in exercise of the powers provided under the proviso to sub-section (1) of section 30 of the CGST Act, 2017.

Till the time an independent functionality for extension of time limit for applying in Form GST REG-21 is developed on the GSTN portal, [*Circular No. 148/04/2021 GST dated 18th May, 2021*](#) has been issued to prescribe the SOP for implementation of the provisions of above rule across the field formations.

b) Rule 90-Acknowledgement of refund application:

• Insertion of proviso in sub-rule (3)

The time period of 2 years for filing a fresh refund application after rectification of deficiencies as communicated by proper officer shall now be computed after excluding the time period between the date of filing of the refund claim in Form GST RFD-01 and the date of communication of the deficiencies in Form GST RFD-03 by the proper officer.

• Insertion of new sub-rules (5) and (6)

The applicants are now allowed to withdraw refund application in Form GST RFD-01W at any time before issuance of provisional refund order or final refund order or payment order or refund withhold order or notice, in respect of any refund application filed in Form GST RFD-01. The new Form RFD-01W has been inserted in Part B of the CGST Rules, 2017.

On such withdrawal, amount debited by the applicant from electronic credit ledger or electronic cash ledger, as the case may be, while filing application for refund in Form GST RFD-01, shall be credited back to the ledger from which such debit was made.

c) Rule 92-Order sanctioning refund

• Omission of proviso in sub-rule (1)

The proviso requiring the issue of order giving details of the adjustment in Part A of Form GST RFD-07 when the amount of refund is completely adjusted against any outstanding demand, has been omitted.

- **Substitution of words “Part B” in sub-rule (2) with “Part A”**

The proper officer or the commissioner will now pass the order in Part A of Form GST RFD 07 instead of Part B for withholding the refund in case he is of the opinion that the amount of refund is liable to be withheld under the provisions of section 54(10) or as the case may be, section 54(11).

- **Insertion of proviso in sub-rule (2)**

The proper officer or the commissioner, on being satisfied that the refund is no longer liable to be withheld, may pass an order for release of withheld refund in Part B of Form GST RFD- 07.

d) Rule 96- Refund of IGST paid on goods (or services) exported out of India

- **Substitution of words “Part B” with “Part A” in sub-rule (6)**

The proper officer shall now pass the order in Part A of Form GST RFD-07 instead of earlier Part B upon transmission of the intimation for withholding refund.

- **Amendment in sub-rule (7)**

The jurisdictional officer shall now proceed to release the withheld refund amount in Form GST RFD 06 after passing an order for release of withheld refund in Part B of Form GST RFD-07. Form GST RFD-07 has been amended accordingly.

e) Rule 138E - Restriction on furnishing of information in Part A of Form GST EWB-01

Rule 138E restricts a person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) from furnishing information in Part A of Form GST EWB-01 *“in respect of a registered person, whether as a supplier or a recipient”* in certain specified cases. The rule has been amended to specify that the information in Part A of Form GST EWB-01 cannot be furnished by a person *“in respect of any outward movement of goods of a registered person”* in the specified cases.

The amendments from (a) to (e) have been made vide [Notification No. 15/2021 Central Tax, dated 18th May, 2021](#)

f) Amendment in rule 26

Companies have been permitted to furnish the return under section 39 in Form GSTR-3B and the details of outward supplies under section 37 in Form GSTR-1 or using invoice furnishing facility (IFF), verified through electronic verification code (EVC) instead of DSC during the period 27th April, 2021 to 31st August, 2021.

g) Amendment in rule 36(4)

The restriction of availing 105% of eligible ITC (i.e., ITC reflecting in GSTR-2A) shall apply cumulatively for the period April, May and June, 2021 while taking credit in Form GSTR-3B for the tax period of June, 2021.

h) Amendment in rule 59(2)

A registered person under QRMP scheme may furnish details of outward supplies for the month of May, 2021 using IFF from 1st June, 2021 till 28th June, 2021.

