

NDA Update – Recommendations of GST Council meeting held on 18-02-2023

In the 49th GST Council Meeting held on 18-02-2023, the council has made certain recommendations, the significant ones are provided below:

- **Amnesty in respect of pending returns in FORM GSTR-4 (Annual return for composition taxpayers), FORM GSTR-9 (Annual Return for normal tax payers) and FORM GSTR-10 (Final Return in case of cancellation of registration):**

The Council has recommended amnesty schemes in respect of pending returns in **FORM GSTR-4, FORM GSTR-9 and FORM GSTR-10** by way of conditional waiver/ reduction of late fee. The details would be notified in due course.

- **Reduction of Late fee for Annual Return:**

Presently, late fee in case of delayed filing of annual return in FORM GSTR-9 is Rs 200 per day (Rs 100 CGST + Rs 100 SGST), subject to a maximum of 0.5% of the turnover (0.25% CGST + 0.25% SGST).

The Council has recommended to reduce the late fee for delayed filing of annual return in FORM GSTR-9 for FY 2022-23 onwards, for registered persons having aggregate turnover in a financial year up to Rs 20 crore, as below:

Aggregate turnover in the financial year	Late Fees
Up to Rs 5 crores	Rs 50 per day (Rs 25 CGST + Rs 25 SGST), subject to a maximum of 0.04% of the turnover (0.02% CGST + 0.02% SGST).
More than Rs. 5 crores and up to Rs. 20 crores	Rs 100 per day (Rs 50 CGST + Rs 50 SGST), subject to a maximum of 0.04% of the turnover (0.02% CGST + 0.02% SGST).
More than Rs 20 crores	No change is recommended. It will remain at Rs 200 per day (Rs 100 CGST + Rs 100 SGST), subject to a maximum of 0.5% of the turnover (0.25% CGST + 0.25% SGST).

- **Relaxation in revocation for cancellation of registration**

Presently, the application for revocation of cancellation of registration can be made within 30 days of cancellation which can be extended up to 90 days with due approval of higher authority.

The council has proposed to extend the time limit of 30 days to 90 days without any approval. The said time period may be extended by the Commissioner or an officer authorised by him for a further period not exceeding 180 days.

In respect of past cases where the application for revocation could not be filed within the stipulated time period, the council has recommended that an amnesty scheme will be provided by allowing such persons to file such application for revocation by a specified date, subject to certain conditions. This amnesty scheme will definitely help large number of taxpayers whose registration was cancelled and the time period for application for revocation had elapsed.

- **Amendment to Section 62 of CGST Act, 2017 to extend timelines for furnishing returns against best judgment assessment order and amnesty scheme for past cases:**

Under Section 62(1) of the CGST Act, 2017, in case of failure to file the return in GSTR-3B, the officer may assess the tax liability by issuing the best judgment assessment order which may be deemed to be withdrawn under Section 62(2) if the relevant return is filed within 30 days of service of the best judgment assessment order. The Council has recommended to amend section 62 so as to increase the time period for filing of return for enabling deemed withdrawal of such best judgment assessment order, from the present 30 days to 60 days, which may be further extended by another 60 days, subject to certain conditions.

The Council has also recommended to provide an amnesty scheme for conditional deemed withdrawal of assessment orders in past cases where the concerned return could not be filed within 30 days of the service of the assessment order but has been filed subsequently along with due interest and late fee up to a specified date, irrespective of whether appeal has been filed or not against the assessment order, or whether the said appeal has been decided or not.

- **Place of supply of services of transportation of goods where location of recipient is outside India**

As per Section 13(9) of the IGST Act, 2017 the place of supply of services of transportation of goods, other than by way of mail or courier, shall be the place of destination of such goods. The Council has recommended to rationalize the provision of place of supply for services of transportation of goods by deletion of section 13(9) of IGST Act, 2017 so as to provide that the place of supply of services of transportation of goods, in cases where location of supplier of services or location of recipient of services is outside India, shall be the location of the recipient of services.

These recommendation of the council would be given effect through circulars/ notifications/ law amendments.

https://www.cbic.gov.in/resources/htdocs-cbec/deptt_offcr/press-release-gst-18jan2023.pdf