

**LATEST UPDATES ON GST
AND
NEW RETURNS**

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TOPICS TO BE COVERED

1 **RULE 36(4): RECENT CHANGES**

2 **E-WAY BILL BLOCKING**

3 **CANCELLATION OF
REGISTRATION: ITC BLOCKED**

4 **GSTR-1: NON FILING
IMPLICATION**

5 **CLARIFICATION ON JOB-WORK**

6 **OPTIONAL GSTR-9 (MAJOR
CHANGES IN GSTR-9 & 9C)**

7 **NEW INVOICING SYSTEM**

8 **NEW RETURNS SYSTEM**


GSTR-3B due date for Nov-19 extended to 23-Dec-19

INPUT TAX CREDIT



**BLOCKING OF INPUT TAX CREDIT
NOT SHOWING IN GSTR-2A**

TAX DEPARTMENT



WE WANT MORE MONEY.

NEW RESTRICTION IN CLAIMING ITC

RULE 36(4) DOCUMENTARY REQUIREMENTS AND CONDITIONS TO CLAIM ITC

- **Input tax credit by a registered person**
- **In respect of invoices and debit notes**
- **The details of which have not been uploaded by supplier in GSTR-1**
- **Shall not exceed 20% of eligible credit available in respect of invoices and debit notes details of which have been uploaded by supplier in GSTR-1**

Clarification regarding restriction in availment of ITC

- 1. Rule 36(4) not applicable on-**
 - RCM credits**
 - ISD credits**
 - IGST paid on imports**
- 2. 20% condition applies on consolidated eligible ITC**
- 3. Cut-off date to see 2A is due date of filing GSTR-1**

Clarification regarding restriction in availment of ITC

- 4. Taxpayer may avail full ITC in respect of a tax period, as and when the invoices are uploaded by the suppliers to the extent Eligible ITC/ 1.2**

Clarification regarding restriction in availment of ITC

Example-

A taxpayer "R" receives 100 invoices (for inward supply of goods or services) involving ITC of Rs. 10 lakhs, from various suppliers during the month of Oct, 2019 and has to claim ITC in his FORM GSTR-3B of October, to be filed by 20th Nov, 2019

Case-1

Suppliers have furnished in GSTR-1, 80 invoices involving ITC of Rs. 6 lakhs as on the due date of furnishing of details of outward supplies by the suppliers

Clarification regarding restriction in availment of ITC

Eligible ITC to be taken in GSTR-3B to be filed by 20th Nov:

Rs. 6,00,000 (i.e. amount of eligible ITC available, as per details uploaded by suppliers) + Rs.1,20,000 (i.e. 20% of amount of eligible ITC, as per details uploaded by the suppliers) = Rs. 7,20,000/-

DECISIONS OF 38TH GST COUNCIL MEETING

Input tax credit to the recipient in respect of invoices or debit notes that are not reflected in his FORM GSTR-2A shall be restricted to 10 per cent of the eligible credit available in respect of invoices or debit notes reflected in his FORM GSTR-2A.

CONSEQUENCES OF NOT FOLLOWING RULE 36(4)

- **Interest**
- **Penalty**
- **Prosecution**

As if you have wrongly claimed input tax credit intentionally

TAKE ITC ONLY ON THOSE INVOICES WHICH ARE REFLECTED IN GSTR-2A

DON'T TAKE 20% CREDIT TO AVOID TEDIOUS CALCULATIONS



BLOCKING OF E-WAY BILL



Q. What is blocking of E-waybill (EWB) generation facility.

E-WAY BILL FAQ-CBEC



Ans. Blocking of e-waybill generation facility means disabling taxpayer from generating E way bill, in case of non-filing of 2 or more consecutive GSTR 3B Return on GST Portal, by such taxpayer (refer Rule 138E of CGST/SGST Rules,2017). The GSTINs of such blocked taxpayers cannot be used to generate the e-way bills either as Consignor or Consignee.



Q. What is unblocking of E-waybill (EWB) generation facility?



Ans. Unblocking of e-waybill generation facility means restoring the facility of generation of E Way Bill, in respect of such taxpayers GSTIN (as Consignor or Consignee) in the event of filing of the return for the default period(s), thereby reducing the default period to less than 2 consecutive tax periods.

Also, the unblocking can be done by the jurisdictional officer online on the GST portal, upon considering the manual representation received from such taxpayer.



Q. What type of Returns not filed are considered for blocking/unblocking of EWB generation facility?



Q. Whether recipient can generate E Way Bill of blocked GSTINs, indicating them as supplier and vice versa?



Q. Can transporter generate e-way bill in respect of Blocked GSTIN, either as supplier or as recipient?



Q. How does blocking take place in the e-waybill system?



Q. How does unblocking take place in e-waybill system?

E-WAY BILL FAQ-CBEC



Ans. In case of filing of GSTR 3B returns by taxpayers, resulting in reduction of their return filing default period of less than two tax periods, their return filing status will be updated on E Way Bill Portal, and their GSTIN will be unblocked for E Way Bill generation facility, next Day.

The Unblocking can be done by the jurisdictional officer online on the GST Portal, upon considering the manual representation received from such taxpayer.



Q. How much time does it take to update status on E-Way Bill Portal, for generation of E-Way Bill, after return is filed on GST Portal?



Ans. Once the Return is filed on GST Portal, the blocking status is removed by the system, next day.



Q. In spite of filing latest Returns, I have been blocked from e-waybill generation. What can I do?

E-WAY BILL FAQ-CBEC



Ans. : If the tax payer wants to generate the e-way bills immediately, after filing the GSTR 3B Returns (on GST Portal), then they can login to the e-way bill portal and select the option ‘Search Update Block Status’ and then enter his/her GSTIN and see the status.

If the GSTIN is still shown as blocked, then they can use update option to get the latest filing status from the GST Common Portal.

E-WAY BILL FAQ-CBEC



If their return filing default period is less than two, their return filing status will be communicated by GST System to E Way Bill Portal, and such blocked taxpayers GSTIN will be unblocked and their E Way Bill generation facility will be restored on EWB Portal.

Taxpayers may contact the GST helpdesk and raise a grievance, if issue is not resolved.

