

New Simplified GST Returns

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Background

27th GST Council
Meeting



04-May-2018



Approve principles of
simplified return design

28th GST Council
Meeting



21-July-2018



Approve key features and
new GST return format

Monthly One Return

Due date : 20th of next month

Except

- Small taxpayers
- Composition dealer
- Input Service Distributor (ISD)
- Non resident registered person
- Persons liable to deduct tax at source under section 51 of CGST Act, 2017
- Persons liable to collect tax at source under section 52 of CGST Act, 2017





“Small taxpayer”

**Annualized Turnover upto
Rs. 5 Cr. for FY 2017-18**

**Quarterly filing of return
with monthly tax payment
of self-declaration basis**

Nil Return – One Return for Quarter

- No purchases
- No output tax liability
- No input tax credit to avail in any quarter
- In months one and two of the quarter, such taxpayer shall report NIL transaction by sending a SMS
- Facility for filing quarterly return shall also be available by an SMS



Key features of the Monthly Return

Continuous
uploading
and viewing
of Invoices

After 11th of next
month the recipient
shall be able to accept,
reject or keep pending
a particular invoice

If no return filed after uploading
any invoice, it shall be treated
as self-admitted liability and
recovery proceedings shall be
initiated against supplier

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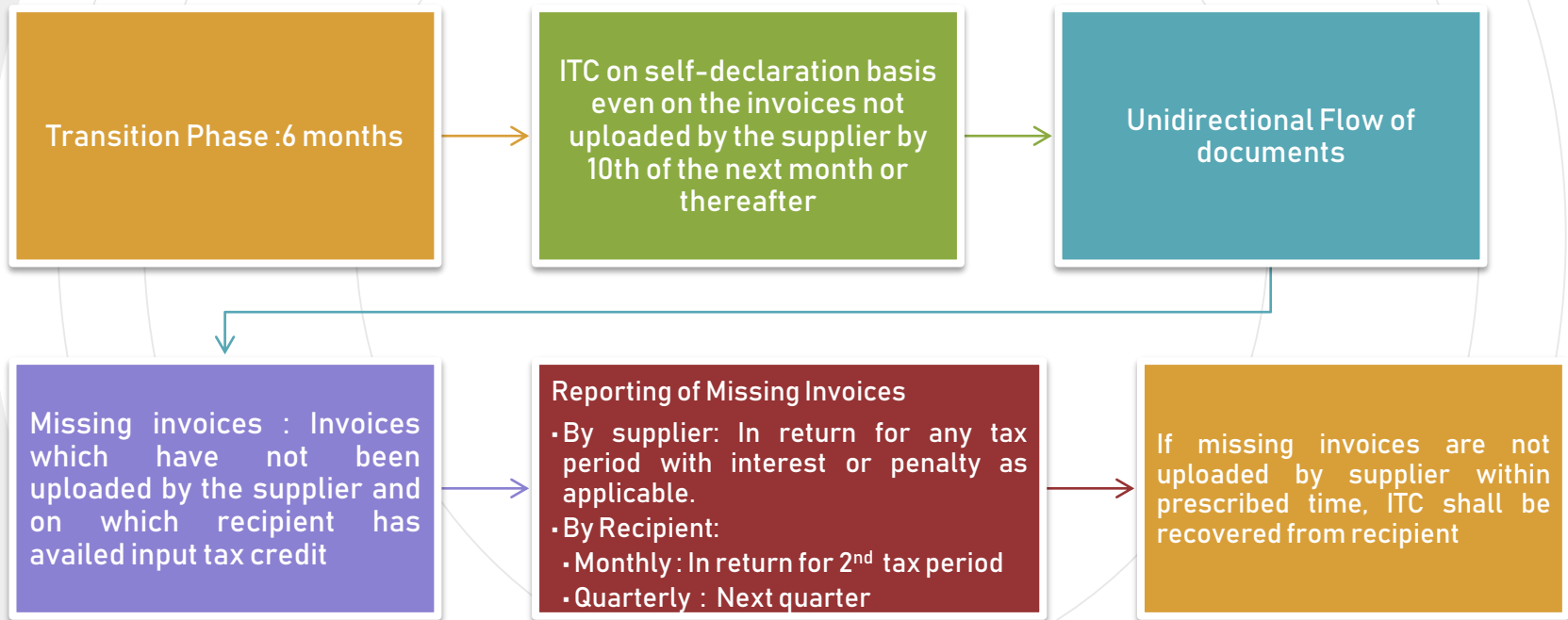
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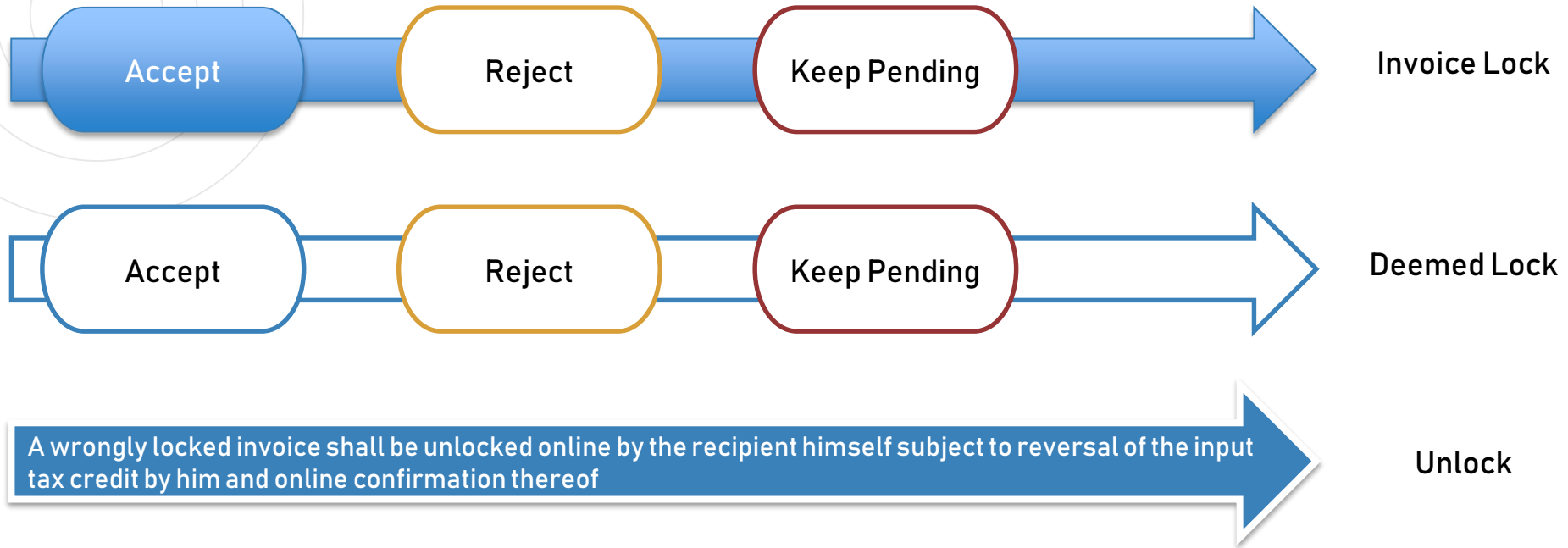
Invoices uploaded till
10th of next month
shall be available in
viewing facility of
recipient as ITC

