

**In brief**

GSTR-1 or IFF will not be allowed to furnish if the FORM GSTR-3B is not filed for preceding period/s

Aadhar Authentication Process for Registration under Section 25(6B) & (6C) is not applicable to certain notified persons

E-invoicing is applicable to Registered Person whose turnover exceeds 50 Crores w.e.f. from 01-04-2021

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**Notifications CGST****Rule 59- Restrictions on Filing of GSTR-1****[Notification No. 01/2021-Central Tax, Dated 1<sup>st</sup> January 2021.](#)**

The Notification inserted Sub-Rule 5 to Rule 59 of CGST Rules, 2017, i.e. Form and Manner of Furnishing details of Outward Supplies w.e.f. 01-01-21. It requires that the Registered Person shall not be allowed to furnish GSTR-1 if he has not furnished GSTR-3B for preceding 2 months. In case of GSTR-1 is furnished quarterly or IFF (Invoice Furnishing Facility) is availed, he will not be allowed to furnish the same if GSTR-3B is not filed for preceding Tax Period.

**Aadhar Authentication process under Section 25 (6B) & (6C) of CGST Act.****[Notification No. 03/2021-Central Tax, dated 23<sup>rd</sup> February 2021.](#)**

This notification supersedes the [Notification No. 17/2020](#) and hereby notifies that provisions of Section 25(6B) and (6C) shall not apply to a person who is:

1. Not a citizen of India; or
2. A Department of Central or State Government; or
3. A Local Authority; or
4. A Statutory Body; or
5. A Public Sector Undertaking; or
6. A person (Consulate or Embassy of foreign countries, etc.) applying for registration under Section 25(9) of the Act.

**Turnover Limit reduced for issuing E-Invoice****[Notification No. 05/2021-Central Tax, Dated 08<sup>th</sup> March 2021.](#)**

The notification hereby notifies Registered Person (RP), whose aggregate turnover in any preceding financial year from 2017-18 onwards exceeds Rs. 50 Crore in respect of supply of goods or services or both to a registered person or exports, shall issue E-Invoice with effect from 01<sup>st</sup> April 2021.

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Limited period penalty waiver for non-compliance of QR code on B to C invoice

Standard Operating Procedure (SOP) has been issued for implementation of Suspension of Registration Rule, in case of discrepancies in the details furnished in the returns of GSTR-1 and GSTR-3B

### Waiver of penalty under Section 125.

[Notification No. 06/2021-Central Tax, Dated 30<sup>th</sup> March 2021.](#)

The notification extends the period for waiver of penalty under Section 125 (Up to Rs. 25,000) for non-compliance of the provisions of [Notification 14/2020](#) (i.e. B to C Invoice with Dynamic Quick Response Code – applicable in case of registered person with Turnover exceeding Rs. 500 Crore) from 31-03-2021 to 30-06-2021 subject to the condition that the said person shall comply with the provisions of said notification from 01-07-2021.

### Circulars

#### SOP for implementation of Provision under Rule 21A (2A)

[Circular No. 145/01/2021-GST, dated 11<sup>th</sup> February 2021.](#)

To protect the interest of Revenue, Sub-rule (2A) has been inserted to Rule 21A of the CGST Rules which provides for immediate suspension of registration of a person on observance of discrepancies /anomalies in the returns furnished by registered persons such as:

1. Difference in outward supply as per GSTR-1 and GSTR-3B;
2. ITC claimed in GSTR-3B varies to the one shown in GSTR-2A/2B;
3. Differences noticed due to such other analysis, as may be carried out on the recommendations of the Council, etc.

Where such differences or anomalies indicate violation of the provisions of Act, etc. leading to cancellation of registration of the said person then his registration shall be suspended and the said person shall be intimated in FORM GST REG-31, electronically, on the common portal, or by sending a communication on to his e-mail address highlighting the said differences and anomalies and asking him to explain, within a period of thirty days, as to why his registration shall not be cancelled.