E-WAY BILL FAQ-CBEC



ewaybillgst.gov.in/Others/GstnIsBlock.aspx

ewaybillgst.gov.in says
The status of this GSTIN has been changed to UNBLOCK as per GST Common Portal. Now, e-way bills can be generated for this GSTIN.

OK

Enter Value Shown on the Image

C6NYB

KJ3AL

Go

GSTIN	Trade Name	GSTIN Status	Blocked Status
[REDACTED]	PIYUSH MALHOTRA	Active	Not blocked



Q. What happens to the already generated e-way bills, on which goods are in transit (ie EWB pertaining to the blocked GSTINs)?



Q. Can one update the vehicle and transporter details and extend the e-way bills, if required, for the e-way bills belonging to the blocked GSTINs?



Q. What is the effect of blocking/unblocking on the transporters?



Cancellation of registration

Cancellation of Registration [S.29]

S.29(2)

CANCELLATION OF REGISTRATION

- **The proper officer may cancel registration of taxable person from such date, including any retrospective date where –**
 - a) Registered person has **contravened** any provisions of the Act or the rules made there under [R.14], or**
 - b) A **composition taxpayer** who has not furnished returns for **3 consecutive tax periods**; or**

Cancellation of Registration [S.29]

S.29(2)

CANCELLATION OF REGISTRATION

- c) Any taxable person (other than composition taxpayer) has not furnished returns for a continuous period of 6 months, or
- d) Any person who has taken **voluntary registration** has not commenced business within 6 months from the date of registration.
- e) Registration has been obtained by means of **fraud**, willful misstatement or suppression of facts

Registration to be cancelled in certain cases[R.21]

R.21

CASES

The registration granted to a person is liable to be cancelled if the said person—

- (a) **does not conduct any business** from the declared place of business, or
- (b) **issues invoice** or bill without supply of goods or services **in violation** of the provisions of this Act, or
- (c) **Violates S.171 [Anti-Profiteering]**
- (d) **Violates Rule 10A [Furnishing of bank details within 45 days or date of filing of return, which ever is earlier]**

Registration to be cancelled in certain cases[R.21]

IMPACT OF CANCELLATION

- **Not able to file GST Returns from date of cancellation**
- **Not able to make e-way bill**
- **Credit will be blocked by officer**
- **Not able to do business**

Revocation of cancellation of registration [S.30]

S.30

REVOCACTION OF CANCELLATION

- Any registered person whose registration is cancelled by proper officer **on his own motion**, may apply in **GST REG-21** for revocation of cancellation of the registration **within 30 days** from date of service of cancellation order [R.16]
- The proper officer may either revoke or reject the application for revocation

Revocation of cancellation of registration [S.30]

S.30

REVOCAION OF CANCELLATION

- **SCN and opportunity of being heard** to be given before rejecting the application
- Revocation of cancellation of registration under the **SGST Act/ UTGST Act** shall be **deemed** revocation of cancellation of registration under **CGST Act**

Revocation of cancellation of registration [R.23]

R.23

REVOCACTION OF CANCELLATION

- Application for revocation shall not be filed if registration has been cancelled for the **failure to furnish returns**
- **unless** such returns are filed and any amount due as tax in terms of such returns has been paid

GSTR 1

Filing GST Return

CONSEQUENCES OF NOT FILING GSTR-1

DECISIONS OF 38TH GST COUNCIL MEETING RELATING TO GSTR-1

Following measures would be taken to improve filing of FORM GSTR-1:

- 1. Waiver of late fee to be given to all taxpayers in respect of all pending FORM GSTR-1 from July 2017 to November 2019, if the same are filed by 10.01.2020.**
- 2. E-way Bill for taxpayers who have not filed their FORM GSTR-1 for two tax periods shall be blocked**

**20% CREDIT REFLECTED IN GSTR-2A IF RECIPIENT
DEPENDS UPON GSTR-1 FILED BY SUPPLIER**

JOB WORK UNDER GST



CLARIFICATIONS ON JOB-WORK

CIRCULAR NO. 126/43/2019-GST, DATED 18-NOV-19

Clarification regarding residual entries related to Job-work

Entries at item (id) and (iv) seems to be in residuary nature relating to Job-work services

(3)	(4)	(5)
(id) Services by way of job work other than (i), (ia), (ib) and (ic) above;	6	-
(iv) Manufacturing services on physical inputs (goods) owned by others, other than (i), (ia), (ib), (ic), (id), (ii), (ia) and (iii) above.	9	-

Clarification regarding residual entries related to Job-work

It is therefore, clarified that 12% GST is levied only job work services which are provided by way of treatment or processing undertaken by a person on goods belonging to another registered person. On the other hand, 18% GST is levied only on such services which are carried out on physical inputs (goods) which are owned by persons other than those registered



DISCUSSION ON GSTR-9 & 9C

**PRESS RELEASE DATED 18-DEC-19 AFTER
38TH GST COUNCIL MEETING**

**GSTR-9 & 9C DATE
EXTENDED TILL 31-JAN-19**

**REASON:
UTILITY STILL NOT AVAILABLE ON GST PORTAL**

NN-47/2019-Central Tax, dt. 09-10-2019

**FORM GSTR-9 OPTIONAL
FOR TAXPAYERS HAVING
AGGREGATE TURNOVER
LESS THAN 2 CRORE**

**SHOULD PERSON HAVING GTO LESS THAN 2 CRORE
SHOULD FILE ANNUAL RETURN?**

MAJOR CHANGES IN GSTR-9 & GSTR-9C AFTER NN-56/2019-Central Tax ,dt. 14-11-2019

MAJOR CHANGES IN GSTR-9

- **Sale to be filed net of credit notes, debit notes & amendments in Table 4**
- **Registered person shall have an option to report consolidated information for all exempted, nil rated and Non-GST supply in the “exempted” row only (Table 5)**
- **Registered person shall have an option to report the entire input tax credit of inputs, capital goods and input services under the “inputs” row only (Table 6)**
- **Inward supply received from registered and unregistered person in one row only (Table 6)**
- **Show all reversals in other reversals (Table 7)**
- **For FY 2017-18 and 2018-19, the registered person shall have an option to upload the details for the entries in Table 8A to 8D duly signed, in PDF format in FORM GSTR-9C**
- **Table 12, 13, 15, 16, 17, 18 option not to fill this table**

MAJOR CHANGES IN GSTR-9 & GSTR-9C AFTER NN-56/2019-Central Tax ,dt. 14-11-2019

MAJOR CHANGES IN GSTR-9C

- **Registered person shall have an option to not fill Table 5B to 5N. If there are any adjustments required to be reported then the same may be reported in Table 5O.**
- **Table 12B & 12C option not to fill**
- **Table 14 (break up of expenses on which credit taken) option not to fill**
- **Cash Flow Statement, if available**
- **“True and Correct” to “True and Fair”**

A person's hands are shown interacting with a tablet. The tablet screen is glowing with a large, stylized 'E-INVOICING' title in blue and white. Above the title is a circular arrow icon. Below the tablet, various business-related icons are scattered on the surface, including a globe, a key, a gear, a bar chart, and a clock. The background is a soft, blue glow.