The amendments from (f) to (h) have been made vide [Notification No. 27/2021-Central Tax dated, 1st June 2021](#)

2. Retrospective amendment in section 50 of the CGST Act, 2017 providing for interest on net tax dues notified from 1st June, 2021

A proviso was inserted in section 50(1) of the CGST Act, 2017 vide the Finance Act, 2021 to lay down that interest shall be payable on net tax dues (i.e., after adjusting the available ITC) where such tax dues are declared in the returns filed after the due date (except where the returns are filed after the commencement of proceedings under sections 73 or 74 of the CGST Act, 2017). Such proviso has been added with retrospective effect from 1st July, 2017. Now [Notification No. 16/2021 – Central Tax, dated 1st June, 2021](#) has been issued to appoint 1st June, 2021 as the date from which such amendment shall come into force.

3. Extension of due date for filing of GSTR-1

[Notification No. 83/2020-Central Tax, dated 10th November, 2020](#) has been amended vide [Notification No. 17/2021- Central Tax, dated 1st June, 2021](#) to extend the time limit for furnishing the details of outward supplies in Form GSTR-1 for the month of May, 2021 from June 11, 2021 to June 26, 2021.

4. Lowering of interest rates for delayed payment of tax

The Central Government vide [Notification No. 18/2021-Central Tax dated 1st June, 2021](#) has reduced the rate of interest for delayed payment of CGST (u/s 50 of the CGST Act, 2017) for the **month of May, 2021** as under:

Class of registered persons	Rate of interest
Taxpayers whose aggregate turnover in the preceding FY > Rs. 5 crores	9% for the first 15 days from the due date and 18% thereafter
Taxpayers whose aggregate turnover in the preceding FY ≤ Rs. 5 crores [Both taxpayers filing monthly returns and taxpayers filing quarterly returns under QRMP scheme]	Nil for the first 15 days from the due date, 9% for the next 15 days, and 18% thereafter

The above amendment shall be deemed to be effective from 18th May, 2021.

Interest rate for delayed payment of IGST has also been lowered parallelly vide [Notification No. 2/2021 – Integrated Tax dated 1st June, 2021](#).

5. Waiver of late fees on delayed filing of GSTR-3B

[Notification No. 76/2018-Central Tax dated 31st December, 2018](#) has been further amended vide [Notification No. 19/2021- Central Tax dated 1st June, 2021](#) to waive off late fees payable on belated furnishing of GSTR-3B for the months of March 2021, April 2021, May, 2021 and for the quarter January-March 2021 as under:

Class of registered persons	Applicable tax period	Period for which late fee waived
Taxpayers whose aggregate turnover in the preceding FY > Rs. 5 crores	May, 2021	15 days from the due date of furnishing return
Taxpayers whose aggregate turnover in the preceding FY \leq Rs. 5 crores and who have opted to file monthly returns	March, 2021	60 days from the due date of furnishing return
	April, 2021	45 days from the due date of furnishing return
	May, 2021	30 days from the due date of furnishing return
Taxpayers whose aggregate turnover in the preceding FY \leq Rs. 5 crores and who have opted to file quarterly returns	January – March, 2021	60 days from the due date of furnishing return

The above amendment shall be deemed to be effective from 20th May, 2021.

6. Amnesty Scheme regarding late fee for pending Forms GSTR-3B

An amnesty scheme has been introduced vide [Notification No. 19/2021– Central Tax dated 1st June, 2021](#) by way of capping the late fees for non-furnishing of Form GSTR-3B for the tax periods from July 2017 to April 2021 as under:

Taxpayer	Maximum late fees
Nil liability	Rs 250/- (plus Rs. 250/- for SGST)
Other than Nil liability	Rs 500/- (plus Rs. 500/- for SGST)

The reduced rate of the late fee would apply if GSTR-3B returns for these tax periods are furnished between 01.06.2021 to 31.08.2021.