Till the time an independent functionality for FORM REG-31 is developed on the portal, the Board, hereby provides the following guidelines (SOP):

1. **Suspension of Registration:** The registration shall be suspended, and system generated intimation for suspension and notice for cancellation of registration in FORM GST REG-31, containing the reasons of suspension, shall be sent to such taxpayers on their registered e-mail address. Till the time functionality for FORM REG-31 is made available on portal, such notice/intimation shall be made available on the dashboard on common portal in FORM GST REG-17. The notice can be viewed in the “View/Notice and Order” tab post login.
2. **Reply to notice/ intimation within 30 days:** Such taxpayers would be required to furnish reply to the jurisdictional tax officer within 30 days from the receipt of such notice/intimation in FORM GST REG-18 online through Common Portal, explaining the discrepancies/anomalies, if any, and shall furnish the details of

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Some clarifications are issued in respect of issue of B2C invoices containing Dynamic QR code, by the taxpayers to whom the rule of E-invoicing is applicable

compliances made or/and the reasons as to why their registration should not be cancelled.

3. **Suspension due to non-filing of returns:** In case the intimation for suspension and notice for cancellation of registration is issued on ground of non-filing of returns, the said person may file all the due returns and submit the response.
4. **Procedure post issuance of Form GST REG-31 via email:** The list of such taxpayers would be sent to the concerned Nodal officers of the CBIC/ States. The system generated notice can be viewed by the jurisdictional proper officers on their Dashboard for suitable actions. Upon receipt of reply from the said person or on expiry of thirty days (reply period), a task would be created in the dashboard of the concerned proper officer under “Suo Moto cancellation proceeding”.
5. **Order for dropping proceedings or cancellation of registration:** After examination of the response, the GST official may pass an order either for dropping the proceedings for suspension/ cancellation of registration in FORM GST REG-20 or for cancellation of registration in FORM GST REG-19. Based on the action taken by the proper officer, the GSTIN status would be changed to “Active” or “Cancelled Suo-moto” as the case maybe.
6. **Action post dropping of proceedings:** After passing the Order for dropping the proceedings the GST Official can continue with the detailed verification of the documents and recovery of short payment of tax, if any. After detailed verification or otherwise, if the proper officer finds that the registration of the said person is liable for cancellation, he can again initiate the proceeding of cancellation of registration by issuing notice in FORM GST REG-17.

### Clarifications on Dynamic QR code for B2C invoices.

[Circular No. 146/02/2021-GST, dated 23<sup>rd</sup> February 2021](#)

The circular provides clarification on applicability of Dynamic QR code on B2C invoices. Here are some issues clarified below in question-and-answer pattern.

1. **To which invoices QR code on B2C Invoice is applicable? Would this be applicable on Invoices issued for Exports?**
  - It is not applicable to an invoice issued where the supplier of taxable service is:
    - a) An Insurer, Banking Company, Financial Institution incl. NBFC.
    - b) A GTA supplying transportation of goods by road in a goods carriage.
    - c) Supplying passenger transport service.
    - d) Services by way of admission to exhibition of cinematograph in films in multiplex screen.
  - OIDAR supplies made by RP under section 14 of IGST Act 2017, to an unregistered person.
  - As regards Invoices issued for Exports are concerned, e-invoices are required to be issued for supplies of export in terms of N.No.13/2020-CT treating them B2B supplies. Therefore, Dynamic QR Code will not be applicable to them.

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### **2. What details are required to be captured in the Quick Response Code?**

i. Supplier GSTIN number; ii. Supplier UPI ID; iii. Payee's Bank A/C number and IFSC; iv. Invoice number & invoice date; v. Total Invoice Value and vi. GST amount along with breakup i.e., CGST, SGST, IGST, CESS, etc. Further, Dynamic QR Code should be such that it can be scanned to make a digital payment.

### **3. If the customer opts to make payment without using Dynamic QR code, then will the cross reference of such payment, made without use of QR code, on the invoice, be considered as compliance of Dynamic QR code on the invoice?**

- In cases where the supplier has digitally displayed the Dynamic QR Code and the customer pays for the invoice -
- Using any mode like UPI, credit/ debit card, etc. or combination of various modes of payment, with or without using Dynamic QR Code, and the supplier provides a cross reference of the payment (transaction id along with date, time and amount of payment, mode of payment etc.) on the invoice; or
- In cash, without using Dynamic QR Code and the supplier provides a cross reference of the amount paid in cash;
- Then the said invoice shall be deemed to have complied with the requirement of having Dynamic QR Code.