E-INVOICING

E-INVOICING AND QR CODE

Persons required to prepare e-invoice

Registered person, whose aggregate turnover in a financial year exceeds Rs. 100 crore, has been notified as a class of registered person who shall prepare invoice in terms of rule 48(4) in respect of supply of goods or services or both to a registered person, w.e.f. 1-Apr-2020

NN-72/2019-CENTRAL TAX, DATED 13-DEC-2019

Persons who shall have QR code on invoices

An invoice issued by a registered person, whose aggregate turnover in a financial year exceeds Rs. 500 crore, to an unregistered person (B2C invoice), shall have Quick Response (QR) code.

Provided that where such registered person makes a Dynamic QR code available to the recipient through a digital display, such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic QR code, shall be deemed to be having QR code.

This provision shall be effective from 1-Apr-2020.



CGST (Eighth Amendment) Rules, 2019

New sub-rules inserted in Rule 48 “ Manner of issuing invoice”

(4) The invoice shall be prepared by such class of registered persons as may be notified by the Government, on the recommendations of the Council, by including such particulars contained in FORM GST INV-01 after obtaining an Invoice Reference Number by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.

CGST (Eighth Amendment) Rules, 2019

New sub-rules inserted in Rule 48 “ Manner of issuing invoice”

(5) Every invoice issued by a person to whom sub-rule (4) applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.

(6) The provisions of sub-rules (1) [triplicate invoices for supply of goods] and (2) [duplicate invoices for supply of services] shall not apply to an invoice prepared in the manner specified in sub-rule (4)

Common GST Electronic Portal for preparation of invoice

The following has been notified as the Common Goods and Services Tax Electronic Portal for the purpose of preparation of the invoice in terms of rule 48(4), namely:-

- (i) www.einvoice1.gst.gov.in;
- (ii) www.einvoice2.gst.gov.in;
- (iii) www.einvoice3.gst.gov.in;
- (iv) www.einvoice4.gst.gov.in;
- (v) www.einvoice5.gst.gov.in;

Common GST Electronic Portal for preparation of invoice

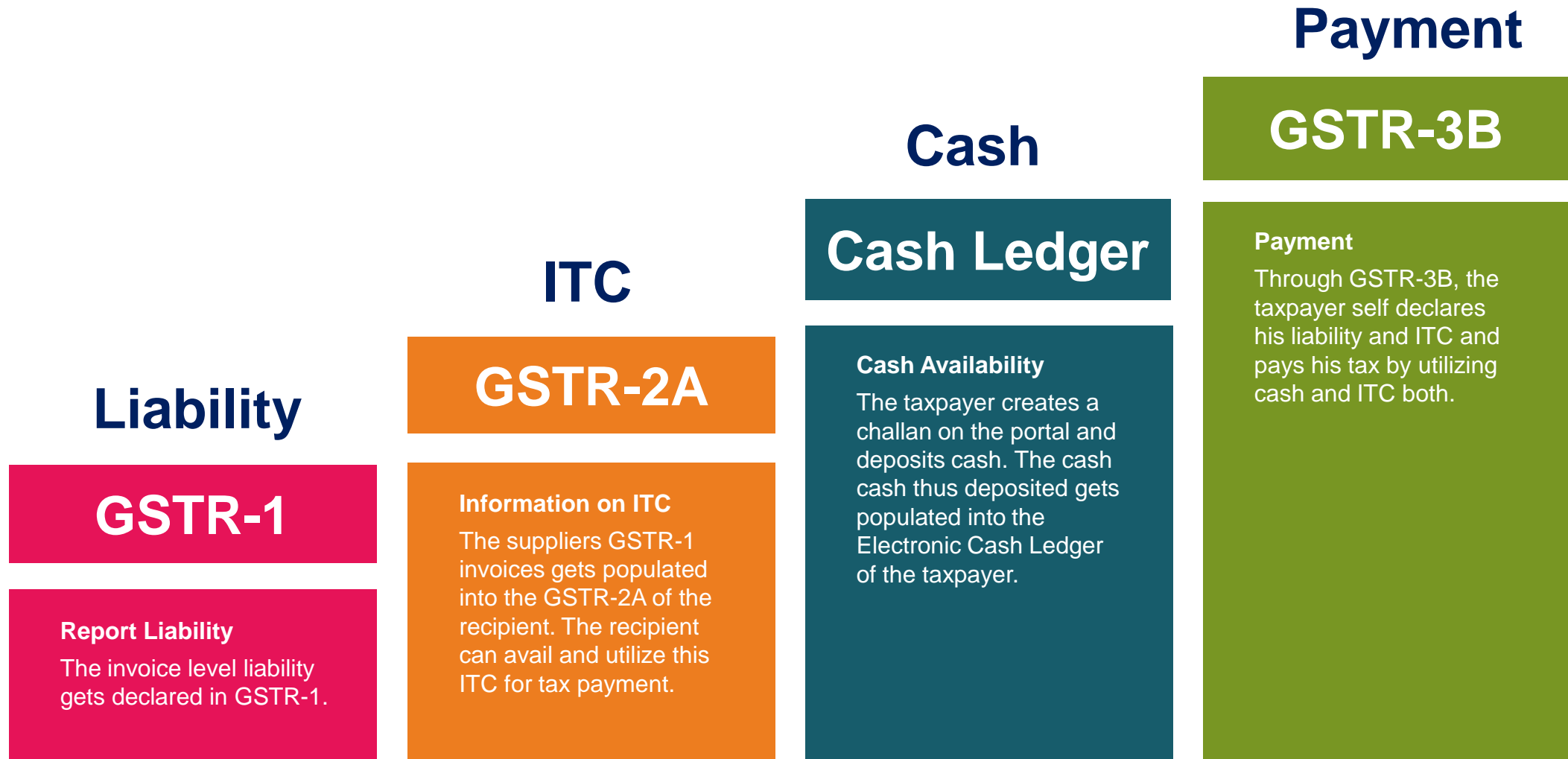
- (vi) www.einvoice6.gst.gov.in;**
- (vii) www.einvoice7.gst.gov.in;**
- (viii) www.einvoice8.gst.gov.in;**
- (ix) www.einvoice9.gst.gov.in;**
- (x) www.einvoice10.gst.gov.in.**

