



The GST council in its 27th meeting held on 4th May, 2018 had approved basic principles of GST return design. In its 28th meeting held on 21st July, 2018, the Council approved key features and new formats of GST returns. The same had been placed in public domain on 30th July 2018 for inviting comments from trade and industry. The department plans to put in place the new return filing system by 1st January 2019.

Key Features of New Simplified Return Process

- All taxpayers excluding a few like small taxpayers, composition dealer, Input Service Distributor (ISD), Non-registered taxable person, person liable to deduct tax at source, person liable to collect tax at source shall file **one monthly return**.
- Return filing dates shall be staggered based on the turnover of taxpayer in last year. Due date for filing return by a large taxpayer shall be **20th of next month**.
- Taxpayers having no purchases, zero output tax liability or no input tax credit shall file one NIL return for the quarter. For first and second month of quarter, the taxpayer shall report NIL transaction by sending SMS. Quarterly return can also be filed by sending an **SMS**.
- Taxpayers having turnover upto Rs. 5 Cr. in last financial year shall be considered small and shall have the option to file **quarterly return** with monthly payment of tax on self declaration basis.
- The supplier can continuously upload invoice anytime during the month and such invoices shall be continuously visible to the recipient. Only invoices or debit notes uploaded by the supplier on common portal shall be valid document for availing input tax credit by the recipient.

- Invoices uploaded upto 10th of next month shall be available for taking input tax credit by the recipient in his return. Invoice uploaded after 10th of next month shall be available for taking input tax credit only in subsequent month. However, the supplier will have to pay tax for all the invoices related to relevant month even if it is uploaded after 10th of next month but till the date of filing the relevant return.

(Eg: - Two invoices for April uploaded by supplier on 8th May and 12th May respectively, then recipient can avail ITC for invoices uploaded on 8th May while filing his return for the month of April. ITC of invoice uploaded on 12th May will be available for the month of May only. However, supplier will have to pay tax for both the invoices while filing his return for the month of April)

- The recipient can additionally avail input tax credit for the goods or services which has been received before filing the return provided invoice for same has been uploaded by the supplier by 10th of next month. (Eg: - ITC on Invoice for April uploaded by supplier by 10th May can be availed by recipient even if goods or services have been received by 20th May. Presently ITC is available only if goods or services have been received by end of the relevant month)
- In the transition phase of six months, recipient would be able to avail ITC on self declaration basis even on invoices not uploaded by seller.
- **Missing invoice** shall be reported by the supplier in main return for any tax period with interest or penalty as applicable.
- Invoice once uploaded shall be treated as self-admitted liability by the supplier.
- There shall not be any automatic reversal of ITC if tax had not been paid by the supplier. It shall be first recovered from supplier and in some exceptional circumstances like missing taxpayer, closure of business, supplier not having adequate assets etc. then only recovery of ITC shall be made from the recipient.
- Recipient shall have the option to **lock the invoices** uploaded by supplier even before filing return by the recipient.
- Invoice for which no action has been taken by recipient (rejection or pending) shall be deemed as locked after return has been filed.
- Invoice once locked by recipient shall not be available for amendment by supplier. Only recipient can unlock the invoice subject to reversal of input tax credit and online confirmation thereof. However,

credit or debit note for same can still be issued by the supplier to change value, rate of tax, quantity or tax payable.

- There would be a facility to file amendment return. Returns shall be allowed to amended twice within prescribed timelines.
- Negative liability arising from amendment return shall be carried forward as negative liability in regular return of next tax period.
- For a newly registered taxpayer and a taxpayer who has defaulted in payment of tax beyond a time period and/or above a threshold, uploading of invoice shall be allowed only upto a threshold amount or only after default in payment of tax is made good respectively. Thus, where condition for supplier's side control are not satisfied due to default in payment of tax by supplier, the invoice uploaded by supplier shall not be populated in viewing facility of recipient and consequently, the recipient would not be able to avail input tax credit on such invoices till default in payment is made good.
- Table for exports of goods in return would contain details of shipping bill also. The registered person can either fill this information at the time of filing the return or after filing return at his option.

The draft format for monthly returns have also been provided at the public domain for comments.

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