### **4. If the supplier makes available to customers an electronic mode of payment like UPI Collect, etc., through mobile applications or computer-based applications, where though Dynamic QR Code is not displayed but the details of merchant as well as transaction are displayed/ captured otherwise, how can the requirement of Dynamic QR Code as per this notification be complied with?**

In such cases, if the cross reference of the payment made using such electronic modes of payment is made on the invoice, the invoice shall be deemed to comply with the requirement of Dynamic QR Code. However, if payment is made after generation, then Dynamic QR code on the Invoice is must.

### **5. Is generation/ printing of Dynamic QR Code on B2C invoices mandatory for pre-paid invoices.**

In cases other than pre-paid supply, the supplier shall provide QR Code on the invoice.

### **6. Once the E-commerce operator (ECO) or the online application has complied with the Dynamic QR Code requirements, will the suppliers using such e-commerce portal or application for supplies still be required to comply with the requirement of Dynamic QR Code?**

The provisions of the notification shall apply to each supplier/registered person separately if such person is liable to issue invoices with Dynamic QR Code for B2C supplies as per the said notification. In case, the supplier is making supply through the E-commerce portal or application, and the said supplier give cross reference of the payment received in respect of the said supply on the invoice, 4

In case of Pre-paid B2C supply, supplier is not required to provide QR code on the invoice.

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Clarification on matter related to Refund in case of Deemed Export Supply, by the recipient of such supply.

Relaxation in case of the refund of tax paid for Export of Services and Supplies to SEZ from periods 01.07.2017 to 31.03.2021 when errors are committed while furnishing supply details in GSTR 3B

then such invoices would be deemed to have complied with the requirements of Dynamic QR Code. In cases other than pre-paid supply i.e., where payment is made after generation / issuance of invoice, the supplier shall provide Dynamic QR Code on the invoice.

### Clarification on Refund related issues.

[Circular No. 147/03/2021-GST, dated 12<sup>th</sup> March 2021](#)

The circular provides clarification on some issues relating to GST refunds:

#### 1. Clarification on Refund Claim by recipient of Deemed Export Supply

Before this clarification, the recipient of Deemed export supply, at the time of filing refund was facing difficulty, as the ITC amount has to be debited in ECL first then only refund application could be proceeded further.

Now, suitable amendments are made in para 41 of circular no. 125/44/2.019 so as to allow the same.

The recipient shall also be required to declare that the supplier has not claimed refund with respect to the said supplies. The procedure regarding procurement of supplies of goods from DTA by Export Oriented Unit (EOU) / Electronic Hardware Technology Park (EHTP) Unit / Software Technology Park (STP) Unit / Bio-Technology Parks (BTP) Unit under deemed export as laid down in Circular No. 14/14/2017-GST dated 06.11.2017 needs to be complied with.

#### 2. Extension of relaxation for filing refund claim in cases where zero-rated supplies has been wrongly declared in Table 3.1(a)

There were cases where taxpayers had inadvertently entered details of Export of Service or zero-rated supplies to a SEZ in table 3.1(a) instead of table 3.1(b) of FORM GSTR-3B and were unable to claim refund of the IGST paid on the same through GSTR RFD-01A. [Circular 125/44/2019](#) was issued clarifying that for tax periods 01.07.2017 to 30.06.2019 such RP shall be allowed to file the refund application in FORM GSTR RFD-01A.

Now, through Circular 147, relaxation has been extended to 31.03.2021 tax periods.

#### 3. Moreover, the manner of calculation of Adjusted Total Turnover under sub-rule (4) of Rule 89 of CGST Rules, 2017 is also clarified.



## Key Take Away

- GSTR-1 cannot be filed if GSTR-3B of previous two tax periods are not filed.
- E-Invoicing is applicable to registered person having turnover exceeding Rs.50 Crores w.e.f. 1<sup>st</sup> April 2021.
- Waiver of Penalty under section 125, for non-compliance of provisions of Dynamic QR code till 30<sup>th</sup> June 2021.

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