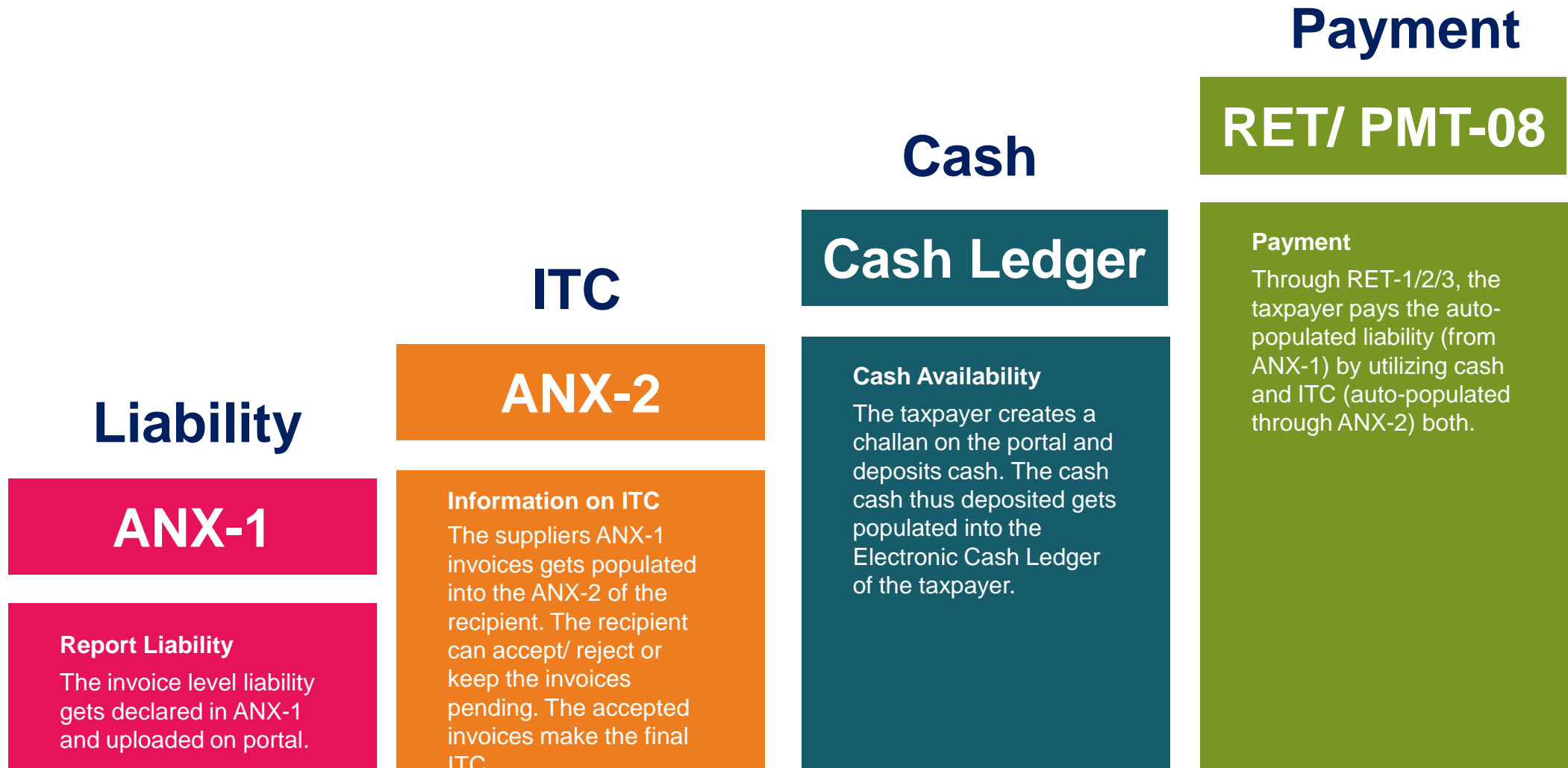
Explanation.-For the purposes of this notification, the above mentioned websites mean the websites managed by the GSTN.



New GST Return







- Option of **quarterly** filing of Return for taxpayers up to 5 Crore Annual Turnover.
- Only payment made by **GST PMT-08**

Simpler *quarterly* returns formats available for small businesses :

- GST RET-2 also called as **SAHAJ** (only B2C)
- GST RET-3 also called as **SUGAM** (only B2B & B2C)

