

F. No. 349/147/2017 – GST / 405
30/11/17
Government of India
Ministry of Finance
Department of Revenue
CBEC, GST (Policy Wing)

Room No. 254,
North Block, New Delhi
Dated :23rd November, 2017

To
Shri CA Ashish B Mukim,
President,
BJP Economic & CA Cell Nagpur,
98, Rajat Plaza-I, Ghat Road,
Opp. Union Bank,
Nagpur-440018.

Sir,

Subject- Suggestions for smooth compliance of GST – reg.

Please refer to your letter dated 09.09.2017 on the captioned subject.

2. It is to inform that the issues raised in the letter have been examined in detail and the comments of this Ministry are delineated here under:

Issue: Reverse Charge Mechanism should be removed.

Response: In the 22nd GST Council meeting, it has been decided that the reverse charge mechanism under sub-section (4) of section 9 of the CGST Act, 2017 and under sub-section (4) of section 5 of the IGST Act, 2017 shall be suspended till 31.03.2018 and will be reviewed by a committee of experts. Accordingly, Notification Nos. 38/2017- Central Tax (Rate) dated 13.10.17 and 32/2017- Integrated Tax (Rate) dated 13.10.17 have been issued for the same. But the supply of few services and goods have been kept under reverse charge mechanism under section 9(3) of CGST Act, 2017 in order facilitate unorganised/ small sectors by making recipient responsible for GST compliance.

Issue: Quarterly return for small businesses.

for taxpayers in respect of return filing. The return filing process is to be further simplified in the following manner:

- i. All taxpayers would file return in FORM GSTR-3B along with payment of tax by 20th of the succeeding month till March, 2018.
- ii. For filing of details in FORM GSTR-1 till March 2018, taxpayers would be divided into two categories. Details of these two categories along with the last date of filing GSTR 1 are as follows:
 - ❖ Taxpayers with annual aggregate turnover upto Rs. 1.5 crore need to file GSTR-1 on quarterly basis. Please refer notification no. 57/2017 dated 15.11.17, which provides;

Period	Dates
Jul- Sep	31 st Dec 2017
Oct- Dec	15 th Feb 2018
Jan- Mar	30 th April 2018

- ❖ Taxpayers with annual aggregate turnover more than Rs. 1.5 crore need to file GSTR-1 on monthly basis.. Please refer notification no. 58/2017 dated 15.11.17, which provides;

Period	Dates
Jul- Oct	31 st Dec 2017
Nov	10 th Jan 2018
Dec	10 th Feb 2018
Jan	10 th Mar 2018
Feb	10 th Apr 2018
Mar	10 th May 2018

- iii. The time period for filing GSTR-2 and GSTR-3 for the months of July, 2017 to March 2018 would be worked out by a Committee of Officers. However, filing of GSTR-1 will continue for the entire period without requiring filing of GSTR-2 & GSTR-3 for the previous month / period.

Issue: Saral return form for small business.

Response: Deliberation is going on simplifying the return form for small business.

Issue Revision of forms not permitted.

Response The system designed in GST is based on invoice matching between the buyer and seller. Hence, return form once filed cannot be allowed to be amended as the system runs the necessary program to match these invoices. But provision for rectifying any error or mistake is in the CGST Act, 2017. As per Section 37 (3) of the act, any error or mistake made during filing of return can be rectified in the subsequent returns. But, government is aware that there are some issues regarding revision of returns filled, and same is being examined for refinement.

Issue: Payment up to Rs. 50,000 to be allowed through cheque instead of current provision of Rs. 10,000.

Response: The Council deliberately decided to keep Rs. 10,000/- as limit for payment through 'over the counter mode' of payment. The same has been decided in the line with the view of Government to minimize cash transactions and encourage digital Transactions.

Issue: Software is highly inefficient in handling such bulk transactions. Also, there is additional issue of internet and electricity in rural areas.

Response: The Government is working on these issues. To smooth the transition to GST regime, a simplified return form GSTR-3B has been designed. Dates for filing returns have been extended as and when needed. Moreover, late fee for filing return form GSTR-3B has been waived off for the months of July, August and September.

Issue:- Classification has been done in detailed way and it should be done in broad category wise .

Response: The classification is based on the international convention. It may be noted that the same was being followed in the earlier Excise regime. To help on this front, a mobile application named "GST Rate Finder" has been developed which easily finds out the rate of tax for a given product.

Issue: Cancellation and amendment of registration is not possible. Clarification has been sought on issue that is filing of return mandatory for any person who where automatically migrated to GST and falls below the threshold limit.

Response: Government is working on technical glitches for cancellation and amendment of registration. All the relevant dates have been extended accordingly. Every person registered in GST has to file return even if it is a "NIL" return. It is reiterated that late fee for delay in filing of return

in the form GSTR 3B for the month up to September has been waived off.

Issue: Aggregate turnover criteria includes turnover of the exempted supply.

Response: Government is aware about the issue being faced by this provision and deliberation is going on this issue.

Issue: Clarification sought on authenticity for answers through FAQs, Handbooks and Twitter.

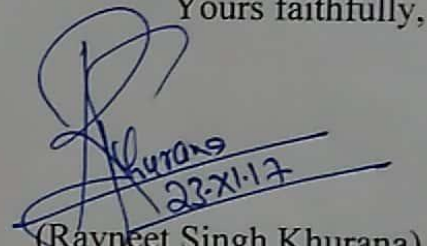
Response: The materials / answers provided vide FAQs, Handbooks and Twitter are only for educational purpose. These have been issued to assist tax payers to understand various provisions of law.

Issue: Modality of E-way bill should be discussed with various stake holders.

Response: On the recommendation of GST Council enforcement of provisions of E-way bill has been deferred till 31.03.2018.

This issue with the approval of Member (GST).

Yours faithfully,


23-11-17
(Ravneet Singh Khurana)
Joint Commissioner (GST)