7. Reduction in late fee in case of delayed filing of Form GSTR-3B

The CBIC has issued [Notification No. 19/2021 – Central Tax dated 1st June, 2021](#) to reduce the late fee payable on delay in furnishing of Form GSTR-3B for June, 2021 onwards or quarterly returns from the quarter ending June, 2021 onwards as below:

(i) For taxpayers having nil tax liability in GSTR-3B, the late fee shall be capped at Rs 250 (plus Rs. 250 for SGST)

(ii) For other taxpayers:

Annual aggregate turnover in previous year	Maximum late fee
Upto Rs. 1.5 Crore	Rs. 1,000 (plus Rs. 1,000 for SGST)

Rs. 1.5 Crore to Rs. 5 Crore	Rs. 2,500 (plus Rs. 2,500 for SGST)
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8. Reduction in late fee in case of delayed filing of Form GSTR-1

The CBIC vide [Notification No. 20/2021-Central Tax, dated 1st June, 2021](#) has amended *Notification No. 4/2018- Central Tax, dated the 23rd January, 2018* to reduce the late fee payable on delay in furnishing of Form GSTR-1 for the tax period June, 2021 onwards or quarter ending June, 2021 onwards as under:

S. No.	Class of registered persons	Maximum late fee
1.	Registered persons who have Nil outward supplies in the tax period	Rs. 250 (plus Rs. 250/- for SGST)
2.	Registered persons having an aggregate turnover of up to Rs. 1.5 crores in the preceding financial year, other than those covered under S. No. 1.	Rs. 1,000 (plus Rs. 1000/- for SGST)
3.	Registered persons having an aggregate turnover of more than Rs. 1.5 crores and up to Rs. 5 crores in the preceding financial year, other than those covered under S. No. 1.	Rs. 2,500 (plus Rs. 2,500/- for SGST)

9. Reduction in late fee in case of delayed filing of Form GSTR-4 (Annual Return filed by Composition taxpayers)

Notification No. 73/2017-Central Tax dated 29th December, 2017 has further been amended vide [Notification No. 21/2021- Central Tax dated 1st June, 2021](#) to reduce the late fees for delay in furnishing of Form GSTR-4 for financial year 2021-22 onwards as under:

Composition taxpayer	Maximum late fees
Having Nil liability	Rs 250/- (plus Rs. 250/- for SGST)
Other than Nil liability	Rs 1,000/- (plus Rs. 1,000/- for SGST)

10. Reduction in late fees in case of delayed filing of Form GSTR-7

The CBIC vide [Notification No. 22/2021- Central Tax dated 1st June, 2021](#) has reduced the amount of late fees payable on delay in furnishing the return in Form GSTR-7 (TDS return) for the month of June, 2021 onwards, to Rs 25 (plus Rs 25/- for SGST) subject to maximum of Rs 1000 (plus Rs. 1000/- for SGST).

11. No e-invoicing for Government department & local authority

Notification No. 13/2020-Central Tax, dated 1st June, 2020 has been amended vide [*Notification No. 23/2021- Central Tax, dated 1st June, 2021*](#) to exempt Government department and local authority from the requirement of issuing e-invoice.

12. Due date of filing Form GSTR 4 extended upto 31st July, 2021

The due date of filing of Form GSTR 4 for the financial year 2020-21 has been extended up to 31st July, 2021 vide [*Notification No. 25/2021 – Central Tax, dated 1st June, 2021*](#). This amendment shall be deemed to have come into force with effect from 31st May, 2021.

13. Extension of due date for furnishing declaration in Form GST ITC-04

Notification No. 11/2021- Central Tax, dated 1st May, 2021 has been amended vide [*Notification No. 26/2021- Central Tax, dated 1st June, 2021*](#) to extend the time period for furnishing the declaration in Form GST ITC-04 (Job work movements) for the period January 2021 to March, 2021, up to 30th June, 2021. This amendment shall be deemed to have come into force with effect from 31st May, 2021.

14. Extension granted for specified compliances falling due between 15.04.2021 to 29.06.2021 till 30.06.2021

Notification No. 14/2021- Central Tax, dated 1st May, 2021 has been amended vide [*Notification No. 24/2021- Central Tax, dated 1st June, 2021*](#) to extend the time limit for completion or compliance of any action, by any authority or by any person which falls due during the period from the 15th April, 2021 to 29th June, 2021, up to 30th June, 2021 subject to some exceptions specified in the notification.