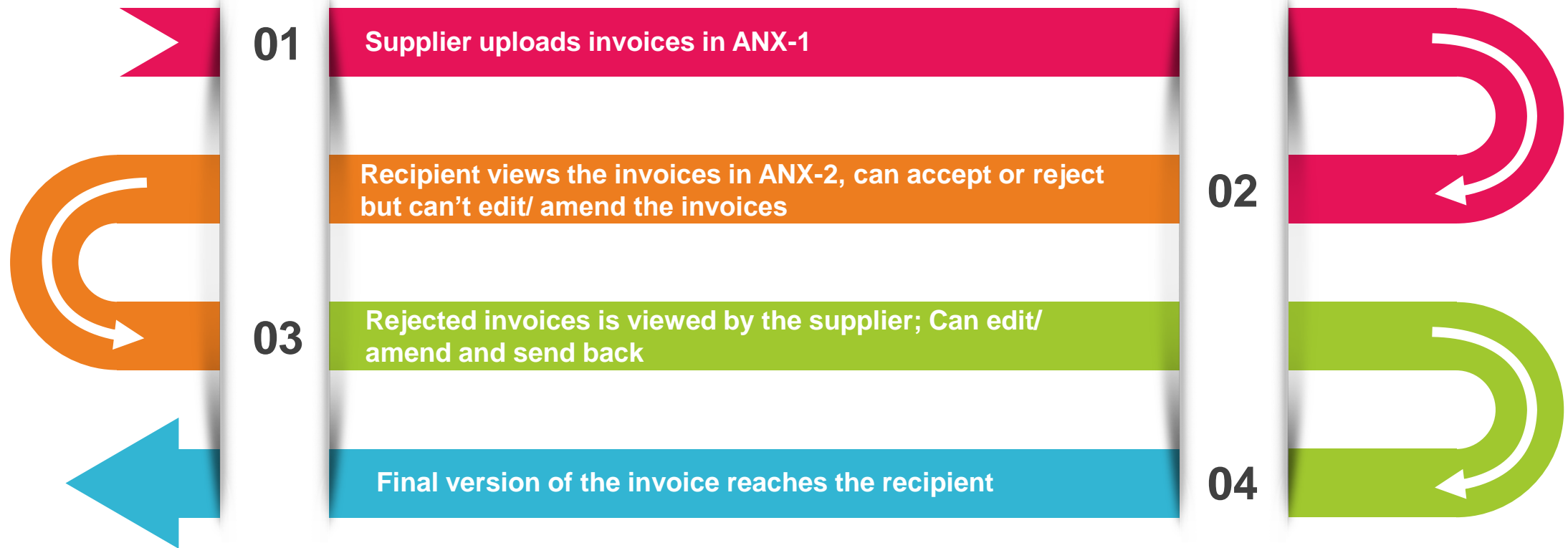
Staggered filing (different filing dates) for monthly & quarterly filers :

- 20th for Monthly filers
- 25th for Quarterly filers
- Enriched Offline Tool with Matching Facility.

New GST Returns



Unidirectional Flow of Invoices



NEW SIMPLIFIED GST RETURNS

KEY FEATURES OF NEW RETURN



- **No separate filing of GST ANX-1 & GST ANX-2. They are deemed to be filed on filing of GST RET-1/ 2/ 3.**
- **Taxpayers to select return profile and filing frequency at the start of the FY**
- **Change of filing frequency not allowed for the same FY**
- **Changing return type allowed with certain conditions.**

NEW SIMPLIFIED GST RETURNS

KEY FEATURES OF NEW RETURN



- **Provision of Amendment of return**
- **Correlation between the outward supplies and return form**
- **Measurable difference between auto-populated credit and provisional credit claimed by the recipient**
- **Informing the return filing status to the recipient in GST ANX-2 (better control over non-filers of return)**

- Uploading of Invoices can be done throughout the month & Credit can be claimed accordingly
- Auto-populated values in the return for liability and ITC
- Matching tool would be provided to match Purchase Register with inward supply annexure in Form GST ANX-2
- Checking the menace of frauds committed by generation of fake Invoices.
- New return system would deter habitual non-filers as auto-population of Credit would stop in GST ANX-2

SIMPLIFIED NEW RETURN SYSTEM – AN OVERVIEW

A Taxpayer can make following Outward / Inward supplies based on the Return Type selection

<u>Supplies</u>	<u>Particulars</u>	<u>Normal Return</u>	<u>Sahaj Return</u>	<u>Sugam Return</u>
Outward Supplies (Sale)	(A). Nil Rated, Exempted, Non- GST supply	✓	✓	✓
	(B). Other Supply			
	(i). B2B	✓	✗	✓
	(ii). B2C	✓	✓	✓
	(iii). Export	✓	✗	✗
	(iv). SEZ	✓	✗	✗
	(v). Deemed Export	✓	✗	✗
	(vi). Supply through E-Commerce	✓	✗	✗
Inward Supplies (Purchase)	(A). RCM – Domestic	✓	✓	✓
	(B). RCM – Import	✓	✗	✗
	(C). B2B	✓	✓	✓
	(D). Import of Goods (SEZ Units/Developers)	✓	✗	✗



FEATURES OF GST ANX-1

Details of documents uploaded by the Supplier Taxpayer will be shown to the concerned Recipient Taxpayer on near **Real-time basis**.



BRIEF OVERVIEW OF NEW RETURNS SOME OTHER KEY ASPECTS

Particulars	NORMAL	SAHAJ	SUGAM
Type of Returns available	Type of returns available :- Option 1 : Monthly Option 2 : Quarterly	Only QUARTERLY return option is available.	Only QUARTERLY return option is available.
Switching from One type of return to another	NORMAL (Monthly) can switch over to: Option 1: SAHAJ or Option 2: Quarterly (Normal) return Frequency Allowed: ONLY once in a financial year at the beginning of any quarter.	SAHAJ can switch over to: Option 1: SUGAM or Option 2: Quarterly (Normal) return Frequency Allowed: more than once in a financial year at the beginning of any quarter.	SUGAM can switch over to: Option 1: Quarterly (Normal) return Frequency Allowed: more than once in a financial year at the beginning of any quarter.
Whether ITC related to Invoices which are not uploaded by supplier (Missing Invoice) will be allowed or not	ITC Allowed , on self-declaration basis	ITC Not Allowed	ITC Not Allowed

SIMPLIFIED NEW RETURN SYSTEM

ANNEXURE - GST ANX - 1

1

- ANX – 1 – Details of outward supplies (including Exports, SEZ supplies, deemed exports), Imports & Inward supplies attracting RCM

2

- Invoices flow to be unidirectional. Invoices can be uploaded and amended by Supplier only

3

- Real time uploading of invoices up to 10th of subsequent month

4

- Recipient GSTIN required in certain cases like B2B supplies (Table 3B), supplies to SEZ with / without payment of tax (Table 3E & 3F), Deemed Exports

5

- Six Digits HSN / SAC to be reported by large taxpayers for goods as well as services

6

- Tax amount to be computed by system and will not be editable except by the way of issue of credit / debit notes.

