

## In brief

Special notification for transition of taxpayers registered in the erstwhile UT of Daman & Diu and erstwhile UT of Dadra Nagar Haveli into the new merged UT of Daman and Diu and Dadra and Nagar Haveli w.e.f. 26<sup>th</sup> January, 2020

Special procedure to be followed for GST compliance by Corporate Debtors undergoing insolvency process under the IBC, 2016



## This issue

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## Notification CGST

### Transition process for merger of UT of Daman & Diu and UT of Dadra and Nagar Haveli [Notification No. 10/2020 – Central Tax dated 21<sup>st</sup> March 2020](#)

The notification prescribes the special procedure to be followed by registered persons holding existing registrations in erstwhile Union Territories (UT) of Daman & Diu and erstwhile UT of Dadra and Nagar Haveli till 25<sup>th</sup> January 2020 to transition into the new merged UT. **The last date for the said transition is 31<sup>st</sup> May 2020.**

Some major points to be noted:-

1. The Registered Person is required to ascertain tax as mentioned below, irrespective of the tax charged on the invoices and other documents raised from 26<sup>th</sup> January 2020.
  - January 2020 - 1<sup>st</sup> January 2020 to 25<sup>th</sup> January 2020
  - February 2020 - 26<sup>th</sup> January 2020 to 29<sup>th</sup> February 2020
2. Registered persons holding a GSTIN in erstwhile UTs till 25<sup>th</sup> January 2020 have the option to transfer the balance Input Tax Credit (ITC) lying in Electronic Credit Ledger after filing the return of January 2020 to the newly obtained registration in the merged UT of Daman & Diu and Dadra and Nagar Haveli.
3. The ITC balance of UT taxes transferred above from the UT of Daman and Diu would be transferred as a balance of UT tax in the transferee GSTIN.

### Corporate Debtors under IBC, 2016

#### [Notification No. 11/2020 – Central Tax dated 21<sup>st</sup> March 2020](#)

The notification prescribes the procedure to be followed by the interim resolution professionals (IRP) /resolution professionals (RP) of Corporate Debtors while they undergo the corporate insolvency resolution process with respect to:

1. **Registration:** New Registration is required to be taken in each of the State and UTs where corporate debtor was already registered with effect from date of appointment of IRP/RP

## In brief

Compliance relief to taxpayers who have opted for Deemed Composition Scheme

E-Invoicing for taxpayers with turnover more than Rs. 100 Crores shall be applicable from 1<sup>st</sup> October 2020

Printing of DQR Code for taxpayers with turnover more than Rs. 500 Crores shall be applicable from 1<sup>st</sup> October 2020

Extension of due date for filing Annual Return and Reconciliation Statement of FY 2018-19

Amendments to CGST Rules, 2017

- 2. Return:** First return is to be filed under section 40 of the CGST Act.
- 3. Input Tax Credit:** Eligible to claim ITC on invoices bearing the GSTIN of the erstwhile registered person subject to compliance with certain provisions of the Act and Rules
- 4. Refund:** Any amount deposited in the cash ledger by the IRP/RP, in the existing registration, from the date of appointment of IRP/RP to the date of registration shall be available for refund to the erstwhile registration.

### Relaxation for Deemed Composition Scheme.

#### [Notification No. 12/2020 – Central Tax dated 21<sup>st</sup> March 2020](#)

The notification provides compliance relief for those taxpayers who have opted for the Deemed Composition Scheme under Notification No. 2/2019-CT and have furnished return in GSTR-3B instead of furnishing the statement in Form GST CMP-08 shall not be required to file CMP-08 or GSTR-1 for the FY 2019-20.

### E-Invoicing

#### [Notification No. 13/2020 – Central Tax dated. 21<sup>st</sup> March 2020](#)

The notification notifies that e-invoicing for taxpayers with turnover more than Rs. 100 Crores shall be **applicable from 1<sup>st</sup> October 2020**. E-Invoicing shall not be applicable to insurance, banking and financial institutions including NBFC, goods transport agencies, passenger transport service providers and cinema halls/ multiplexes.

### E-Invoicing (DQR Code)

#### [Notification No. 14/2020 – Central Tax dated 21<sup>st</sup> March 2020](#)

Printing of Dynamic Quick Response (DQR) Code for taxpayers with turnover more than Rs. 500 Crores shall be **applicable from 1<sup>st</sup> October 2020**. The DQR Code shall not be applicable to banking and financial institutions including NBFC, goods transport agencies, passenger transport service providers and cinema halls/ multiplexes.

### Annual Return in GSTR-9

#### [Notification No. 15/2020 – Central Tax dated 23<sup>rd</sup> March 2020](#)

The Notification extends the due date for filing the Annual Return in Form GSTR-9 and Reconciliation Statement in Form GSTR-9C for the FY 2018-19 to 30<sup>th</sup> June 2020.

