



Chamber of Commerce and Industry

Dear Sir/Madam,

The following important announcements has been compiled by IMC's Indirect Taxation Committee for your information.

GOODS AND SERVICES TAX LAW

1. GST considerations while filing monthly GST returns for the month of September 2020

The following actions are required to be taken in / before filing of returns for the month of September 2020:

- Claim of Input Tax Credit ('ITC') in respect of inward supplies for which Tax Invoices were issued in Financial Year 2019-20;
- Claim of ITC on debit notes issued by the suppliers, whether in Financial Year 2019-20 or upto September 2020, in respect of inward supplies in Financial Year 2019-20;
- Issuance of Credit notes in respect of Tax Invoices issued during Financial Year 2019-20;

- Rectification of errors or omission in returns pertaining to Financial Year 2019-20

- Final annual reversal or reclaim of ITC for the Financial Year 2019-20 under Rule 42(2) of CGST Rules, 2017

1. Press Release dated 26 August 2020 issued by CBEC - Interest on delayed payment of GST

Notification No. 63 dated 25 August 2020 notified 1 September 2020 as the effective date for applicability of Proviso to Section 50 regarding charging of interest on delayed payment of GST with returns on net liability, that is, the liability payable in cash.

Vide press release dated 26 August 2020, CBIC has given an assurance that no recoveries of interest shall be made on gross output tax liability even for the period prior to 1 September 2020. The clarification is in line with the decision taken in 39th GST Council meeting, ensuring relief to taxpayers effective 1 July 2017 i.e. since the date of introduction of GST.

1. GST Portal Updates: Debit Notes or Credit Notes de-linked with Tax Invoices

Amendment was made to Section 34 w.e.f. 1 February 2019 to allow the issuance of a single Debit note or Credit note against one or more Tax Invoices.

Despite amendment in the law, the GSTN required the details of corresponding Tax Invoices for every Debit Note or Credit Note. From 15 September 2020, the GSTN has now updated the GST Portal to enable uploading of Debit Notes and Credit Notes without the details of original Tax Invoices.

1. Extension of Due Date for filing of Annual Return and Audited Reconciliation Statement for Financial Year 2018-19

Vide Notification 69/2020 – Central Tax dated 30 September 2020, the due date for filing of Annual Return in GSTR-9 and Reconciliation Statement in GSTR-9C for the Financial Year 2018-19 has been extended from 30 September 2020 to 31 October 2020.

1. E-Invoicing with effect from 1 October 2020

- **Change in criteria for E-Invoicing**

Vide Notification 70/2020 – Central Tax dated 30 September 2020, the Notification requiring Registered Persons to issue E-Invoices has been amended. With the amendment, E-Invoicing is necessary for all Registered Persons whose turnover in any preceding financial year from 2017-18 onwards exceeds Rs. 500 crores.

Further, it is provided that turnover of export of goods or services is also required to be considered in order to compute at the limit of Rs. 500 crores.

- **Relaxation for generation of E-Invoices for the month of October 2020**

Vide Notification No. 73/2020 – Central Tax dated 30 September 2020, the CBIC has granted relaxation in issuing E-Invoices for the month of October 2020. According to the Press Release, Tax Invoices raised in the month of October 2020 will be deemed to be valid if the Invoice Registration Number ('IRN') is generated within 30 days from the date of the Tax Invoice. Penalty under section 122 will not be levied in such cases.

However, this relaxation will not be available in respect of Tax Invoices issued from 1 November 2020.

- **Deferment of requirement for printing QR Code on B2C Invoices upto 1 December 2020.**

Vide Notification No. 71/2020-Central Tax dated 30 September 2020, the requirement for generation and printing of QR Code on Tax Invoices issued to unregistered recipients / end consumers has been deferred to 1 December 2020.

It should be noted that this deferment is only in respect of B2C supplies, that is, supplies to unregistered recipients / end consumers.

CUSTOMS LAW

1. CAROTAR – declarations for preferential customs duty rates

The Government has notified the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 or CAROTAR in connection with preferential customs duty rates under FTAs. Under CAROTAR, an importer

will have to do due diligence relating to origin before importing the goods, declare certain additional information in the bill of entry and state that the imported goods qualify for preferential duty rate under an FTA, and produce the certificate of origin.

Moreover, the importer will be required to possess certain relevant information related to the country of origin criteria (as indicated in Form I), and keep all supporting documents for 5 years from the date of import. CAROTAR also provides for a verification mechanism by the Customs Department, first from the importer and then, if required, from the verification authority in the partner country under the FTA. The CAROTAR came into force on 21 September 2020.

Related to CAROTAR, the CBIC has issued Circular 42/2020-Customs instructing that all classes of importers, including Authorised Economic Operators (AEOs) will be required to furnish 100% of differential duty as a security if provisional assessment is requested when an inquiry or verification is initiated under CAROTAR.

1. Faceless assessments

The CBIC has decided to roll out faceless assessment at all ports of import across India and for all imported goods by 31 October 2020 under the *Turant Customs* programme. For this, 11 National Assessment Centres (NACs) have been constituted, which are organized commodity-wise according to Customs Tariff.

Also, Commissioners of Customs (Appeals) have been empowered to take up appeals pertaining to imports made in their jurisdictions even though the Faceless Assessment officer may be located at another customs station.

FOREIGN TRADE POLICY (FTP)

1. Phasing out of MEIS

In view of the approval of the RODTEP Scheme in March 2020 in place of the present MEIS, the DGFT had declared in April 2020 that MEIS benefits would be phased out by the year-end. Vide Notification No. 30/2015-2020, the Government has formally amended the FTP to provide that benefits under the MEIS shall not be available for exports from 1 January 2021.

A ceiling on the benefits under MEIS has also been imposed for exports between 1 September 2020 and 31 December 2020 at Rs. 2 crores. This ceiling may stand further reduced based on the limited budget allocation made for the scheme.

GENERAL

1. Extension in time limit for compliances and for taking action under Customs, Excise and Service Tax laws

In exercise of powers under Section 6 of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020, vide Notification No. GSR 601(E) dated 30 September 2020, the CBIC has extended the time limit for taking action by the Department under the Customs, Excise and Service tax laws, which falls during the period from 20 March 2020 to 30

December 2020 upto 31 December 2020. Action by the department means completion of proceedings or issuance of any order, notice, intimation, notification, sanction or approval.

Similarly, the time limit for compliances by the assessee's filing of any appeal, reply, application or report, documents or statements which falls during the period from 20 March 2020 to 30 December 2020 has been extended to 31 December 2020.

We trust the same will be useful.

With regards,

Ajit Mangrulkar
Director General



" Reboot- Reform- Resurge "

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