7

- Place of Supply to be reported mandatorily for all supplies

8

- ANX – 1 provides for all editing or amendments from the supplier's side only

SIMPLIFIED NEW RETURN SYSTEM

ANNEXURE - GST ANX - 2

- 1 • Invoices cannot be amended by the Recipient
- 2 • Action up to 10th of the Following Month – Accept, Reject or Keep Pending
- 3 • Deemed Acceptance is no action taken by the Recipient
- 4 • ITC to be credited only on Filing ANX - 2
- 5 • Status of Supplies Return – Filed or Not Filed
- 6 • Functionality to Reject an accepted Invoice

SIMPLIFIED NEW RETURN SYSTEM

FORM GST RET - 1

- 1 • Auto – Populated from ANX – 1 and ANX - 2
- 2 • Excess Tax Collected can be declared in RET - 1
- 3 • Rejection & Pendency to be auto-populated in Table 4 – RET - 1
- 4 • Interest & Late Fees for late filing, late payment to be computed by system
- 5 • Challan making facility if balance in e-cash ledger is insufficient to discharge liability
- 6 • Facility to file NIL Return through SMS.
- 7 • Place of Supply to be reported mandatorily for all supplies
- 8 • TDS / TCS details - Amount to be credited in E – Cash Ledger based on returns filed in FORM GSTR – 7 & 8

SIMPLIFIED NEW RETURN SYSTEM

KEY FEATURES OF MONTHLY RETURN

SIMPLIFIED NEW RETURN SYSTEM

KEY FEATURES OF MONTHLY RETURN (1/11)



(2). Exceptions are small taxpayers who have opted for quarterly filing, composition dealers, ISDs, Non-resident registered person, person liable to deduct TDS u/s 51



(1). All Taxpayers, with a few EXCEPTIONS, will file ONE Monthly Return.



(3). Return Filing dates to be staggered depending on turnover of taxpayer. To be calculated based on reported turnover in 2017-18, annualized for full year



(4). Due date for filing of return by large taxpayer shall be 20th of the next month



Monthly Return & Due Date

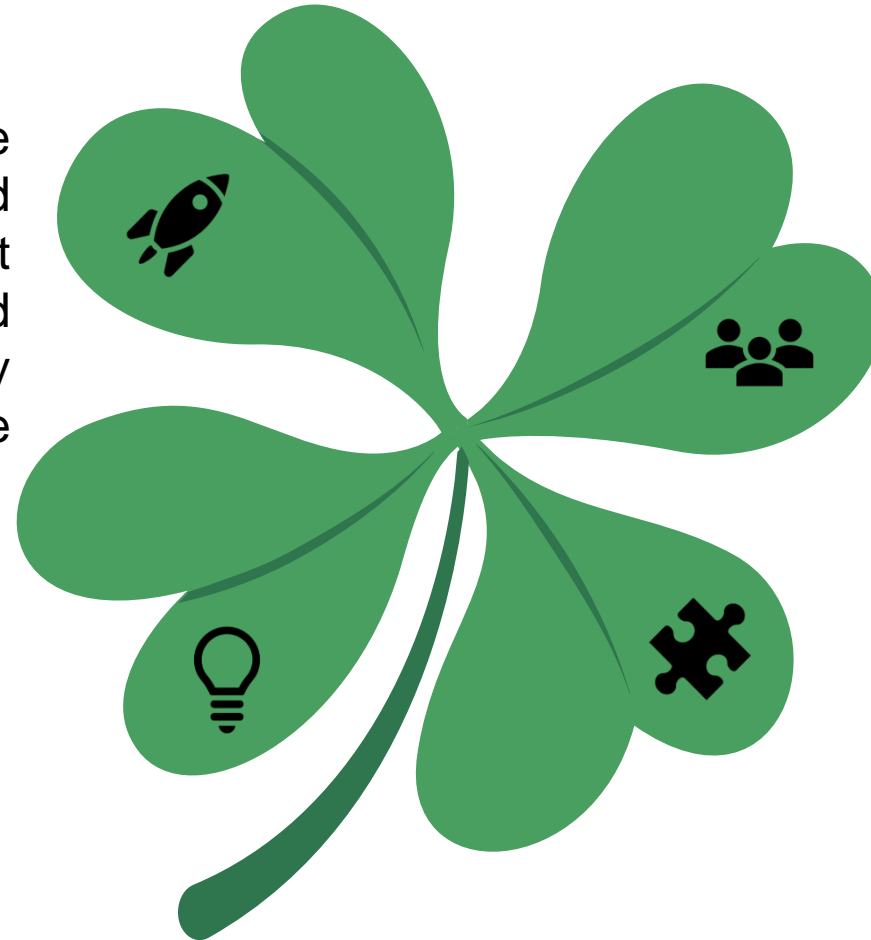
KEY FEATURES OF MONTHLY RETURN (2/11)



(2). Such Uploaded Invoice only will be the valid document for availing Input Tax Credit. Uploaded Invoices can be viewed by the recipient on real time basis



(1). Continuous Uploading of invoices by the Supplier anytime during the month (ANX-1) which will be visible to the recipient (ANX-2)



(3). Recipient shall be able to view the status of filing of return by the supplier after its due date.



(4). This would enable the recipient to be aware whether the tax liability on purchases made by him has been discharged by the supplier



