

G S T Return –

“New Forms”

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Coverage of following topics

- ❑ Types of Return
- ❑ New Return Updates
- ❑ Phases of New Return
- ❑ Applicability
- ❑ Differentiation – Old vs. New Return
- ❑ Comparison of New Returns
- ❑ Features of New Returns
- ❑ How to Choose Best Return
- ❑ Concept of Locking of Invoices
- ❑ Preparedness for New Returns
- ❑ Additional Points
- ❑ Challenges with New Returns

Types of New Returns

Particulars	Description
Monthly / Quarterly (RET-1)	Monthly Return (for Large taxpayers) and Quarterly Returns (for Small taxpayers)
Sahaj (RET-2)	Quarterly Return
Sugam (RET-3)	Quarterly Return
Form ANX-1	Annexure for Outward Supplies and inward supplies attracting Reverse Charge
Form ANX-2	Annexure for Inward Supplies
Form PMT-08	Payment of Self-Assessed Tax
Form ANX-1A	Amendment to Form ANX-1
Form ANX-2A	Amendment to Form ANX-2
Form RET-3A	Amendment to Form RET-3

Note: Other regular returns to be continued

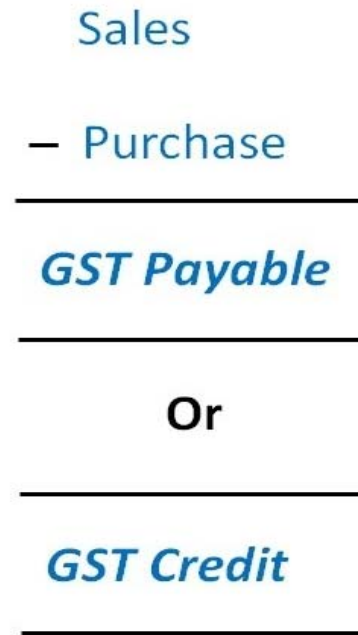
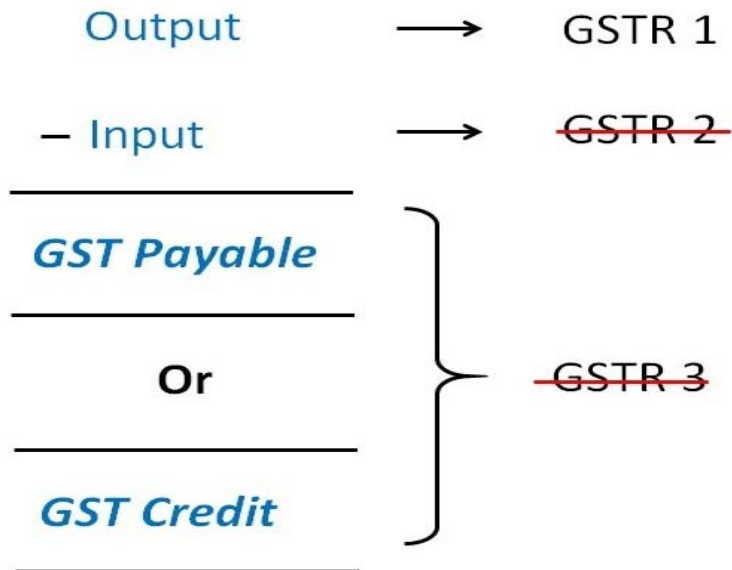
NEW RETURN UPDATES