Detailed notification can be accessed at: <https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-24-central-tax-english-2021.pdf>

15. Place of supply of B2B supply of maintenance, repair & overhaul services in respect of ships/vessels notified

The CBIC vide [*Notification No. 03/2021-Integrated Tax dated June 02, 2021*](#) has amended *Notification No. 04/2019- Integrated tax dated September 30, 2019* to notify place of supply for the following service under section 13(13) of the IGST Act, 2017:

Description of services or circumstances	Place of Supply
Supply of maintenance, repair or overhaul service in respect of ships and other vessels, their engines and other components or other components or parts supplied to a person for use in the course or furtherance of business	The place of supply of services shall be the location of the recipient of service.

16. Time of payment of tax for a builder promoter in case of a joint development agreement (JDA)

The CBIC vide [*Notification No. 03/2021- Central Tax \(Rate\), dated 2nd June, 2021*](#) has amended *Notification No.06/2019- Central Tax (Rate), dated the 29th March, 2019* to make the following amendments in the said notification:

- (i) for the words “in whose case the liability to”, the words “, who shall” shall be substituted;
- (ii) for the words “shall arise on the date of issuance of completion certificate for the project, where required, by the competent authority or on its first occupation, whichever

is earlier”, the words “in a tax period not later than the tax period in which the date of issuance of the completion certificate for the project, where required, by the competent authority, or the date of its first occupation, whichever is earlier, falls” shall be substituted.

Parallel amendment has been made for IGST vide [Notification No. 03/2021- Integrated Tax \(Rate\), dated 2nd June, 2021](#)

As per GST Council recommendation, the above amendment will allow the developer promotor to pay GST relating to such apartments any time before or at the time of issuance of completion certificate.

Circular/Guidelines

1. Guidelines regarding cancellation of registration

The CBIC has issued guidelines for its officers with regard to cancellation of registration under rule 22(3) of the CGST Rules, 2017. It has been instructed that since the legal provision stipulates passing of order in respect of the application of cancellation of registration within 30 days of the date of the application and cancellation of registration has no effect on the liability of the taxpayer for any acts of commission/omission committed before or after the date of cancellation, the proper officer should act as per prescribed legal process within the stipulated time in order to avoid any delay. Hence, all the Principal Chief Commissioners / Chief Commissioners of Central Tax have been requested to suitably instruct all the officers under their jurisdiction to scrupulously follow the due process as envisaged in the law in time bound manner and issue the requisite order in respect of all such applications within a period of 30 days from the date of the application.

[\[CBEC-20/16/34/2019-GST/802 dated May 24, 2021\]](#)

CUSTOMS

Notifications

1. Exemption from custom duty and IGST on imports of specified COVID-19 related relief materials and other related changes

The exemption from basic customs duty and health cess granted vide *Notification No. 28/2021-Customs dated 24.04.21* on import of oxygen, oxygen related equipment and COVID-19 vaccines, has been extended up to 31st August, 2021. Further, exemption has also been granted on import of Amphotericin B up to 31st August, 2021.

[Notification No. 31/2021-Customs dated 31st May, 2021]

Further, the exemption from IGST granted vide *Ad hoc Exemption Order No. 4/2021-Customs dated 3rd May, 2021* on specified COVID-19 relief material imported free of cost by a State Government or any entity/relief agency/statutory body authorised in this regard by any State Government for free distribution, has been extended up to 31st August, 2021.

[Ad hoc Exemption Order No. 5/2021-Customs dated 31st May, 2021]

IGST has been exempted on import of specified COVID-19 relief material donated to the Central Government or State Government or, on recommendation of State authority, to any relief agency, entity or statutory body for free distribution, up to 31st August, 2021.

Such exemption shall also apply to goods which are already imported but lying uncleared on the date of issuance of this exemption notification.

[\[Notification No. 32/2021-Customs dated 31-05-2021\]](#)

Notification No. 30/2021- Customs, dated 1st May, 2021 which provided for the reduction of rate of IGST on import of oxygen concentrator for personal use from 28% to 12%, has been rescinded.

[Notification No. 33/2021-Customs date 14th May, 2021]