



GOVERNMENT INITIATIVES TO COMBAT CORONAVIRUS

GOODS AND SERVICE TAX



BACKGROUND

In view of the increasing difficulties faced by the corporate world on account of virtual shut-down of activities due to outbreak of Covid-19; Finance Minister Nirmala Sitharaman has announced various measures with the intention of giving relief and relaxations in respect of statutory and procedural compliances.

This bulletin covers the steps taken by the Government in relation to Good and Service Tax ("GST").

March 24th, 2020
Mumbai

KEY HIGHLIGHTS

The relief measures provided hereunder were the need for the hour for business houses facing economic slowdown at a large due to the current situation.

Relief	Our comments
Due date for filing GSTR-3B in the months of March'20, April'20 and May'20 to be extended to 30 th June, 2020	There is no corresponding reference to GSTR 1. Hence the due date of filing monthly GSTR 1 returns will remain the same i.e. 11 th of subsequent month. This has not been changed hence all assesses will have to carry out the monthly reconciliations with GSTR 2A and ensure compliance under Section 36(4) while filing GSTR 3B. Corresponding relief should also be given for filing of GSTR -1 and restrictions under Section 36(4) should be removed for 6 months.
Complete waiver of interest, penalty and late fees for delayed payment of tax by assessee having aggregate turnover not exceeding INR 5 crores	Much needed relief has been provided to assesses with turnover not exceeding INR 5 crores.
Delayed payment of tax by assessee whose aggregate turnover exceeds INR 5 crores to attract reduced rate of interest at rate of 9% (instead of current rate 18%). No penalty and late fees payable in this regard	Relief from interest, penalty and late fees was expected for all taxpayers.

Date for opting composition scheme for FY 2020-21 to be extended to 30 th June, 2020	It is a welcome change but the assessee needs to ensure that option may be exercised till 30 th June, 2020 but invoices from 1 st April, 2020 are issued as per Rules prescribed for Composition dealers.
Last date for making payments for quarter ending 31 st March, 2020 and filing of returns for FY 2019-20 by the composition dealers to be extended to last week of June, 2020	Much needed relief to Composition Scheme dealers.
Due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents and time limit for any compliance under the GST laws where the time limit is expiring between 20 th March, 2020 to 29 th June, 2020 shall be extended to 30 th June, 2020	All proceedings, appeals, replies to SCN etc getting time barred are being extended to 30 th June, 2020. This is a very tax friendly measure and will ensure that all rights of the taxpayer are safe guarded.
Last date of tax payment under Sabka Vishwas (Legacy Dispute Resolution) Scheme extended to 30 th June, 2020. No interest shall be payable for such tax payments	Much needed relief to the amnesty Scheme Applicants who are unable to collect funds due to lock down.

Necessary circulars and notifications giving effect to aforesaid relief shall be issued after due approval of GST Council.

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