

NEWSLETTER

TAX

NOVEMBER
2020

- Income Tax
- Goods and Services Tax
- Important Rulings



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<u>INCOME TAX</u>	
1. Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Form No. 10BB for Assessment Year 2016-17 and subsequent years	
<div style="text-align: right;">CBDT Circular No.19/2020 dated 03.11.2020</div>	
<p>As per Rule 16CC of the Income-tax Rules, audit report of the accounts of a fund or trust or institution or any university or other educational institution or any hospital or other medical institution is to be furnished in Form No. 10BB.</p> <p>CBDT has received representation from stakeholders seeking condonation for not filing FORM 10BB along with ITR for AY 2016-17 & AY 2017-18.</p> <p>CBDT has authorized Commissioner of Income tax (CIT) , to admit application for condonation of delay in filing FORM 10BB for years prior to AY 2018-19 and all such application shall have to be disposed of by 31.03.2021.</p> <p>For AY 2018-19 & for any subsequent assessment year, where there is delay of upto 365 days in filing FORM 10BB, CIT has been authorized to admit such belated application of condonation of delay.</p> <p>Circular No.19</p>	
2. Validation of Unique Document Identification Number (UDIN) generated from Institute of Chartered Accountants of India (ICAI) portal at the time of upload of Tax Audit Reports	
<div style="text-align: right;">CBDT Press Release dated 26.11.2020</div>	
<p>Income-tax E-filing portal has factored mandatory quoting of UDIN with effect from 27th April, 2020 for documents certified/attested in compliance with the Income-tax Act,1961 by a Chartered Accountant.</p> <p>Since the Income tax system has now been integrated with ICAI, CBDT will validate such UDIN with ICAI provided at the time of uploading audit reports/certificates by the Chartered Accountants in the Income tax E-filing portal.</p> <p>If for any reason, a Chartered Accountant was not able to generate UDIN before submission of audit report/certificate, the Income-tax E-filing portal will permit to submit UDIN within 15 days from the date of form submission in the Income- tax E-filing portal.</p> <p>If the UDIN for the audit report/certificate is not updated within the 15 days provided for the same, such audit report/certificate uploaded shall be treated as invalid submission.</p> <p>Press Release</p>	

GOODS AND SERVICES TAX

1. CGST (Thirteenth amendment) Rules, 2020

CBIC Notification No.

82/2020 of Central Tax – **dated 10.11.2020**

CBIC has amended the following rules of the CGST Rules, 2017 (**w.e.f. 01-01-2021**)

Gist of changes is as under:-

Rule 59 : New scheme for reporting monthly outward supplies in case of Quarterly GSTR 1 :

- a) Registered persons who are required to furnish **GSTR 1 quarterly** may furnish details of outward **supplies upto Rs 50 lakh each** for the first and second months of a quarter using invoice furnishing facility (**IFF**) electronically on the GST portal **till the 13th day of the following month.**[e.g. For Jan'21 furnishing date shall be 13.2.2021 for the Quarter III].
- b) The details furnished using the IFF, shall not be required to be furnished **again in FORM GSTR-1 for that quarter.**
- c) The details furnished through IFF shall **include only B2B supplies along with related Debit Notes and Credit Notes.**
- d) The facility of furnishing details of invoices in IFF has been provided so as to allow **details of such supplies** to be duly **reflected monthly** in the **FORM GSTR-2A and FORM GSTR-2B** of the concerned recipient of supplies .
- e) This facility is not mandatory and is **only an option** made available to the registered persons under the new Scheme.

[e.g. if taxpayer who has availed such facility, wishes to declare 2 invoices out of total 10 invoices issued in the 1st month of the quarter, since the recipient of supplies covered by these 2 invoices desires to avail ITC in that month itself. Details of these 2 invoices may be furnished using IFF facility which shall be reflected in GSTR 2B in first month of the quarter. The details of remaining 8 invoices shall be furnished in GSTR 1 of said quarter and the same shall be reflected in GSTR 2B in the last month of the quarter]

Rule 60 :

- a) **FORM GSTR-2A/2B shall include details furnished through IFF** and also **details of the integrated tax paid on the import** of goods or goods brought in domestic Tariff Area from SEZ unit or a SEZ developer on a bill of entry.
- b) **The statement in GSTR 2B containing details of input tax credit** (which is the new alternative of GSTR 2A) every month shall be made available to a registered person.

