**GOODS AND SERVICES TAX UPDATES**

**JUNE 2021**

**NOTIFICATION UPDATES**

1. **Lowering of interest rate for the month of March 2021 and April 2021 – *Notification No 08/2021-CT dated 01.05.2021***

The rate of interest for belated payment of GST liability through GSTR – 3B return is reduced for the tax periods March 2021 and April 2021 considering the rising cases of covid across India. Details of such reduction is given in the following table.

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| --- | --- | --- |
| Category of Tax payer | Details of reduction | Tax periods |
| Taxpayers having an aggregate turnover of more than rupees 5 crores in the preceding financial year | 9 per cent for the first 15 days from the due date and 18 per cent thereafter | March, 2021,  April, 2021 |
| Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return as specified under sub-section (1) of section 39 | Nil for the first 15 days from the due date, 9 per cent for the next 15 days, and 18 per cent thereafter | March, 2021,  April, 2021 |
| Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return as specified under proviso to sub-section (1) of section 39 | Nil for the first 15 days from the due date, 9 per cent for the next 15 days, and 18 per cent thereafter | March, 2021,  April, 2021 |
| Taxpayers who are liable to furnish the return as specified under sub-section (2) of section 39 | Nil for the first 15 days from the due date, 9 per cent for the next 15 days, and 18 per cent thereafter | Quarter ending  March, 2021.” |

1. **Waiver of late fee for the specified tax payers and specified tax periods – *Notification No 09/2021-CT dated 01st May, 2021***

Late fee for belated filing of GSTR 3B is waived for the tax periods March 2021 and April 2021 as per the details given in the following table.

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| **Class of registered persons** | **Tax period** | **Period for which late fee waived** |
| Taxpayers having an aggregate turnover of more than rupees 5 crores in the preceding financial year | March, 2021 and April, 2021 | Fifteen days from the due date of furnishing return |
| Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return as specified under sub-section (1) of section 39 | March, 2021 and April, 2021 | Thirty days from the due date of furnishing return |
| Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return as specified under proviso to sub-section (1) of section 39 | January-March,  2021 | Thirty days from the due date of furnishing return.”. |

1. **Extension of various due dates**
2. Due date for filing GSTR – 4 for the financial year 2020-21 has been extended to 31st May, 2021 vide *Notification No 10/2021-CT dated 01st May 2021*
3. Due date for filing Form ITC-04 for the period Jan – Mar 2021 has been extended to 31st May, 2021 vide *Notification No 11/2021-CT dated 01st May, 2021*
4. Due date for filing Form GSTR 1 for the tax period April, 2021 has been extended to 26th May, 2021 vide *Notification No 12/2021-CT dated 01st May, 2021*
5. Furnishing details of outward supplies for the month of April 2021 using Invoice Furnishing Facility (IFF) may be filed from 01st May, 2021 to 28th May, 2021.
6. **Relaxation in availing Input Tax Credit for the month of April – 2021**

As per Rule 36(4) of CGST Rules, a tax payer has to take input tax credit to a maximum of 105% of ITC available in GSTR 2B. This requirement is not required to be complied with while filing GSTR 3B for the month of April 2021. However, while filing GSTR 3B of May 2021 condition of complying with Rule 36(4) is to be satisfied cumulatively for April 2021 and May 2021. *– Second proviso to Rule 36(4) inserted vide notification no 13/2021 – CT dated 01st May 2021.*

1. **Extension of time limits under section 168A – *Notification No 14/201-CT dated 01st May 2021***

Time limit for completion of various actions, by any authority or by any person, under the GST Act, which falls during the period from 15th April, 2021 to 30th May, 2021, has been extended upto 31st May, 2021, subject to some exceptions as specified in the notification.

1. **Time limit for filing application for revocation of cancellation of registration. – Technical changes incorporated in CGST Rules – *Notification No 15/2021-CT dated 18th May 2021***

Where registration is canceled by the proper officer suo motu, then the taxpayer can file an application for revocation of cancellation of registration. Such application can be filed within 30 days from the date of service of the cancellation order. However,

Finance Act, 2021 has made amendments in the CGST Act to allow filing of such applications even after 30 days on sufficient cause being shown. Above time limit may be increased to further 30 days by additional / joint commissioner and can be further increased to 30 days by commissioner.

1. **Amendments in E-Way Bill provisions – *Notification No 15/2021-CT dated 18th May, 2021***

Where a registered person has failed to furnish Form GSTR 3B/GSTR 1/ CMP 08 for two consecutive months or two consecutive quarters then he shall not be allowed to generate e-way bill for outward movement of goods. Earlier if recipient of goods has made default in their return filings, then supplier is not able to generate the EWB. To overcome this issue, amendment has been made to provide that EWB not be allowed to be generated in respect of outward movement of goods of a registered person who has not complied with the said return filings.

1. **Amendments in Refund provisions – *Notification No 15/2021-CT dated 18th May 2021***
2. Period of deficiency memo excluded in limitation period of 2 years

Wherever deficiency memo is given against a refund application, the applicant needs to file a fresh refund application after rectifying the deficiencies pointed. While calculating limitation period of 2 years the period between date of refund application and date of deficiency memo was not excluded hence, there is likely hood of refund applications getting time barred. To overcome this issue an amendment has been made in Refund Rule 90(3) as follows: “Limitation period of 2 years shall exclude period from date of filing of refund application to date of deficiency memo”

1. Amendment has been made to allow the refund applicants to withdraw the refund application before the issuance of refund orders.