NEW SINGLE GST RETURN FORMS AND SAHAJ-SUGAM SCHEMES

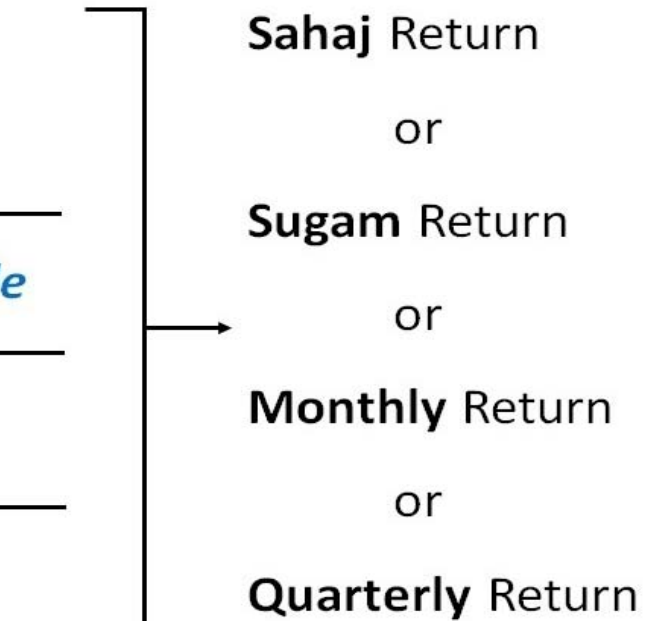


NEW RETURN UPDATES.....

