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GST

TAX TALK

A Monthly Goods & Services Tax Bulletin

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Editorial...

Post election the Finance Bill was presented in Parliament on 5th Jul, 2019, which has received President's assent on 1st Aug, 2019. To our understanding, this is the fastest ever enacted Finance Act, just in 25 days. By this Finance Act the Sabka Vishwas-Legacy Dispute Resolution Scheme, 2019 is announced. This scheme will not only give relief to the tax payer from payment of huge interest and penalties, it also help them to concentrate on their business rather waiting for the pending cases. The Scheme has now been notified and will be operationalized from 1st Sept, 2019. The Scheme would continue till 31st Dec, 2019. There are some points, which are still to be clarified. It is very heartening to know that the Board is alive to the concerns of the assessees and is keen to make the Scheme a grand success.

There heaved a sigh of relief as the news flashed that the due date for filing the GSTR-9/9A/9C returns has been extended to 30th Nov, 2019 from 31st Aug, 2019. As the taxpayer and the chartered accountants were struggling to meet the deadline for filing Income Tax and GST returns. Therefore, need to more user friendly and smoother on net. Governments has also waived the requirement of filing ITC-04, for the period July 2017 till Mar, 2019 as the tax payers were facing difficulties in filing the same.

Due Date for filing of Form GSTR for the month of July, 2019 was extended for 50+ flood affected district and for the state of Jammu and Kashmir to 20th Sept, 2019. Number of changes has been enacted, the most important change is the Government, in a bid to curb tax fraud, had decided to block the taxpayers from generating e-way bill by defaulters. Date from which the non-filers of GST returns would be blocked from generating E-Way Bill has been extended from 21.08.2019 to 21.11.2019. We think government should first take care of website and resolve the portal issue before deciding to block.

To reduce litigation, facilitate ease of doing business and to remove long pending grievances of taxpayers in the matters of direct/ indirect taxes, the Government has raised threshold monetary limits for filing Departmental Appeals before the Appellate Tribunals (CESTAT), High Courts and Supreme Court.

Before we conclude, we like to offer heartfelt condolences on the demise of former Hon'ble Finance Minister Sh. Arun Jaitley. We shall never forget his immense contribution towards strengthening of Indirect Tax Administration in India in general, and more specifically for his stellar role in implementation of the Goods and Service Tax (GST), a shining example of cooperative federalism.

We hope this newsletter will add some value and prove to be beneficial to the readers. We highly solicit suggestion/opinions of the readers. Please feel free to convey your views at gst@goyalstax.com. You may refer all earlier issues of Tax Talk on my facebook wall.

CA Sushil Kr Goyal

DUE DATES			
Category of Taxpayer	**Return**	**Period**	**Due date**
Monthly Output Return	GSTR-1	August, 2019	11th September, 2019
Monthly ISD Return	GSTR-6	August, 2019	13th September, 2019
Monthly GST Return	GSTR-3B	August, 2019	20th September, 2019
Monthly GST Return (Flood affected district)	GSTR-3B	July, 2019	20th September, 2019

SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019

Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 was introduced in the budget presented on 5th July by the Finance Minister to settle the unresolved issues of pre GST regime. The Scheme has now been notified and will be operationalized from 1st Sept 2019. The Scheme would continue till 31st Dec 2019.

The Scheme mainly aims to resolve all the pending litigations and allow business to focus on GST. Dispute resolution and amnesty are two components of the scheme. The dispute resolution component is aimed at liquidating the legacy cases locked up in litigation at various forums where as the amnesty component gives an opportunity to those who have failed to correctly discharge their tax liability to pay their taxes due. The scheme provides substantial relief to taxpayers as well as full waiver of interest, fine and penalty. There is also a complete amnesty from prosecution.

Qus. When can declaration cannot be filed under this scheme?

Ans. Under following situation declaration cannot be filed:

- Appeal filed before the appellate forum [SC, HC, CESTAT, Commr (A)] has been finally heard on or before June 30, 2019
- Person convicted for any offence punishable under any provision of the indirect tax enactment for the matter for which he intends to file a declaration
- Show Cause notice issued in respect of which 'final hearing' has taken place on or before June 30, 2019
- Show Cause notice issued in respect of erroneous refund
- Enquiry/Investigation/Audit, where quantification is not done on or before June 30, 2019
- Person making voluntary disclosures after
  - (i) audit, enquiry or investigation;
  - (ii) indicating an amount as payable in return; and
  - (iii) making settlement application
- Declaration when it pertains to goods covered under the fourth schedule of the Excise Act

Qus. What are the restrictions under this scheme?