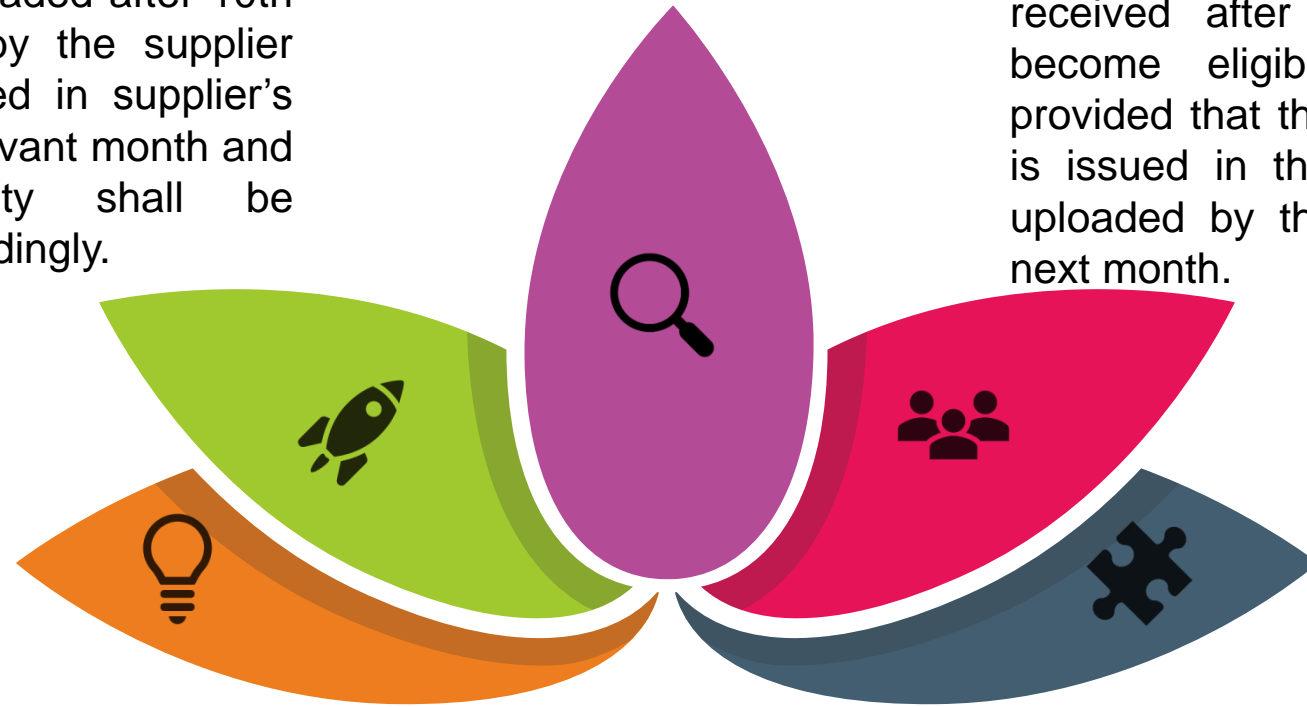
[Continuous Uploading & Viewing \(ANX – 1 & ANX – 2\)](#)

KEY FEATURES OF MONTHLY RETURN (3/11)

(2). Invoices uploaded after 10th of next month by the supplier would be included in supplier's return for the relevant month and the tax liability shall be discharged accordingly.



(1). Taxes payable on invoices uploaded by the supplier by 10th of next month can be availed as ITC and shall be posted in the ITC table of the recipient's return by 11th of the said month.



(3). Tax paid on inward supplies received after 1st but before 20th become eligible for availing ITC, provided that the invoice for the same is issued in the relevant month and uploaded by the supplier by 10th of next month.



(4). Currently a recipient is eligible for ITC on goods/services received only during the relevant month.



Due date for uploading Invoices & ITC Availment



(5). During the transition phase of six months, the recipient would be able to avail ITC on self-declaration basis even in respect of invoices not uploaded by the supplier within the prescribed time, using the facility of availing ITC on missing invoices.

SIMPLIFIED NEW RETURN SYSTEM

KEY FEATURES OF MONTHLY RETURN (4/11)

Invoice Uploaded but Return not Filed



If the return is not filed by the supplier after uploading the invoices, it shall be treated as self-admitted liability by the supplier and recovery proceedings shall be initiated against the said supplier after allowing a reasonable time to file the return and pay tax.

KEY FEATURES OF MONTHLY RETURN (5/11)



(2). Missing invoices shall be reported by the supplier in the main return for any tax period with interest or penalty as applicable.

(1). If ITC is availed on missing invoices by the recipient and the missing invoices are not uploaded by the supplier within the prescribed time period, then such ITC availed shall be recovered from the recipient.



(3). Information about missing invoice uploaded by the recipient shall be made available to the supplier.

(4). Reporting of missing invoices by recipient can be deferred up to two tax periods to allow recipient to follow up and get the missing invoice uploaded from the supplier.

Missing Invoice Reporting

SIMPLIFIED NEW RETURN SYSTEM

KEY FEATURES OF MONTHLY RETURN (6/11)

Recovery of Input Tax Credit



There shall not be any automatic reversal of input tax credit in the hands of recipient where tax has not been paid by the supplier.



In case of default in payment of tax by the supplier, recovery shall be first made from the supplier subject to exceptional circumstances such as missing taxpayer, connivance between recipient and the supplier etc. where the recovery of ITC from the recipient shall be made through a due process of service of notice and issue of order.

KEY FEATURES OF MONTHLY RETURN (7/11)



(2). Facility for locking of invoices by the recipient shall be available before filing of return.



(1). Locking of invoices can be said to resemble a handshake between the recipient and supplier indicating acceptance of the transaction reported in the invoice.



Locking of Invoices

(3). In cases of large number of invoices, deemed locking of invoices shall be presumed on the uploaded invoices other than for invoices rejected or kept pending by the recipient



(4). A wrongly locked invoice shall be unlocked online by the recipient himself subject to reversal of ITC and online confirmation thereof.



SIMPLIFIED NEW RETURN SYSTEM

KEY FEATURES OF MONTHLY RETURN (8/11)

