

TAX FLASH NEWS

7 May 2020



GST Circular update – Clarification with respect to challenges faced by registered person in adhering to compliance requirements

Central Board of Indirect Taxes and Customs (CBIC) have issued a circular¹, clarifying certain challenges faced by the taxpayer in adhering to the compliance requirements under GST.

Gist of the clarification is as under –

Sl. No.	Issues	Clarification
	Issues relating to special procedures prescribed for Insolvency and Bankruptcy Code, 2016	
1	Difficulty faced in obtaining registration by interim resolution professional (IRP) or resolution professional (RP) during the period of lockdown	The special procedure prescribed in Notification no. 11/2020-Central Tax, dated 21 March 2020, has been amended. Accordingly, IRP/RP can now obtain registration within 30 days of the appointment of the IRP/RP or by 30 June 2020, whichever is later.
2	The requirement prescribed under the special procedures that corporate debtors have to take fresh registration with effect from the date of appointment of IRP/RP	The special procedures have been amended and accordingly, it is clarified that IRP/RP would not be required to obtain new registration, where the corporate debtors have filed for all tax periods, the statement in GSTR-1 and return in GSTR-3B before the appointment of IRP/RP.
3	Whether fresh registration would be required where the appointment of IRP has not been ratified and a separate RP is appointed?	<ul style="list-style-type: none"> • Changes in the authorised signatory can be made by making an amendment in the registration form • However, in case the previous authorised signatory does not share the credentials with his successor, then the newly appointed person can get his details added through the Jurisdictional authority as primary authorised signatory.
	Other COVID-19 related representations	
4	A registered supplier is allowed to supply goods to a registered merchant exporter at 0.1% provided that the merchant exporter exports the goods within 90 days from the date of issuance of invoice.	<p>Time limit for compliances falling between 20 March 2020 to 29 June 2020 has been extended till 30 June 2020.</p> <p>Accordingly, the requirement of exporting the goods by the merchant exporter within 90 days from the date of issue of tax invoice by the registered supplier also</p>

	In case of failure to export the goods within 90 days, the differential tax would be required to be paid along with interest.	gets extended to 30 June 2020, provided the completion of such 90 day period falls within 20 March 2020 to 29 June 2020.
5	Whether the due date for filing of ITC-04 for the quarter ending March 2020 also stands extended?	<p>Time limit for compliances falling between 20 March 2020 to 29 June 2020 has been extended till 30 June 2020.</p> <p>Accordingly, it is clarified that the due date of furnishing of FORM GST ITC-04 for the quarter ending March 2020 stands extended to 30 June 2020.</p>

¹ Circular No. 138/08/2020-GST dated 6 May 2020

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