

# Updates On 40<sup>th</sup> GST Council Meeting

The 40<sup>th</sup> GST Council meeting was conducted in Delhi on 12<sup>th</sup> June 2020 chaired by Union Finance & Corporate Minister Smt. Nirmala Sitaraman. This is the first video conference council meeting held after the country was under lockdown due to Covid-19 pandemic.

Whilst the industry expectations were on in relation to relief in terms of the below mentioned perspectives, the council was focused on small taxpayers and taxpayers who did not file returns for the period Jul 2017 to Jan 2020:-

- Extension of due date of availing credit for FY 2018-19 currently being due date of return for the month of September, 2020 for the F.Y. 2019-20;
- Extension of due dates of compliances falling between March to September, 2020;
- Reduction in tax rates for varied kind of raw materials.

**Key recommendations of the council on Law and procedure changes are outlined below: -**

## 1. Relief provided for past compliances

To clean up the pendency in return filing, late fees for non-furnishing of Form GSTR 3B for the period from July, 2017 to January, 2020 has been –

- Waived as '**Nil**' late fee if there is no tax liability
- Capped at a maximum of Rs. 500/- per return if there is any liability

However, the returns needs to be submitted between 1st July, 2020 to 30th September, 2020

## 2. Relief to small taxpayers on delayed monthly compliances

- For February, March and April, 2020

Sr. No.	Class of registered persons	Rate of interest till notified date	Rate of interest after Notified date till 30 <sup>th</sup> September, 2020	Notified Date
1.	Taxpayers having an aggregate turnover >1.5 crores rupees <=5 crores rupees in the preceding financial year	Nil	Reduced interest at the rate of 9%	For February and march, 2020- 29 <sup>th</sup> June, 2020. For April, 2020-30 <sup>th</sup> June, 2020.
2.	Taxpayers having an aggregate turnover <=1.5 crores rupees in the preceding financial year	Nil	Reduced interest at the rate of 9%	If GSTR-3B is furnished on or before: February- 30 <sup>th</sup> June, 2020 March- 3 <sup>rd</sup> July, 2020 April- 6 <sup>th</sup> July, 2020

The reliefs provided to small taxpayers vide Notification No. 31/2020 dated 3<sup>rd</sup> April, 2020 from payment of interest for the month of February, March and May, 2020 if the returns are filed till the **notified dates** prevails, this is a further relaxation if the returns are filed after notified dates, interest will be levied at a reduced rate.

- For May, June and July, 2020

Sr. No.	Class of registered Persons-	Rate of interest	Late Fees	Condition
1.	Taxpayers having an aggregate turnover < 5 crores rupees in the preceding financial year	Nil	Nil	If GSTR-3B is furnished on or before 30 <sup>th</sup> September, 2020  (staggered dates to be notified)

### 3. Cancellation of Registration: Extended time for revocation

In all cases where GST registrations are cancelled till 12<sup>th</sup> June, 2020, application of revocation can be filed till **30<sup>th</sup> September, 2020**.

**Earlier**, extension has been recommended for revocation of registration cancelled till 14<sup>th</sup> March, 2020. As the extended date falls in the lockdown period and to help genuine cases, council has put forth this recommendation.

The above recommendations would be given effect through Circulars/Notifications in the due course of time.

The council has also indicated certain provisions of the Finance Act, 2020 amending the GST law which will be brought into effect from 30 June 2020. CBIC Notifications are awaited to understand further details on this aspect.