



Highlights of 43rd GST Council Meeting held on 28th May 2021

Important decisions taken the trade facilitation:

Late fees reduction for GSTR 3B (for the returns which are already due to be filed)

- For the tax periods from **July 2017 to April 2021**
- If the **tax liability is Nil**, then late fees is capped at Rs.500 (Rs.250 CGST + Rs.250 SGST) per return.
- **For others** the late fees is capped at Rs.1000 (Rs.500 CGST + Rs.500 SGST) per return.
- The above cap will be applicable if those returns are filed from **01.06.2021 to 31.08.2021**.

Rationalisation of Late fees reduction for GSTR 3B & GSTR 1 for (prospective returns)

- Applicable to small taxpayers
- Upper cap of late fees is prescribed.
- **If the tax liability is Nil**, then late fees is capped at Rs.500 (Rs.250 CGST + Rs.250 SGST) per return.
- **For others:**
 - ✓ Aggregate turnover in the preceding financial year is less than **Rs.1.5 crore**, late fees is capped at Rs.2000 (Rs.1000 CGST + Rs.1000 SGST).
 - ✓ Aggregate turnover in the preceding financial year is between **Rs.1.5 crore to Rs.5 crore**, late fees is capped at Rs.5000 (Rs.2500 CGST + Rs.2500 SGST).
 - ✓ Aggregate turnover in the preceding financial year is **more than Rs.5 crore**, late fees is capped at Rs.10,000 (Rs.5000 CGST + Rs.5000 SGST).

Late fees for **GSTR 4** (Composition taxpayers) to be capped at Rs.500 (Rs.250 CGST + Rs.250 SGST) per return **if tax liability is Nil** or else Rs.2000 (Rs.1000 CGST + Rs.1000 SGST) per return **for others**.

Late fees for **GSTR 7** (TDS deductors) to be capped at Rs.50 (Rs.25 CGST + Rs.25 SGST) per return **if tax liability is Nil** or else Rs.2000 (Rs.1000 CGST + Rs.1000 SGST) per return **for others**.



Further relief for return filings

For small taxpayers (aggregate turnover less than Rs.5 crore)

March & April 2021 tax periods:

- **March 2021 GSTR 3B & PMT 06 (Quarterly return filers under QRMP scheme)** – Nil rate of interest for the first 15 days, 9% for the next 45 days and 18% thereafter.
- **April 2021 GSTR 3B & PMT 06 (Quarterly return filers under QRMP scheme)** – Nil rate of interest for the first 15 days, 9% for the next 30 days and 18% thereafter.
- **Waiver of late fees** in filing GSTR 3B for the periods March & April 2021 including quarterly filers, if March 2021 return filed within 60 days and April 2021 return filed within 45 days from the due date.
- **CMP 08** – Nil rate of interest for the first 15 days for quarter ending March 2021, 9% for further 45 days and 18% thereafter.

May 2021 tax period:

- **GSTR 3B & PMT 06** - Nil rate of interest for the first 15 days from the due date and 9% for the further period of 15 days.
- **Waiver of late fees** in filing GSTR 3B for taxpayers filing monthly returns for 30 days from the due date.

For large taxpayers (aggregate turnover more than Rs.5 crore)

May 2021 tax period:

- **GSTR 3B** - 9% interest for the first 15 days from the due date.
- **Waiver of late fees** in filing GSTR 3B for 15 days from the due date.

Other relief measures:

- Due date of **GSTR 1 / IFF** for the month of **May 2021** extended by 15 days.
- Due date of **GSTR 4** for FY 2020-21 extended to 31.07.2021.
- Due date of **ITC 04** for quarter ending March 2021 extended to 30.06.2021.
- Rule 36(4) – (Restriction on taking input tax credit not more than 5% over and above eligible input tax credit reflecting in GSTR 2B) – cumulative application for the tax periods April, May & June 2021 in the return of June 2021.
- Allowing companies to file returns using EVC (Electronic verification code) instead of digital signature.



Time limit for completion of various actions, by any authority or by any person, under the GST Act, which falls during the period from 15th April 2021 to 29th June 2021, to be extended upto 30th June 2021, subject to some exceptions.

[Wherever the timelines for actions have been extended by the Hon'ble Supreme Court, the same would apply]

Simplification of Annual Return (GSTR 9 / 9A) for the financial year 2021-21:

- GSTR 9C – to be self-certified by the taxpayer and no need to get it certified by a chartered accountant or cost accountant.
- GSTR 9 / 9A – optional for taxpayers having turnover upto Rs.2 crore.
- GSTR 9C - self certified for the FY 2020-21 will be required for taxpayers having turnover exceeding Rs.5 crore.

Retrospective amendment u/s 50 of the CGST Act (interest on cash portion of the liability) to be notified soon.

GST Act to be amended to make GSTR 1 / GSTR 3B return filing as a default return filing system.

Note:

These are press releases for information and will come into force after the issue of relevant notifications / circulars.