After the due date for the
filing of return, the
recipient shall also be able
to see the return filing
status of the supplier

Transition Phase and Missing Invoices



Locking, Deemed Locking and Unlocking of Invoice



Miscellaneous Issues

Recovery of ITC

1. No automatic reversal of input tax credit at the recipient's end .
2. Recovery shall be first made from the supplier
3. Exceptional circumstances like missing taxpayer, closure of business by the supplier or supplier not having adequate assets or in cases of connivance between recipient and the supplier, etc.

1. Locked Invoice : Supplier can't amend invoice. Amendment is possible only with Dr./Cr. note subject of reduction of ITC by recipient.
2. Unlocked Invoice : Any credit note issued for such invoice shall be linked in the system to reduce ITC.

Amendment of Invoice

Payment of Multiple Liability

1. Invoices of different dates shall be summarized period wise.
2. However, one payment for the total tax liability on all tax invoices shall be allowed to be made.

Amendment return

1. Amendment return shall be different from regular return
2. Two amendment returns for each tax period
3. Amendment of missing invoices shall be through amendment return for the relevant tax period.
4. Payment would be allowed to be made through amendment return
5. Negative liability arising from amendment return shall be CF as negative liability in the regular return for next tax period.
6. For change in liability of more than 10% through an amendment return, a higher late fee may be prescribed to ensure that reporting is appropriate in the regular return.