Rejected Invoice

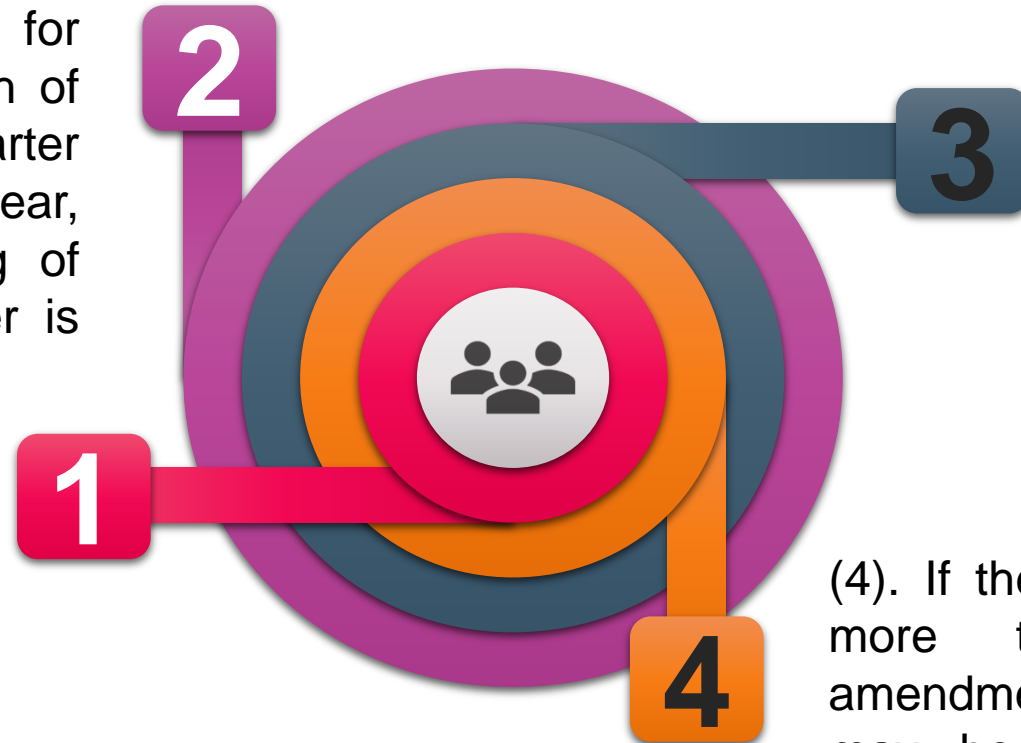


If the supplier files an incorrect GSTIN of a recipient, such invoice would appear on the viewing facility of another taxpayer who is not the recipient of such supplies and therefore ITC will not be admissible to him. The recipient shall report such invoices as rejected invoices.

KEY FEATURES OF MONTHLY RETURN (9/11)

(2). The time period as per Section 39(9) will be the due date for furnishing of return for the month of September or second quarter following the end of the financial year, or the actual date of furnishing of relevant annual return, whichever is earlier

(1). There would be a facility to file two amendment returns for each tax period within the time period specified in Section 39(9) of the CGST Act, 2017.



(3). Liability will be allowed to be paid along with filing of the amendment return. ITC can also be used for payment of the liability in the amendment return.

(4). If there is a change in liability of more than 10% through the amendment return, a higher late fee may be prescribed to ensure that reporting is appropriate in the regular return.

Amendment of Return

SIMPLIFIED NEW RETURN SYSTEM

KEY FEATURES OF MONTHLY RETURN (10/11)

Supply Side Control



For a newly registered taxpayer and a taxpayer who has defaulted in payment of tax beyond a time period and/or above a threshold, uploading of invoices shall be allowed only up to a threshold amount or only after the default in payment of tax is made good, respectively.



If the conditions are not satisfied due to default in payment of tax by the supplier, the invoice of such supplier shall not be populated in the viewing facility of the recipient and consequently, the recipient would not be able to avail ITC on such invoices till such default for the past period is made good by the supplier

SIMPLIFIED NEW RETURN SYSTEM

KEY FEATURES OF QUARTERLY RETURN

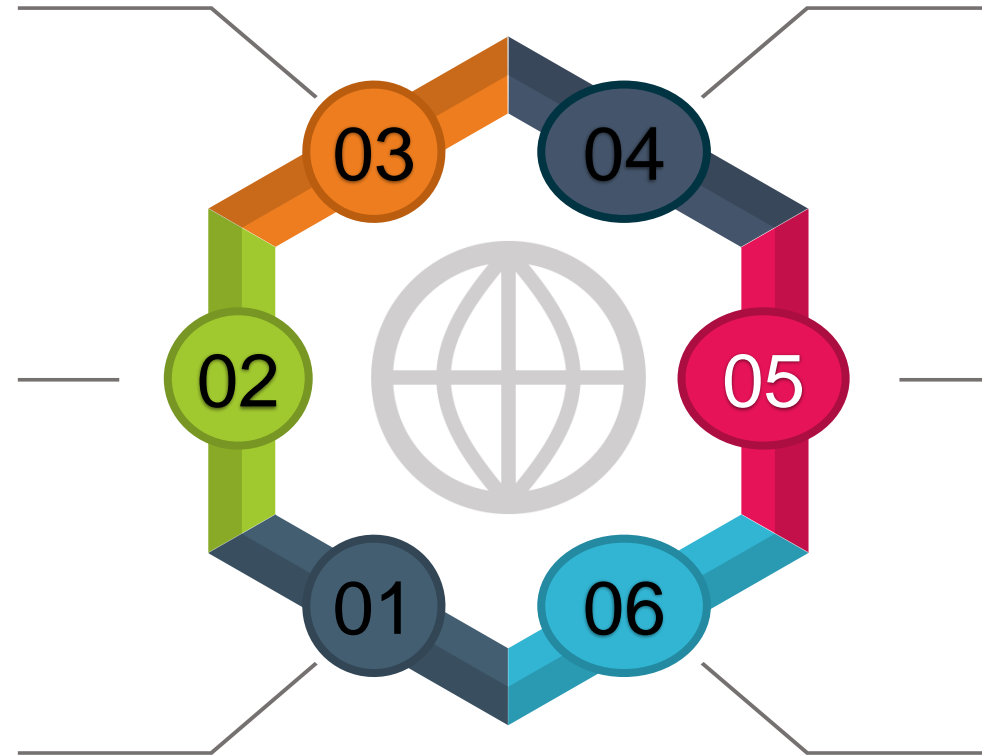
SIMPLIFIED NEW RETURN SYSTEM

KEY FEATURES OF QUATERLY RETURN

(3). Small taxpayers would continue to pay taxes on monthly basis using a payment declaration form, where tax liability and ITC will be self-declared, to make the payment.

(2). Two simplified quarterly returns 'Sahaj' (only B2C outward supplies) and 'Sugam' (both B2B and B2C outward supplies) are proposed for small taxpayers having purchases and sales in the domestic market.

(1). Small taxpayers having a turnover up to ₹ 5 Crore in the last financial year shall have an option to file quarterly return with monthly payment of taxes on self-declaration basis. The small taxpayer can also file monthly return like a large taxpayer.



(4). The payment declaration form shall only allow full payment of the liability arising out of uploaded invoices. Late payment of tax liability including that in first and second month of the quarter shall attract interest liability.

(6). Taxpayers who do not have any purchases, any ITC and any output tax liability in any quarter of the financial year shall file one NIL return for the entire quarter. HSN wise details are also required to be provided at 4 digit level or more in the quarterly return.

THANKING YOU

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