

# What's New

## News Flash

### CBIC issues notifications and circular to implement relief measures for COVID-19

Recently, the Central Board of Indirect Taxes and Customs (CBIC), issued notifications and circulars giving effect to the relief measures announced by the Finance Minister<sup>1</sup> in view of COVID-19. While there is no extension of due dates for filing Form GSTR 3B for February 2020 to April 2020, and Form GSTR 1 for March 2020 to May 2020, the CBIC has notified the waiver of late fees, and benefit of reduced rate of interest for delayed payment of tax (waiver for turnover below INR 50m). We have summarised the clarifications as per the notifications released below.

The press release<sup>1</sup> stated that due dates for filing Form GSTR 3B for February to April 2020 would be extended to 30 June 2020 for taxpayers having aggregate turnover up to INR 50m. Interest, late fee and penalty would also be waived. For other taxpayers, a reduced interest rate would be charged, although the applicable late fee would be waived.

#### As per the notifications<sup>2</sup>

Particulars	Form GSTR 3B (February 2020- April 2020)	Form GSTR 3B (May 2020)	Form GSTR 1 (March 2020- May 2020)
Date of filing	No extension	To be furnished by 27 June 2020	No extension
Interest	Waived/ applicable at reduced rate as mentioned in <b>Note 1</b>	NA	NA
Late fee	Waived if returns filed after due date but within the dates specified in <b>Note 2</b>	NA	Waived if returns filed after due date but on/ before 30 June 2020

Further, the press release<sup>1</sup> stated that due dates under the Central Goods and Services Tax Act, 2017 (CGST Act), Customs Act, 1962 and other allied laws, falling between 20 March 2020 to 29 June 2020, have been extended to 30 June 2020 for the following events:

- Issue of notices, notifications, approval orders, sanction orders;
- Filing of appeals;
- Furnishing of returns, statements, applications, reports;
- Any other documents not specified above.

#### Notification No. 35/ 2020 – Central Tax dated 3 April 2020

This notification has been issued in exercise of powers conferred under section 168A of the Ordinance<sup>3</sup> to give effect to the above under GST law. Note that section 168A of the CGST Act was introduced *vide* the Ordinance<sup>3</sup> to empower the Government to extend time limits for completion of compliance or any actions due to “force majeure,” as defined under the CGST Act (COVID-19 has been defined as a “force majeure” under the CGST Act).

The notification also provides that this time extension shall not apply to the following:

- Chapter IV of CGST Act (Time and value of supply);
- Registration and procedures therewith;
- Provisions relating to casual and non-resident taxable person;

- Due dates relating to issue of invoice;
- Due dates for filing Forms GSTR-1, GSTR-3B and e-way bill (Specific dates have been separately);
- Levy of late fee and interest (Specific dates specified separately);
- Power to arrest;
- Liability of partners of the firm to pay tax;
- Penalty;
- Detention, seizure and release of goods and conveyances in transit.

#### Additional reliefs (not mentioned in press release)

- **Extension of other due dates**<sup>4</sup>: Due dates for Input Service Distributor (ISD), Tax Collected at Source (TCS) and Tax Deducted at Source (TDS) returns for the month of March 2020 to May 2020 extended to 30 June 2020.
- **Validity period of e-way bill**<sup>5</sup>: Where an e-way bill has been generated and it expires during the period 20 March 2020 to 15 April 2020, the validity period of such e-way bill shall be deemed to have been extended until 30 April 2020. This is also issued under the powers prescribed under section 168A of the Act.
- **10% credit restriction**<sup>6</sup>: The restriction of credit up to 10% of eligible credit on account of invoices not uploaded by the supplier shall not apply individually for the period February 2020 to August 2020. However, the condition shall be complied cumulatively for the period February 2020 to September 2020 while filing the Form GSTR-3B return of September 2020.

#### Note 1

Aggregate turnover	Tax periods	No interest	With reduced interest at 9%	Interest at 18% (from due date of filing return)
> INR 50m	February 2020	If return filed within 15 days from the due date	From sixteenth day till 24 June 2020	From 25 June 2020
	March 2020			
	April 2020			
Between INR 15m and INR 50m	February 2020 and March 2020	If returns on or before 29 June 2020	NA	From 30 June 2020
	April 2020	If returns on or before 30 June 2020		From 1 July 2020
Up to INR 15m	February 2020	If returns on or before 30 June 2020		From 1 July 2020
	March 2020	If returns on or before 3 July 2020		From 4 July 2020
	April 2020	If returns on or before 6 July 2020		From 7 July 2020

#### Note 2

Aggregate turnover	Tax periods	No Late fee
> INR 50m	February 2020	If returns are filed on or before 24 June 2020
	March 2020	
	April 2020	
Between INR 15m and INR 50m	February 2020 and March 2020	If returns are filed on or before 29 June 2020
	April 2020	If returns are filed on or before 30 June 2020
Up to INR 15m	February 2020	If returns are filed on or before 30 June 2020
	March 2020	If returns are filed on or before 3 July 2020
	April 2020	If returns are filed on or before 6 July 2020

#### PwC comments

In addition to notifying the relief measures according to the press release, the Government has provided certain other relief measures, viz., extending the validity of e-way bills and deferring the application of the credit restriction where invoices are not reflected in the taxpayer's Form GSTR 2A, to further ease the burden of taxpayers. This is a welcome step towards relaxing compliance obligations during these turbulent times.

<sup>1</sup> PIB Press Release dated 24 March 2020 For further details, please refer to our [news flash dated 24 March 2020](#).

<sup>2</sup> Notification No. 31/2020 – Central Tax dated 3 April 2020; Notification No. 32/2020 – Central Tax dated 3 April 2020; Notification No. 33/2020 – Central Tax dated 3 April 2020; Notification No. 36/2020 – Central Tax dated 3 April 2020.

<sup>3</sup> The Taxation and Other Law (Relaxation of Certain Provisions) Ordinance, 2020. For further details, please refer to our [news flash dated 2 April 2020](#).

<sup>4</sup> Notification No. 35/2020 – Central Tax dated 3 April 2020 and Circular No. 136/06/2020-GST dated 3 April 2020.

<sup>5</sup> Notification No. 35/2020 – Central Tax dated 3 April 2020.

<sup>6</sup> Notification No. 30/2020 – Central Tax dated 3 April 2020.

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With Best Regards  
PwC TRS Team

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