Miscellaneous Issues

Monthly Accounting

All reported liabilities, liabilities from missing invoices and liability from amendment return shall be at one screen on the GST portal

Exports

Details of shipping bill can be filled at the time of filing return or at a later date after filing to return.

SB data shall be ICEGATE, Separate facility to amend export/SB shall also be available.

Supply Side Control

New registered taxable person, Taxable person who has defaulted in payment of tax beyond a time/threshold uploading of invoice shall be restricted to a threshold limit.

Purchase information in the annual return

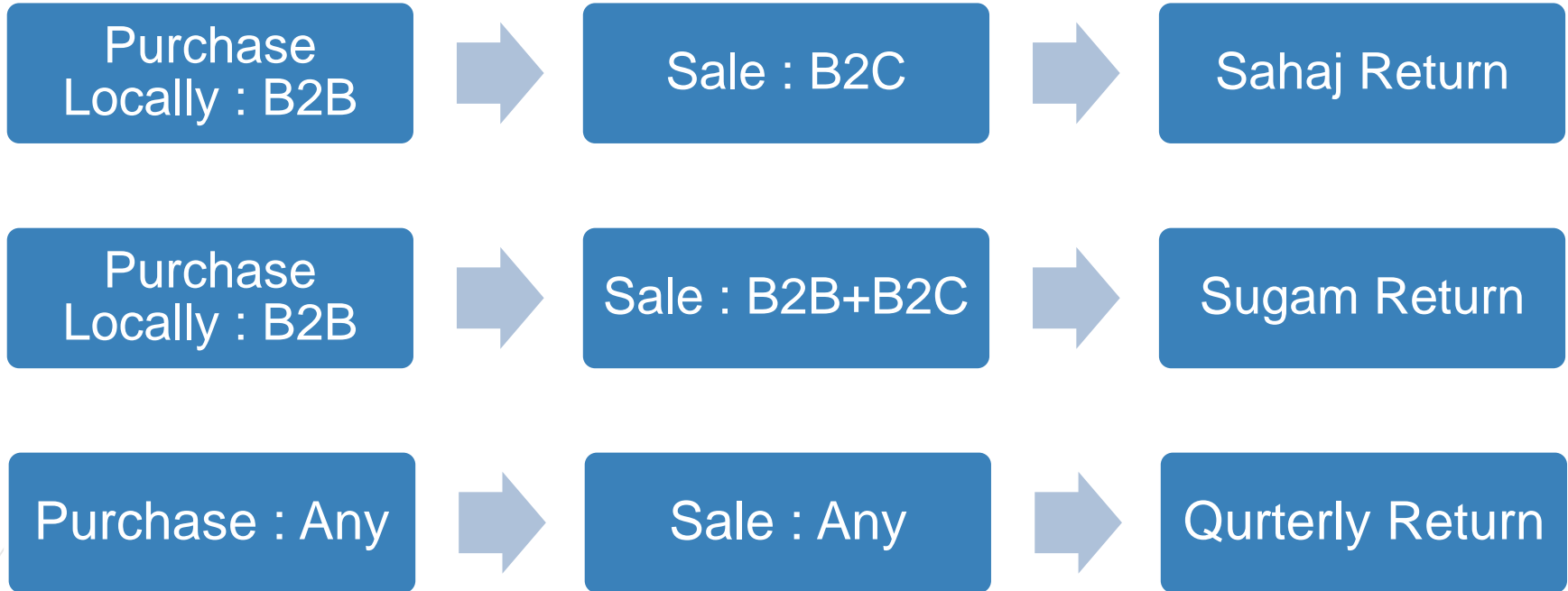
Invoices/Supplies on which the recipient does not intend to take input tax credit (such as ineligible ITC supplies) but are kept pending or rejected will have to be reported separately in the Annual return



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Quartely Return

Quarterly Returns



Characteristics of Quarterly Return

1. Facility to file quarterly return for small taxpayers having annualized turnover up to Rs. 5 Cr. in the last financial year. (But still need to pay tax and avail input tax credit on monthly basis.)
2. Option available at the beginning of the year and once selected would be continued during the year. Option can be changed from monthly to quarterly & vice-versa allowed only once at the beginning of the quarter.
3. Continuous uploading of invoices.
4. Small taxpayers would use payment declaration form to make GST payment on monthly basis.
5. Lower compliance requirement.
 1. Missing & Pending Invoices
 2. Input credit on capital goods – not required to be filed.
 3. Non-GST & Exempted supply – they do not create any liability.





Thanks!

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