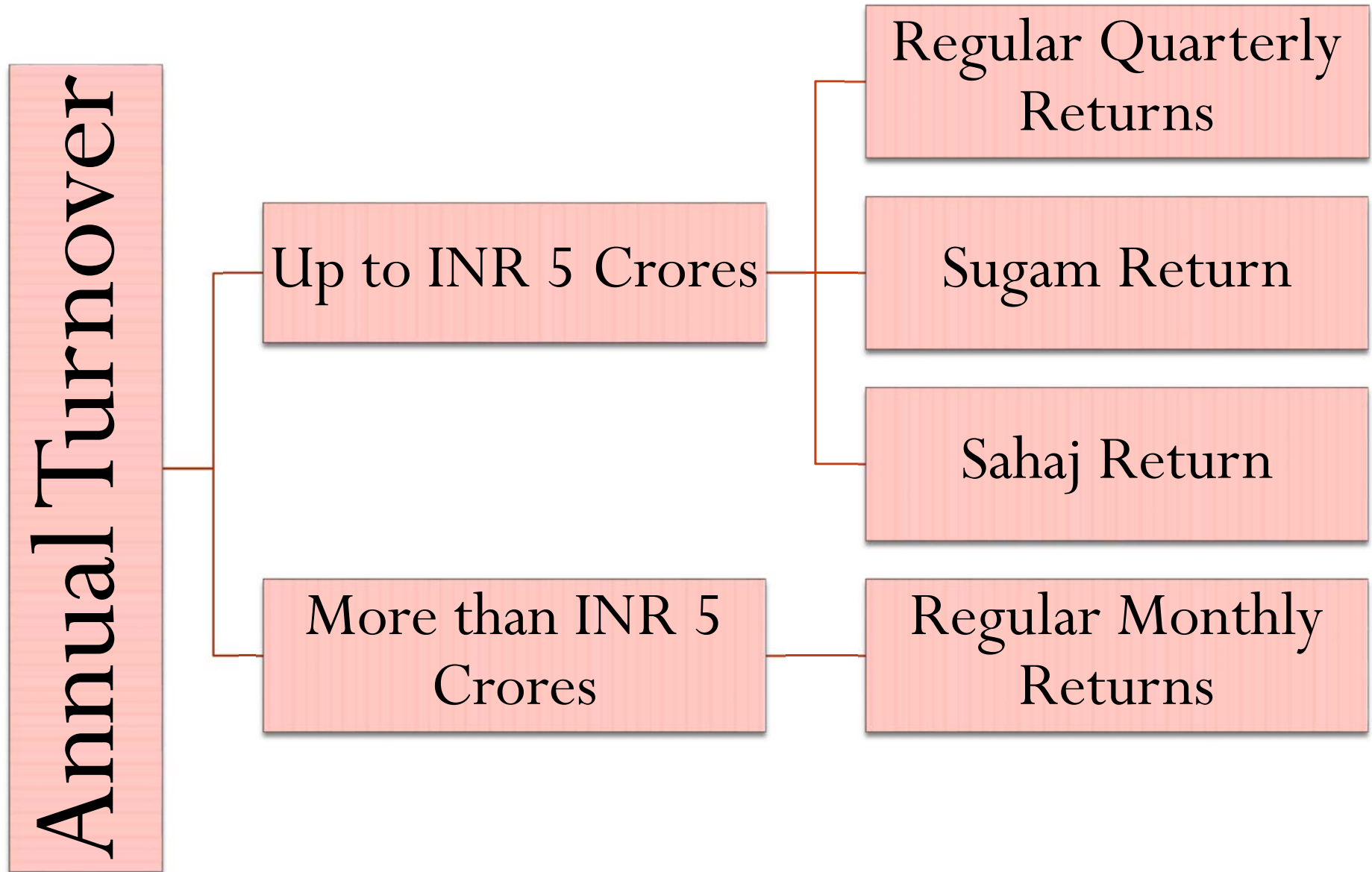
Existing Returns



+ GSTR3B



.....NEW RETURN UPDATES.....



.....NEW RETURN UPDATES.....

NORMAL, SAHAJ AND SUGAM
THE ALL NEW GST RETURN FORMS

☑ Sahaj

Quarterly [Turnover of upto Rs. 5 crores]

B2C Category



☑ Normal

Monthly [Turnover of more than Rs. 5 crores]
Quarterly [Turnover of upto Rs. 5 crores]

☑ Sugam

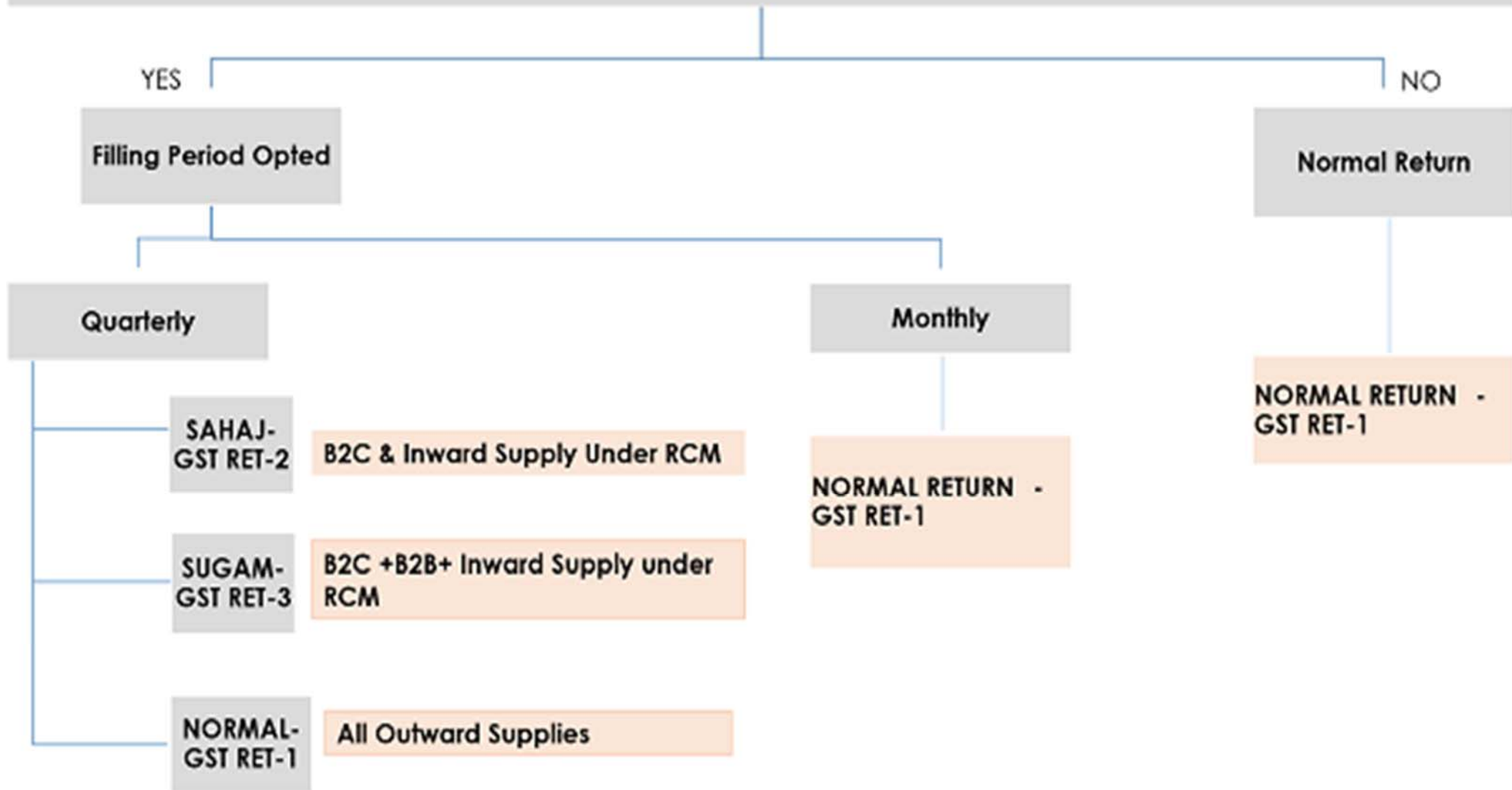
Quarterly [Turnover of upto Rs. 5 crores]