Ans. Following restrictions have been placed under the scheme:

a) Tax dues paid shall not be taken as input tax credit or entitle any person to take input tax credit as a recipient of excisable goods or taxable services;

b) Tax dues payable shall not be paid through input tax credit account;

c) Tax dues paid shall not be refundable under any circumstances.

d) If pre-deposit exceeds payment, refund would not be available.

Qus. Explain the process involved under the scheme.

Ans. Process involved under the scheme is discussed below:

1. **Application:**
   - The taxpayer already registered under Central Excise / Service Tax can login and fill Part-B of SVLDRS Form-1.
   - The unregistered taxpayer can register himself by filling Part-A of SVLDRS Form -1.
2. **Auto acknowledgement:** On receipt of declaration, the system will generate an auto acknowledgement bearing a unique reference number.
3. **Verification by designated committee:**
   - The designated committee will verify the declaration (other than the case of voluntary disclosure) based on the records provided by the declarant and the records available with the departments.
   - Form SVLDRS-3 setting forth the details of amount payable will be issued by the committee electronically, within sixty days from the date of receipt of the declaration.
   - Form SVLDRS-2 setting forth the details of amount payable along with a notice of opportunity for personal hearing will be issued within thirty days of the date of receipt of declaration, if the amount estimated differs from the amount declared by the declarant.
   - The declarant can indicate agreement or disagreement with the estimate or make written submission or waive personal hearing or can seek an adjournment by filling Form SVLDRS-2A electronically.
   - If the declarant neither appears before the designated committee nor indicates any such agreement and disagreement till the date of personal hearing, the committee will decide the matter based on the records available.
   - The designated committee may modify its order only if there is any arithmetical or clerical error, within thirty days of the date of issue of Form SVLDRS-3 by issuing electronically revised Form SVLDRS-3.
4. **Form and Manner of making the payment:** The amount indicated in Form SVLDRS-3 will be paid electronically, within thirty days from the date of issue.
5. **Issue of Discharge Certificate:** The designated committee will issue discharge certificate electronically in Form SVLDRS-4 if it is satisfied that the declarant has paid the full amount and has submitted proof of withdrawal of appeal or writ petition, within thirty days of the date of payment and submission of proof (whichever is later).

   If Form SVLDRS-3 is not issued because the amount payable is nil and there is no appeal pending in High Court or Supreme Court, the discharge certificate shall be issued within thirty days of the date of filing of declaration.

NEW GST RETURNS

The GST Council in its 31st meeting decided that a new GST return system will be introduced to facilitate taxpayers. In order to ease transition to the new return system, a transition plan has been worked out. The details of the indicative transition plan are as follows: -

Trail of New Forms

- From July, 2019, users would be able to upload invoices using the FORM GST ANX- 1 offline tool on trial basis for familiarisation. Further, users would also be able to view and download, the inward supply of invoices using the FORM GST ANX-2 offline tool under the trial program. The summary of inward supply invoices would also be available for view on the common portal online. They would also be able to import their purchase register in the Offline Tool and match it with the downloaded inward supply invoices to find mismatches from August 2019.
- Between July to September, 2019 (for three months), the new return system (ANX-1 & ANX-2 only) would be available for trial for taxpayers to make themselves familiar. This trial would have no impact at the back end on the tax liability or input tax credit of the taxpayer. In this period, taxpayers shall continue to fulfil their compliances by filing FORM GSTR-1 and FORM GSTR-3B i.e. taxpayers would continue to file their outward supply details in FORM GSTR-1 on monthly / quarterly basis and return in FORM GSTR-3B on monthly basis. Non-filing of these returns shall attract penal provisions under the GST Act.