Rule 61: New scheme for filing GSTR 3B Quarterly and monthly payment

- a) Taxpayers having **turnover of up to Rs. 5 Crores in the preceding financial year**, shall have an **option to file GSTR-3B on quarterly basis**. Due date in case of quarterly GSTR 3B will be as under:

State	Due Date (GSTR 3B :Quarterly)
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 & Lakshadweep.	22 nd day of the month succeeding such quarter
Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh & Delhi.	24 th day of the month succeeding such quarter

- ✚ Taxpayers having an **aggregate turnover of more than Rs 5 crore**, shall furnish **FORM GSTR-3B monthly** on or before the **20th day of the month** succeeding such month.
- b) **Quarterly return filers** shall pay tax for the first two months of the quarter by using **FORM GST PMT-06** by **25th day of the succeeding month**.
- c) The amount paid as above in point (b) in the electronic cash ledger, shall be debited while filing **GSTR-3B of said quarter**.

Rule 61A:

- a) New Rule 61A has been inserted to provide for the manner of **opting for quarterly GSTR-3B**. Such option has to be exercised from the 1st day of the second month of the preceding quarter till the last day of the first month of the quarter for which the option is being exercised. **[e.g. quarterly option for Apr-Jun 2021 can be exercised from 01.02.2021 till 30.04.2021]**
- b) A registered person, whose aggregate **turnover exceeds Rs 5 crore** during the current financial year, shall opt for furnishing of return on a monthly basis, from the first month of the quarter succeeding the quarter during which his aggregate turnover exceeds Rs 5 crore.
- c) HSN Codes have to be mandatorily specified in **FORM GSTR-1** as per proviso to Rule 46.

Form 2B and its table wise instruction has been provided in said notification.

Notification No.82

2. Notification of class of persons under proviso to section 39(1)

CBIC Notification No.
84/2020 of Central Tax – **dated 10.11.2020**

CBIC has notified the following **conditions & restrictions**, non-fulfilling of which will make, a registered person in- eligible **for furnishing GSTR 3B Quarterly**:-

- 1) A) The return for the preceding month, as due on the date of exercising such option, has been furnished. {e.g. If taxpayer is exercising the option on 27th July for the quarter (July to September), in such case, he must have furnished the return for the month of June which was due on 22nd /24th July}
- B) once exercised, such option shall continue unless revised by the registered person.
- 2) A registered person whose **aggregate turnover exceeds 5 crore** during a quarter in a current financial year shall not be eligible for furnishing of return on quarterly basis from the first month of the succeeding quarter.
- 3) A registered person who has furnished the return for October, 2020 on or before 30th November, 2020, **shall be auto migrated to new scheme of filing GSTR 3B** under rule 61A(1) as mentioned in the Table below:-

Class of registered Person	Deemed Option (Manner of filing GSTR 3B in new scheme under rule 61A(1))
Turnover up to Rs 1.5 crore and FORM GSTR1 furnished on quarterly basis in the current financial year	Quarterly return
Turnover of up to Rs 1.5 crore and FORM GSTR1 furnished on monthly basis in the current financial year	Monthly return
Turnover more than Rs 1.5 crore and up to Rs 5 crore in the preceding financial year	Quarterly return

The taxpayers who **have not filed their return for October, 2020 on or before 30th November, 2020** will **not be migrated to the new Scheme**. They will be able to opt for the Scheme once the FORM GSTR-3B as due on the date of exercising option has been filed.

The registered persons falling in the table above, **may change the default option electronically on the GST portal during the period from the 5th December, 2020 to the 31st January, 2021.**

The option to avail above new Scheme is GSTIN wise. In other words, some GSTINs for that PAN can opt for the new Scheme and remaining GSTINs may not opt for the Scheme.