B2C & B2B Category



..... NEW RETURN UPDATES

Is Turnover up to 5 cr in the last financial year (small taxpayer)



Phases of New Proposed Returns

October 2019 to
March 2020



- Form GST ANX-1 & Form GST ANX-2 available as trail for taxpayers

- Continue to file existing GST Returns

April 2020
onwards

Large Taxpayers

No GSTR-3B Filing

To File from Apr 2020 onwards

To File from Apr 2020 onwards

To File from Apr 2020 onwards

Small Taxpayers

No GST-3B - To make payment in PMT-08

To file for quarter Apr-Jun 2020 in July 2020

Can be viewed simultaneously

To file for Qtr. Apr-June 2020 in July 2020

GSTR-3B

GST ANX-1

GST ANX-2

GST RET-1

Applicability

- ❑ Applicable for all GST registered dealers
- ❑ Dealers are required to file **ONE** Monthly except following:
 - Small Taxpayers (who have T/O upto Rs. 5 Cr. in last FY and have not opted quarterly)
 - Composition Dealer
 - Input Service Distributor (ISD)
 - Non- Resident Registered person (NRI)
 - Person liable to deduct or collect tax under the CGST Act
- ❑ Large Taxpayers with aggregate T/O over Rs. 5 Cr. in last FY, would upload their monthly Form GST ANX-1 from April 2020 onwards
- ❑ Small Taxpayers with T/O up to Rs. 5 Cr. will need to file first compulsory quarterly FORM GST ANX-1 only in July 2020 for Qtr. April to June 2020.
- ❑ Small Taxpayers shall have facility to file quarterly return with monthly payment of taxes on self declaration basis. The said facility is optional.

Differentiation

OLD GST RETURN VS NEW GST RETURN



Differentiation

Category	New GST Return System	Existing GST System
Applicability	Monthly Return has to be filed by taxpayers having turnover more than 5 Cr. in last FY	Monthly Return filed by taxpayer having turnover more than 1.5 Cr. in last FY
Valid Document	Only Uploaded Invoices by Supplier would be valid document for availing ITC	There is no matching concept available in current system. Recipient could take credit GSTR-3B even not reported by supplier on self declaration basis
Status of Return filing	Recipient could also see the current filing status of Supplier	In GSTR-2A Recipient could see filed or not filed status for each uploaded Invoices by Supplier
Document Summary	Document summary is NOT required	Document Summary is required
Amendment	Taxpayer can AMEND the main return 2 times	Taxpayer only can amend the Invoices and CDN's
Reasons for Amendment	Amendment of Invoices can be possible only when: <ul style="list-style-type: none"> • Where ITC has not been availed • Invoices has not been reported as locked by recipient 	Amendment of Invoices till filing of Annual Returns
Format	Return format also includes "Annexure" of Invoices which shall auto populate the output liability table in the main return	In Return format data is populating with the Invoices uploaded by Supplier, no "Annexure" is required