### CGST (Third Amendment) Rules, 2020

#### [Notification No. 16/2020 – Central Tax dated 23<sup>rd</sup> March 2020](#)

The notifications makes the following amendments to the CGST Rules:

1. Authentication of AADHAAR Number for grant of registration w.e.f. 1<sup>st</sup> April 2020 with the exception of physical verification of principal place of business in certain cases.

## In brief

### Amendments to CGST Rules, 2017

#### AADHAAR Authentication for Registration under GST

#### AADHAAR Authentication for Registration under GST

#### Extends time limit for filing returns for persons registered in state of J & K, UT of J & K and UT of Ladakh

2. Changes to the method of calculation of ITC reversal under Rule 43 in respect of Capital Goods.
3. GST Audit and Reconciliation Statement in GSTR-9C for FY 2018-19 shall be applicable for only those taxpayers whose aggregate (Pan-India) turnover exceeds Rs. 5 Crore.
4. Ceiling limit has been introduced for zero-rated supply of goods made under letter of undertaking (LUT) for the purpose of claiming refund. Maximum Export turnover is now capped at 1.5 times the value of domestic turnover of like goods.
5. Introduction of time limit for realization of sale proceeds towards exports of goods. The time limit would be the same as defined under FEMA. In case of non-realization of the sale proceeds, refund received would be required to be paid back proportionately along with interest within 30 days of such expiry.

#### AADHAAR Authentication

##### [Notification No. 17/2020 – Central Tax dated 23<sup>rd</sup> March 2020](#)

Lays down the classes of persons to whom the requirement of Aadhar authentication shall not be required for new registrations.

**This notification has come into effect from the 1<sup>st</sup> April 2020.**

#### AADHAAR Authentication

##### Notification No. [18/2020](#) and [19/2020](#) – Central Tax dated 23<sup>rd</sup> March 2020

The notifications prescribe the effective date of 1<sup>st</sup> April 2020 for the applicability of AADHAAR authentication for GST registration.

**This notification has come into effect from the 1<sup>st</sup> April 2020.**

#### Returns- Extension of due dates

Notification 20/2020-CT, 21/2020-CT, 22/2020-CT, 23/2020-CT, 24/2020-CT, 25/2020-CT, 26/2020-CT all dated 23<sup>rd</sup> March 2020 and applicable to Registered persons in State/UT of Jammu & Kashmir and UT of Ladakh

Notification No.	Effective Date	Particulars
<a href="#">20/2020 – CT</a>	31 <sup>st</sup> January 2020	TDS Return in GSTR-7 for the period July 2019- Feb 2020 has been extended till 24 <sup>th</sup> March 2020
<a href="#">21/2020 – CT</a>	31 <sup>st</sup> January 2020	GSTR-1 for the quarter October - December 2019 has been extended till 24 <sup>th</sup> March 2020

## In brief

Provides time limit for filing returns in Form GSTR – 1 and Form GSTR – 3B for all registered persons

Notification No.	Effective Date	Particulars
<a href="#">22/2020 – CT</a>	20 <sup>th</sup> December 2019	GSTR-1 for the month of October – February 2019 has been extended till 24 <sup>th</sup> March 2020
<a href="#">23/2020 – CT</a>	20 <sup>th</sup> December 2019	GSTR-1 for the month of July – September 2019 has been extended till 24 <sup>th</sup> March 2020
<a href="#">24/2020 – CT</a>	30 <sup>th</sup> November 2019	GSTR-1 for the quarter July - September 2019 has been extended till 24 <sup>th</sup> March 2020
<a href="#">25/2020 – CT</a>	20 <sup>th</sup> December 2019	GSTR-3B for period October 2019 to February 2020 has been extended till 24 <sup>th</sup> March 2020
<a href="#">26/2020 – CT</a>	20 <sup>th</sup> December 2019	GSTR-3B for period July 2019 to September 2019 has been extended till 24 <sup>th</sup> March 2020

### Returns- Extension of due dates

Notification [27/2020 – CT](#), [28/2020 – CT](#), [29/2020 – CT](#) all dated 23<sup>rd</sup> March 2020 and applicable to Pan India

Notification No.	Particulars														
27/2020 – CT	Details of outward supply of goods or services or both in FORM GSTR-1 (turnover up to Rs. 1.5 crore)														
	<table border="1"> <thead> <tr> <th>Quarter</th> <th>Due date</th> </tr> </thead> <tbody> <tr> <td>Apr'20 – Jun'20</td> <td>31<sup>st</sup> July 2020</td> </tr> <tr> <td>Jul'20 – Sep'20</td> <td>31<sup>st</sup> October 2020</td> </tr> </tbody> </table>	Quarter	Due date	Apr'20 – Jun'20	31 <sup>st</sup> July 2020	Jul'20 – Sep'20	31 <sup>st</sup> October 2020								
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*Note: In view of the recent announcement made by our Honourable Finance Minister on 24<sup>th</sup> March 2020, the last dates for filing GSTR-3B in March, April and May 2020 will be extended till the last week of 30<sup>th</sup> June 2020. For those having aggregate annual turnover less than Rs. 5 Crore, no interest, late fee, and penalty to be charged. For others, reduced rate of interest @ 9% per annum will be charged. However, no late fee and penalty to be charged, if complied before till 30<sup>th</sup> June 2020.*