[Notification No.84 Circular 143](#)

3. Special procedure for making payment of tax liability in first two months in case of furnishing GSTR 3B Quarterly

CBIC Notification No.
85/2020 of Central Tax – **dated 10.11.2020**

CBIC has notified a special procedure for making payment of tax liability in case where registered persons opt to furnish the return **GSTR 3B Quarterly**. Payment of tax in first two months of the quarter will be made by way of making a deposit in the electronic cash ledger of an amount equivalent to:-

- **35% of the tax liability** paid by debiting the electronic cash ledger in the return for the preceding quarter where the **return is furnished quarterly; or**
- The tax liability paid by debiting the electronic cash ledger in the return for the last month of the immediately preceding quarter where the **return is furnished monthly.**

Illustration:

i) In case the last return filed was on quarterly basis for Quarter Ending March, 2021:

Tax paid in Cash in Quarter (January - March, 2021)		Tax required to be paid in each of the months - April and May, 2021 for Apr-Jun'21 quarter	
CGST	100	CGST	35
SGST	100	SGST	35
IGST	500	IGST	175
Cess	50	Cess	17.5

ii) In case the last return filed was on monthly basis for the month of March, 2021:

Tax paid in Cash in March, 2021		Tax required to be paid in each of the months - April and May, 2021 for Apr-Jun'21 quarter	
CGST	50	CGST	50
SGST	50	SGST	50
IGST	80	IGST	80
Cess	-	Cess	-

✚ If it is found that in any or both of the first two months of the quarter, the tax liability net of available credit was higher than the amount paid in challan PMT-06, then, no interest would be charged provided taxpayer deposit the system calculated amount for each of the first two months and discharge their entire liability for the quarter in **FORM GSTR-3B** of the quarter by the due date.

✚ However if amount required to be **deposited in challan PMT-06 is not done by due date, interest would be chargeable** at the applicable rate till the date of making such payment.

✚ No such amount shall be required to be deposited:

- For the first month of the quarter, where the balance in the electronic cash ledger or electronic credit ledger is adequate for the tax liability for the said month or where the tax liability is Nil
- For the second month of the quarter, where the balance in the electronic cash ledger or electronic credit ledger is adequate for the cumulative tax liability for the first and the second month of the quarter or where the tax liability is Nil.

✚ Registered person shall not be eligible for the said special procedure unless he has furnished the return for a complete tax period (i.e. period before opting quarterly filing option) preceding such month.

[Effective from the 1st January, 2021]

[Notification No.85](#)

4. Extension of due date for furnishing FORM GSTR-1

CBIC Notification No.
83/2020 of Central Tax – **dated 10.11.2020**

CBIC has extended the time limit for furnishing quarterly **FORM GSTR-1** till the **13th day of the month** succeeding such tax period. **[Effective from 01-01-2021]**

[Notification No.83](#)

5. Rescind Notification 76/2020-Central tax dated 15.08.2020

CBIC Notification No.
86/2020 of Central Tax – **dated 10.11.2020**

Notification 76/2020-Central tax dated 15.08.2020 vide which CBIC had notified due dates for furnishing FORM GSTR-3B for the months from Oct, 2020 till March, 2021 has now been rescinded after notification of revised due date vide notification No. 82,84 & 85 dated 10th Nov,2020 as stated above.

[Notification No.86](#)

6. Extension of the due date for furnishing of FORM ITC-04

CBIC Notification No.
87/2020 of Central Tax – **dated 10.11.2020**

CBIC has extended the time limit for furnishing the declaration in **FORM GST ITC-04**, in respect of goods dispatched to a job worker or received from a job worker, during the period from July, 2020 to September, 2020 till **the 30th November, 2020**.

[Effective from 25-10-2020]

[Notification No.87](#)

7. Threshold limit of turnover for generating e-invoicing by the taxpayers

CBIC Notification No.
88/2020 of Central Tax – **dated 10.11.2020**

The provisions of E-invoicing shall be applicable to registered persons having turnover exceeding Rs **100 crore rupees** instead of current limit of **500 crore rupees**. **[Effective from 01-01-2020]**

[Notification No.88](#)

8. Waiver of penalty for non-compliance of requirement of Dynamic QR code for B2C transaction

CBIC Notification No.
89/2020 of Central Tax – **dated 29.11.2020**

Vide notification no.14/2020 dated 23.03.2020, CBIC had extended the due date of implementation of QR code for B2C invoicing which is applicable for such registered person whose aggregate turnover exceeds INR 500 crores, to 01.10.2020.

CBIC has now **waived penalty**, for non-compliance with the above requirement of generating dynamic QR code for B2C transaction, **till 31st March 2021 subject to the condition that taxpayer will comply with the above provision from 1st April 2021**.

[Notification No. 89](#)

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month. Instead it is only a listing of some of the circulars/notifications that we considered important.



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