.....Differentiation

Category	New Return	Existing System
Late fee	Change in liability of more than 10% - Amendment Return, HIGHER LATE FEE	Not Applicable
Export Details – “Goods”	Taxpayer can fill “Shipping Bill” information at time of filing of return or after filing return at his option	Taxpayer will have to fill shipping bill details at the time of filing the return
Separate facility for Export	Available to upload shipping bill details at later date	No separate facility for exporter is available
Profile Return	Profile base return is possible	No concept of Profile base return in present System
Types of Return	Taxpayer will have to submit all outward supplies including Inward supplies, with payment of taxes in SINGLE return	GSTR-3B (Summary Return), GSTR-1 (Outward Supply Details), GSTR-2 (Inward Details) & GSTR-3 (For liability)
New IT Tool	IT tool/facility for matching of Invoices in XL format will be available for “Viewing facility”	No IT tool for matching of the Invoices is present
Missing Invoices	Missing Invoices shall be reported by Supplier which has not been reported earlier with Interest and penalty as applicable	ITC claimed by recipient in respect of an inward supply is in excess of tax declared by supplier or outward supply is not declared by supplier in his valid returns, discrepancy shall be communicated to both

.....Differentiation

Category	New Return	Existing System
Reporting of Missing Invoices	Reporting of missing Invoices can be done by recipient upto TWO tax periods. Taxpayer filing quarterly return shall report missing invoices in the next quarter	Not Applicable
Locking of Invoices	Facility for locking the Invoice by recipient shall be available before filing the return	Not Applicable
Corrections in data filed	Where GSTIN of the recipient has been wrongly entered by supplier while uploading invoice details, such invoices will be reflected on 'viewing facility' of a wrong taxpayer. Such taxpayers will be able to take action by accepting or rejecting the particular invoice.	Where GSTIN of the recipient has wrongly entered by supplier while filing GSTR-1, such invoices will appear in the auto-generated returns GSTR-2A of a wrong taxpayer. At present, the taxpayers are unable to take actions on GSTR-2A.
Unlocking of Invoices	Recipient can also unlock the Invoices which have been locked earlier	Not Applicable
Facility of payment of tax	Facility for payment of tax is available through amendment return as it will save Interest liability	Not Applicable
Carried Forward	Negative Liability arising from the Amendment Return shall be C/F to the next return	Not Applicable

Comparison

COMPARE GST NORMAL, SAHAJ & SUGAM FORMS



Comparison

Particulars	Normal (GST RET – 1)	Sahaj (GST RET – 2)	Sugam (GST RET – 3)
Return	Quarterly/Monthly	Quarterly	Quarterly
Turnover Limit	>5 Crores Mandatory <5 Crores Optional	Up to 5 crores Optional	Up to 5 crores Optional
Customer Type	All	B2C	B2B & B2C
Supply to E-commerce	Yes	No	No
Zero-rated Supply	Yes	No	No
Missing Invoice upload	Yes	No	No
Declared Capital Input	Yes	No	No
Need to Declared “Non-GST supply & Exempted supply”	Yes	No	No
Nil Return by SMS	Yes	Yes	Yes
HSN- base on turnover	If >5cr. mandatory If <5cr. optional If ZERO Rated Supply - Mandatory	Optional	Optional
Declared Inward supply on which RCM apply	Yes	Yes	Yes

Features

GST RET 1 return form to represent all supplies made, ITC claimed, and all tax or interest paid. GST RET 1 will take place of GSTR-3B and ANX-1 will take place of GSTR-1.

It would be Profile based returns

Small Taxpayers would stop filing FORM GSTR-3B and would start filing FORM GST PMT-08 from April 2020 onwards.

Due date for filing the return will be 20th of the next month.

Taxpayers who have no purchases, no output liability and no ITC to avail in any quarter of FY, it shall file one NIL return for entire quarter.