### **Return**

## In brief

Clarification in respect of apportionment of ITC in cases of business reorganization under section 18(3) of CGST Act, 2017

Clarification in respect of companies under Insolvency and Bankruptcy Code, 2016

### Circulars CGST

#### Business Re-organization

[Circular 133/04/2020 – GST dated 23<sup>rd</sup> March 2020](#)

Key clarifications -

1. For purpose of apportionment of ITC pursuant to a demerger under rule 41(1) of the CGST Rules, the value of assets of the new units is to be taken at the State level (at the level of distinct person) and not at the all-India level
2. The transferor is required to file FORM GST ITC-02 only in those States where both transferor and transferee are registered
3. The formula for apportionment of ITC, shall be applicable for all forms of business re-organization that results in partial transfer of business assets along with liabilities
4. The ratio of value of assets, under rule 41(1) of the CGST Rules, shall be applied to the total amount of unutilized input tax credit (ITC) of the transferor i.e. sum of CGST, SGST/UTGST and IGST credit
5. The apportionment formula to be applied on the ITC balance of the transferor as available in electronic credit ledger on the date of filing of FORM GST ITC – 02
6. For the purpose of apportionment of ITC under rule 41(1) of the CGST Rules, the ratio of the value of assets should be taken as on the “appointed date of demerger”

#### Companies under IBC, 2016

[Circular 134/04/2020 – GST dated 23 March 2020](#)

Key clarifications -

4. In respect of the dues for period prior to insolvency commencement date claims may be filed by the proper officer before the NCLT. No action can be taken against the corporate debtor.
5. GST registration of an entity for which Corporate Insolvency Resolution Process (**CIRP**) has been initiated should not be cancelled
6. IRP/RP is under obligation to comply with all legal requirements only for period after the Insolvency Commencement Date
7. The corporate debtor who is undergoing CIRP is to be treated as a distinct person of the corporate debtor and shall be liable to take a new registration in each State or Union territory
8. Clarification in respect of filing of returns, availment of ITC and claiming of refund is provided

### Return

## In brief

Several relief measures relating to statutory and regulatory compliance matters across sectors in view of COVID-19 outbreak

### The Taxation & Other Laws (Relaxation of Certain Provisions) Ordinance, 2020

In order to give effect to the announcements made by the Union Finance Minister vide Press Release dated 24<sup>th</sup> March 2020, regarding several relief measures relating to statutory and regulatory compliance matters across sectors in view of COVID-19 outbreak, the Government has brought in an Ordinance on 31<sup>st</sup> March 2020 which provides for an extension of various time limits under the Taxation and Benami Acts.

#### Amendment w.r.t. Central Excise, Customs and Service Tax

1. Last date of furnishing of the **Central Excise returns** due in March, April and May 2020 has been extended to **30 June 2020**.
2. Wherever the last date for filing of appeal, refund applications, etc., under the **Central Excise Act, 1944** and rules made thereunder is from 20 March 2020 to 29 June 2020, the same has been extended to **30 June 2020**.
3. Wherever the last date for filing of appeal, refund applications, etc., under the **Customs Act, 1962** and rules made thereunder is from 20 March 2020 to 29 June 2020, the same has been extended to **30 June 2020**.
4. Wherever the last date for filing of appeal etc., relating to **Service Tax** is from 20 March 2020 to 29 June 2020, the same has been extended to **30 June 2020**.
5. The date for making payment to avail of the benefit under **Sabka Vishwas Legal Dispute Resolution Scheme 2019** has been extended to **30 June 2020**.

#### Amendment to CGST Act, 2017

In addition to the extension of time limits as above, an enabling section 168A has been inserted in the CGST Act, 2017 empowering the Government to extend due dates for various compliances due to *force majeure* inter-alia including statement of outward supplies, filing refund claims, filing appeals, etc. specified, prescribed or notified under the Act, on recommendations of the GST Council.

The power to issue notification shall include the power to give retrospective effect to such notification from a date not earlier from the date of the commencement of the Act.

*Note: The press release dated 24<sup>th</sup> March 2020, extends the due date to 30<sup>th</sup> June 2020 for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the GST laws where the time limit is expiring between 20<sup>th</sup> March 2020 to 29<sup>th</sup> June 2020. Notifications to give effect to the same are yet to be issued by the CBIC.*

#### Return

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