

# TAX FLASH NEWS

13 October 2020



## **GST Notification updates | E-invoice to be made effective from 1 January 2021 for taxpayer having turnover in excess of INR 100 crore**

Central Board of Indirect Taxes and Customs (CBIC) have recently issued notification to notify 1 January 2021 as the date from when the taxpayer having turnover in excess of INR 100 crore shall be required to issue electronic invoice.

Also, in pursuant to the trade facilitation measures announced in 42<sup>nd</sup> GST Council meeting, CBIC have issued various notifications to give effect to these measures and changes in regard to regular compliances.

### **1. Electronic invoice | Taxpayer having turnover in excess of INR 100 crore**

Effective 1 January 2021, any registered person<sup>1</sup> having an aggregate turnover in excess of INR 100 crore in any of the preceding financial year from 2017-18 onwards, will be required to issue electronic invoices ('e-invoice') for all supplies made to a registered person including exports.

**[Notification no. 88/2020-Central Tax dated 10 November 2020]**

### **2. Job-work | Declaration in Form GST ITC-04**

Time limit for furnishing declaration in form GST ITC-04, in respect of goods dispatched to a job worker or received from a job worker, during the period from July 2020 to September 2020, has been extended from 25 October 2020 to 30 November 2020.

**[Notification no. 87/2020-Central Tax dated 10 November 2020]**

### **3. Special Procedures | Option to taxpayer having turnover up to INR 5 crore to file quarterly return and make monthly payment**

Pursuant to the GST council recommendation to reduce compliance burden of small taxpayer i.e. taxpayer having aggregate turnover up to INR 5 crore, notifications has been issued to allow such taxpayer to opt for filing the GST return on a quarterly basis with monthly payment ('QRMP').

Taxpayer opting for QRMP may for the first two months of a quarter, pay 35 per cent of the net cash liability of the previous quarter/month as the case may be, by using an auto generated challan.

In addition, such taxpayer may for the first and the second month of a quarter, furnish details of B2B supplies in the common portal electronically by using the invoice furnishing facility ('IFF'). The details of such invoices will be populated in the GSTR-2A and GSTR-2B of the recipient of such supplies.

The said special procedures shall come into effect from 1 January 2021.

**[Notification no. 82/2020-Central Tax, Notification no. 84/2020-Central Tax and Notification no. 85/2020-Central Tax dated 10 November 2020]**

### **4. Amendment to CGST Rules | Form and manner of furnishing return in GSTR-1**

Rule 59 of the CGST Rules, 2017 which prescribes the GST return form GSTR-1 and manner of furnishing the same has been substituted. The rule has been substituted primarily to incorporate the manner of uploading details of outward supplies made by small taxpayers who have opted for QRMP.

<sup>1</sup> Registered person shall not include Special Economic Zone unit, banking companies, insurance companies, financial institution, non-banking financial company, goods transport agency supplying services in relation to transportation of goods by road in a goods carriage, passenger transport services, by way of admission to exhibition of cinematograph films in multiplex screens.

The gist of the manner in which such small taxpayer shall make the details of outward supply is as under -

- Registered persons may for the first and second months of a quarter, furnish electronically on the common portal, the details of B2B supplies (Invoices, credit notes and debit notes) up to a cumulative value of INR 50 lakhs in each of the months using the invoice furnishing facility ('IFF'), from the 1st day of month succeeding such month till the 13th day of the said month.
- Details of outward supplies furnished using IFF shall not be required to be refurnished in GSTR-1

The above substitution shall come into effect from 1 January 2021.

### **[Notification no. 82/2020-Central Tax dated 10 November 2020]**

## **5. Amendment to CGST Rules | Form and manner of ascertaining details of inward supplies**

Rule 60 titled 'Form and manner of ascertaining details of inward supplies' has been substituted. The gist of the rule is as under –

- GSTR-2A which shall be available to the registered recipient of supplies, shall comprise of following parts:
  - **Part A** - Details of outward supplies furnished in GSTR-1 or furnished using IFF by the suppliers and the details furnished in GSTR-5 by a non-resident taxable person
  - **Part B** - Details of invoices furnished by an input service distributor ('ISD') in GSR-6
  - **Part C** - Details of tax deducted at source and tax collected at source
  - **Part D** - Details of IGST paid on import of goods from special economic zone unit or developer
- In addition to GSTR-2A, an auto-drafted statement in GSTR-2B for every month shall be made available to registered persons a day after the due date of furnishing the details of outward supplies by a person who has opted to provide details using IFF facility or the filing of GSTR-1 whichever is later.
- The GSTR-2B shall consist of
  - Details of outward supplies furnished by the supplier in GSTR-1
  - Details of outward supplies furnished using IFF
  - Details of invoices furnished by a non-resident taxable person in GSTR-5

- Details of invoices furnished by ISD in GSTR-6
- Details of IGST paid on imports from Special economic zone unit or a special economic zone developer

### **[Notification no. 82/2020-Central Tax dated 10 November 2020]**

## **Our comments**

The notifications have brought in significant change in the way taxpayers would be required to undertake compliances with effect from 1 January 2021. The taxpayers who will be covered in the ambit of E-invoicing are required to implement the new way of issuing Invoices in a very short span of time. Hence, every day is crucial and counting towards 1 January 2021.

Further, the taxpayers will now be able to verify the tax credit from GSTR-2A as well as GSTR-2B. While GSTR-2A would be dynamic, the GSTR-2B will be static and hence the taxpayer may have to refer to GSTR-2B before finalizing the available tax credit for a particular month/quarter, as the case may be, and pay tax accordingly in GSTR-3B.



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