Facility of filing quarterly return shall also be available by a SMS

Taxpayers would be able to check on Common Portal whether they falls under the category of Small taxpayers.

Features

Newly registered person shall be classified based on self-declaration of estimated turnover.

Newly Registered taxpayers, turnover will be classified as zero and hence has an option to file monthly, Sahaj, Sugam or Quarterly (Normal) returns

Continuous facility to upload the invoices by the supplier would be available anytime and such uploaded invoices shall be continuously visible to the recipient

Due dates for uploading Invoices and based on which action need to be taken by recipient.

If no return is filed after uploading of the Invoices by supplier, it shall be treated as self admitted liability and recovery proceedings shall be initiated.

Change in periodicity of return filing (from quarterly to monthly and vice versa) would be allowed only once at the time of filing of first return by taxpayer.

Only Uploaded Invoices would be a valid document for availing input tax credit for recipient.

Features

Missing Invoices can be reported in the return for any tax period. It can be delayed up to two tax periods so that recipient can follow up from the supplier.

Offline IT tool would be available

Recovery of Input Tax Credit - No automatic reversal of ITC

Deemed locking and Unlocking of Invoices introduced

Recovery to be made first from the supplier

Amending of Invoices is possible

HSN has to be stated at four digit or more

Features

Facility to file two amendment returns for each tax period

Negative liability arising from amendment returns shall be allowed to be carried forward.

Change in liability of more than 10% through an amendment return, a higher late fee may be prescribed

Periodicity of filing return will be deemed to be monthly for all, except quarterly filing opted

The periodicity of the return filing will remain unchanged during the next financial year unless changed before filing the first return of that year.

Turnover will be considered as zero and hence option for filing monthly, Sahaj, Sugam or Quarterly (Normal) return will be available for Newly registered taxpayers.

Change in periodicity of return filing i.e. from Quarterly to Monthly and vice versa would be allowed only once at the time of filing the first return.

Features

Taxpayers filing Quarterly (Normal) return can switch over to Sugam/Sahaj;

Taxpayers filing return as Sahaj can switch over to Sugam return / Quarterly Return only once in a financial year at the beginning of any quarter.

Taxpayers filing return “Sahaj” can switch over to Sugam or Quarterly return and taxpayers filing return as Sugam can switch over to Quarterly return only once in a FY at beginning of Quarter.

Supplies attracting reverse charge will be reported only by recipient and not by the supplier

HSN Code to be reported optionally for taxpayers who turnover is up to 5 crores.

Place of supply shall have to be reported mandatorily for all supplies.

Value of supplies and amount of tax shall be reported in whole numbers or up to two decimal points at the most.

Features

No need to disclose the document summary in the new GST return system.

Taxpayers opting to file return on Quarterly basis have to make payment on monthly basis on the supplies made during the month

Only eligible ITC shall be claimed through FORM GST PMT-08)

Credit of tax paid during the 1st two months of the Quarter shall be available at the time of filing the return for the Quarter.

