



Week of 22nd April, 2019

## **A. CHANGES IN THE GST REGIME**

### **Extension of due date for furnishing GSTR 3B**

GSTR 3B is a monthly return which is required to be filed by all registered taxpayers. The CBIC had vide notification no. 19/2019 – central tax dated 22nd April, 2019 extended the due date for furnishing of returns in Form GSTR 3B for the month of March, 2019 by three days i.e. from 20th April, 2019 to 23rd April, 2019.

### **CGST (Third Amendment) Rules, 2019**

The CBIC has vide notification no. 20/2019 – central tax dated 23rd April, 2019 amended the CGST Rules, 2017. By this notification CBIC has inter alia amended rule 23 of the CGST Rules 2017 which provides that a registered person whose registration is cancelled by a proper officer may make an application for revocation of cancellation of registration. The amendment provides that where an order for revocation of cancellation of registration is issued, a registered person would be allowed a period of 30 days to file all the pending returns from the date of order of revocation of cancellation of registration. The amendment has also inserted Form GST CMP- 08 in rule 62 of the CGST Rules 2017.

### **CGST (Fourteenth Amendment) Rules, 2018**

The CBIC has vide notification no. 22/2019-central tax dated 23rd April, 2019 appointed 21st June, 2019 to be the date from which the CGST (Fourteenth Amendment) Rules, 2018 shall come into effect. These amendment rules had inserted rule 138E under the CGST Rules 2017 which provides that, no person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall be allowed to furnish e-way bill in respect of a registered person, if (i) being a composition dealer, he has not filed GSTR-4 two consecutive tax periods; and (ii) being a person other than composition dealer, he has not furnished the returns for two consecutive tax periods.

### **Procedure to furnish Form GST CMP 08 and GSTR 4**

The CBIC has vide no. 21/2019-central tax dated 23rd April, 2019 prescribed the procedure to be adopted by registered persons paying tax under section 10 of the CGST Act or paying tax as per notification no. 02/2019 – central tax (rate). Form GST CMP 08 is a statement to be furnished every quarter till the 18th of the month succeeding such quarter and Form GSTR 4 is a statement to be furnished annually for a financial year till the 30th of April following the end of the relevant financial year.

## Clarification for utilization of input tax credit

The CBIC has vide circular no. 98/17/2019 – GST dated 23rd April, 2019 clarified the manner of utilization of input tax credit post insertion of the rule 88A in the CGST Rules 2017. The newly inserted rule 88A in the CGST Rules allows utilization of input tax credit of Integrated tax towards the payment of Central tax and State tax, or as the case may be, Union territory tax, in any order subject to the condition that the entire input tax credit on account of Integrated tax is completely exhausted first before the input tax credit on account of Central tax or State / Union territory tax can be utilized. This has been explained in the circular in a tabular form as below:-

| Input tax Credit on account of   | Output liability on account of Integrated tax | Output liability on account of Central tax | Output liability on account of State tax / Union Territory tax |
|--|---|--|--|
| Integrated tax   | First   | Second                                     |  |
| Third - Input tax Credit on account of Integrated tax to be completely exhausted mandatorily |   |  |  |
| Central tax  | Fifth   | Fourth                                     | Not permitted  |
| State tax / Union Territory tax  | Seventh                                       | Not permitted                              | Sixth  |

## Clarification for application to revoke cancellation of registration

The CBIC has vide circular no. 99/18/2019 – GST dated 23rd April, 2019 clarified that the specified class of persons for whom cancellation of registration order has been passed up to 31st March, 2019 have a one time opportunity to apply for revocation of cancellation of registration on or before the 22nd July, 2019.

## B. PROPOSED CHANGES AND INDUSTRY ISSUES

### National Anti-Profiteering Authority

As per media reports, the NAA has alleged that big multinationals are not passing on the benefit of the GST rate cuts to the consumers and thereby are pocketing the gains from reduction in the GST rates. The authorities are therefore investigating various companies to check whether the benefit of reduced GST rate is passed on to the consumers.

### Speedy GST refunds to exporters

Post implementation of GST, exporters had faced various difficulties in claiming GST refund. As the refunds were not received on time, exports were hampered as large amounts were stuck to run the business. As per media reports, now if one files all returns in properly, if shipping bills are filed, if the shipment is on board and exported, then the GST refunds may take only three to four days to process.

## Glossary

**CBIC – Central Board of Indirect taxes and Customs**

**CGST – Central Goods and Services Tax**

**GST – Goods and Services Tax**

**GSTR – Goods and Services Tax Return**

**NAA – National Anti-Profiteering Authority**

## DISCLAIMER

This update has been written for the general interest of our clients and professional colleagues by the **GSTUpdateTeam@ALMT** and is subject to change. This update is not to be construed as any form of solicitation. It is not intended to be exhaustive or a substitute for legal advice. We cannot assume legal liability for any errors or omissions. Specific advice must be sought before taking any action pursuant to this update. For further clarification and details on the above, you may write to the [GSTUpdateTeam](mailto:GSTUpdateTeam@almtlegal.com) comprising of Statira Ranina (Partner) at [sranina@almtlegal.com](mailto:sranina@almtlegal.com) and Priyanka Jain (Associate) at [priyankaj@almtlegal.com](mailto:priyankaj@almtlegal.com). If you would like to unsubscribe from this weekly update please send an e-mail to us at the above address with the subject unsubscribe.