Implementation of New Forms

- From October, 2019 onwards, FORM GST ANX-1 shall be made compulsory and FORM GSTR-1 would be replaced by FORM GST ANX-1. The large taxpayers (i.e. those taxpayers whose aggregate annual turnover in the previous financial year was more than Rs. 5 Crore) would upload their monthly FORM GST ANX-1 from October, 2019 onwards. However, the first compulsory quarterly FORM GST ANX-1 to be uploaded by small taxpayers (with aggregate annual turnover in the previous financial year upto Rs. 5 Crore) would be due only in January, 2020 for the quarter October to December, 2019. It may be noted that invoices etc. can be uploaded in FORM GST ANX-1 on a continuousbas isbothbylargeandsmalltaxpayersfromOctober,2019onw ards. FORMGSTANX- 2 may be viewed simultaneously during this period but no action shall be allowed on such FORM GST ANX-2.
- For October and November, 2019, large taxpayers would continue to file FORM GSTR-3B on monthly basis. They would file their first FORM GST RET-01 for the month of December, 2019 by 20th January, 2020.
- The small taxpayers would stop filing FORM GSTR-3B and would start filing FORM GST PMT-08 from October, 2019 onwards. They would file their first FORM GST-RET-01 for the quarter October, 2019 to December, 2019 from 20th January, 2020.

No more GSTR-3B

- From January, 2020 onwards, all taxpayers shall be filing FORM GST RET-01 and FORM GSTR-3B shall be completely phased out.

Prototype of offline tools

- In May, 2019 a prototype of the offline tool has already been shared on the common portal to give the look and feel of the tool to the users. The look and feel of the offline tool would be same as that of the online portal. Taxpayers may be aware that there are three main components to the new return – one main return (FORM GST RET-1) and two annexures (FORM GST ANX-1 and FORM GST ANX-2).
- A New Return Prototype functionality has been enabled on the GST common portal.
- Unlike the traditions, the Government has provided a prototype of 'New Return Forms' on the GST common portal to enable the taxpayers and consultants to experience and learn the new functionality before it goes live. The portal has also given an option wherein taxpayers can share their feedbacks. This is a good practice ever started by any Dept. before implementing a new compliance process.
- The date of implementing the new return forms has been announced, the Govt. is working in full swing to implement it from the second quarter of FY 2019-20.
- The prototype does not make any arithmetic calculations but it provides a complete walk-through of the figures reported in the return forms.
- In the proposed system of new GST Return filing, a normal taxpayer would have to file Form GST RET-1 (Normal) or
- Form GST RET-2 (Sahaj) or
- Form GST RET-3 (Sugam)
- (either monthly or quarterly basis)
- Annexure of outward supplies (GST ANX-1) and (GST ANX-2) Annexure of Inward Supplies will be filed as part of these returns.

EXTENSION OF DUE DATES OF ANNUAL RETURNS

CBIC has extended the due dates of filing of Annual Returns and reconciliation statement. Astrade and industry as well as professionals were facing difficulties in filing of Annual Returns/reconciliation statements, the due date for the same, for the Financial year 2017-18 in FORMs GSTR-9, GSTR-9A and GSTR-9C has been extended up to 30th November, 2019.

(Removal of difficulty Order No. 7/2019-Central Tax dt 26.08.2019)

EXTENSION OF DUE DATES OF GSTR-3B

CBIC has extendedthe due date of filing Form GSTR-3B for the month of July 2019to 20th September, 2019 for taxpayers having principal place of business in flood affected districts of specified States viz. Bihar, Gujarat, Karnataka, Kerala, Maharashtra, Odisha and Uttarakhand andfor registered persons whose principal place of business is in the State of Jammu and Kashmir.

(Notification No. 37/2019- Central Tax dt 21.08.2019)

BLOCKING & UNBLOCKING OF E-WAY BILL

CBIC further extended the date of blocking and unblocking of e-way bill facility as per the provision of Rule 138E of CGST Rules, 2017 to 21st November, 2019 from 21st August, 2019. Therefore, the date has been extended by further 3 months.

(Notification No. 36/2019-Central Tax dt 20.08.2019)

LIMITS FOR FILING APPEALS BY THE DEPARTMENT

CBIC has raised the monetary limits for filing of the appeals by the Department pertaining to legacy issues i.e. matters relating to Central Excise and Service Tax, below which appeal shall not be filed in the CESTAT, High Courts and Supreme Court. The revised limits are as under:

S. No.	Appellate Forum	Monetary Limit
1.	CESTAT	Rs. 50,00,000/-
2.	High Courts	Rs. 1,00,00,000/-
3.	Supreme Court	Rs. 2,00,00,000/-

The above limit is applicable to matters relating to all pending cases of Central Excise and Service Tax as well. As the limit has been raised cases where appeal has already been filed will also be withdrawn.

(F. No. 390/Misc/116/2017- JC dt 22.08.2019)

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