

## **NDA Update – Important decisions in 39<sup>th</sup> GST Council Meeting**

In the 39<sup>th</sup> meeting of the GST Council held on 14-03-2020, certain important decisions were taken. Some of the important proposed changes are as under:

### **Extension of time line / threshold limit**

- Due date of filing of Annual Return (GSTR-9) and Reconciliation Statement (GSTR-9C) for the year 2018-19 extended to 30-06-2020 from 31-03-2020.
- Threshold limit for optional filing of Reconciliation Statement in GSTR-9C has been increased from “turnover up to Rs 2 crores to turnover up to Rs 5 crores”

### **Continuance of existing system**

- GSTR-1, GSTR-2A and GSTR-3B will continue till 30-09-2020.

### **Deferment of “system to be introduced”**

- Implementation of e-invoicing and QR code to be deferred till 01-10-2020.
- To finalize and implement e-Wallet scheme to be deferred up to 31.03.2021.

### **Other proposed amendments**

- Interest for delay in payment of GST to be charged on the net cash tax liability w.e.f. 01.07.2017. For this purpose retrospective amendment will be made.
- Late fees not to be levied for delayed filing of the Annual return (GSTR-9) and Reconciliation Statement (GSTR-9C) for years 2017-18 and 2018-19 for taxpayers having turnover up to Rs. 2 crores.
- In case of cancellation of registration up to 14.03.2020, application for revocation of cancellation of registration can be filled up to 30.06.2020.
- ‘Know Your Supplier’ to be introduced so as to enable every registered person to have some basic information about their suppliers. To curb fake invoicing and fraudulent passing of ITC, restrictions to be imposed on passing of the ITC in case of new GST registrations, before physical verification of premises and Financial KYC of the registered person.
- Insurance company, banking company, financial institution, nonbanking financial institution, GTA, passenger transportation service etc. are to be exempted from the requirements of issuing e-invoices or capturing dynamic QR code.
- Rules will be amended prescribing the procedure for reversal of ITC on capital goods partly used for affecting taxable supplies and partly for exempt supplies.
- Rules will be amended prescribing the procedure for recovery of refund on export of goods where export proceeds are not realized within the time prescribed under FEMA.