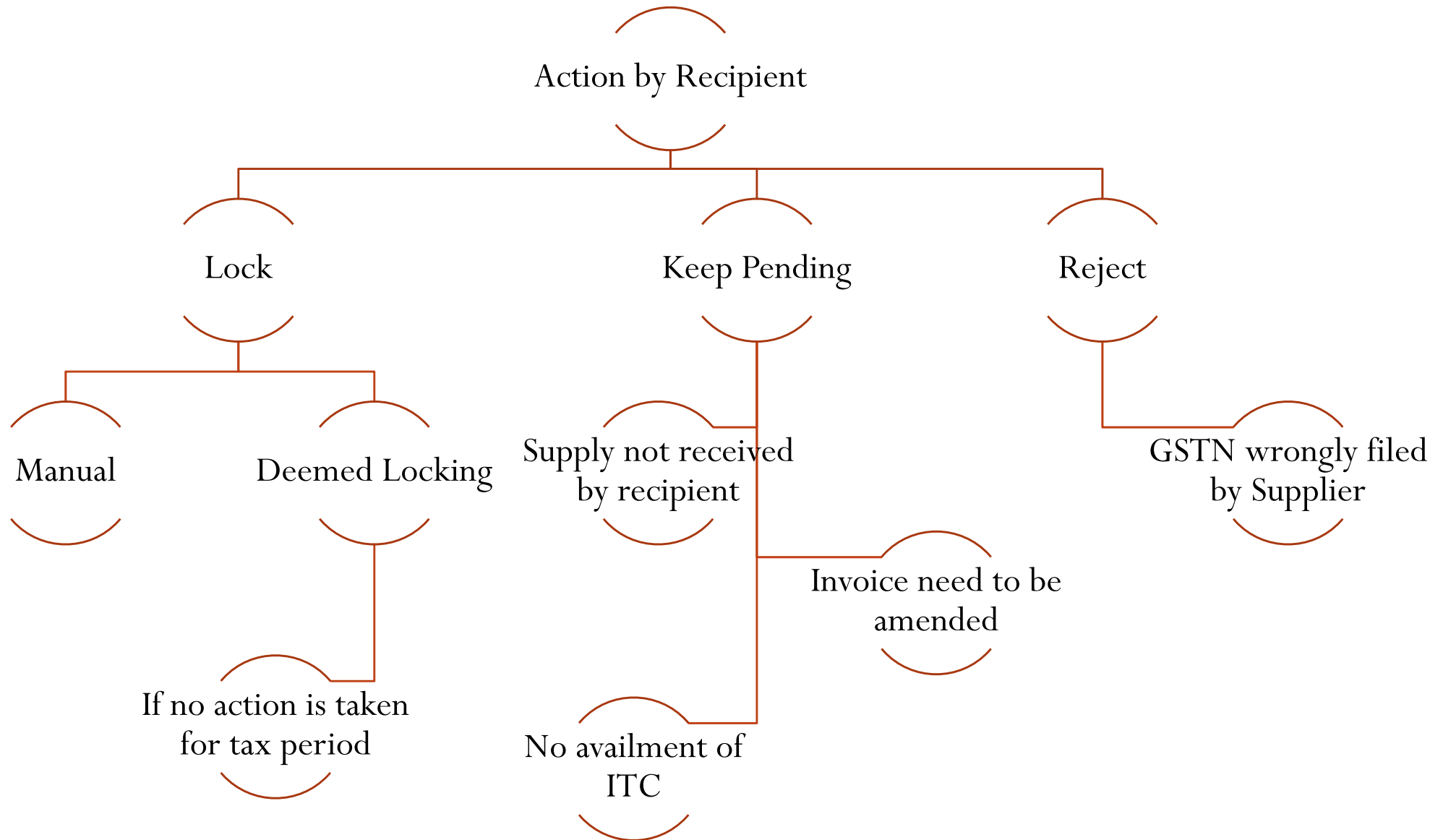
Specific details for Sahaj and Sugam Returns – No E-Commerce – No missing ITC – No Exempt / Nil Rates Supplies

For Normal Return – No Restriction in filing information

How to Choose Best Return

Particulars	Normal Return Monthly	Normal Return Quarterly	Sahaj	Sugam
Turnover	Mandatory if > 5 Cr	Can opt if <= 5 Cr.	Can opt if <= 5 Cr.	Can opt if <= 5 Cr.
Type of Sales (like exports, SEZ, Imports, etc.)	Any	Any	Only B2C, other than e-commerce	Only B2B or B2C, other than e-commerce
Filing Frequency	Monthly	Quarterly	Quarterly	Quarterly
Tax Payment Frequency	Monthly	Monthly	Monthly	Monthly
Sales Upload Frequency	Monthly	Monthly	Quarterly (can do monthly)	Monthly
ITC on missing supplier invoices	Yes	Yes	No	No

Concept of Locking of Invoices



Preparedness for New Returns

• Changes in IT / Software

- Configuration in existing ERP software for Json Format
- Follow-up for amendments / changes to third party
- Need for addition/ modification/ omission of certain data fields
- IT Upgradation

• Vendor Matching

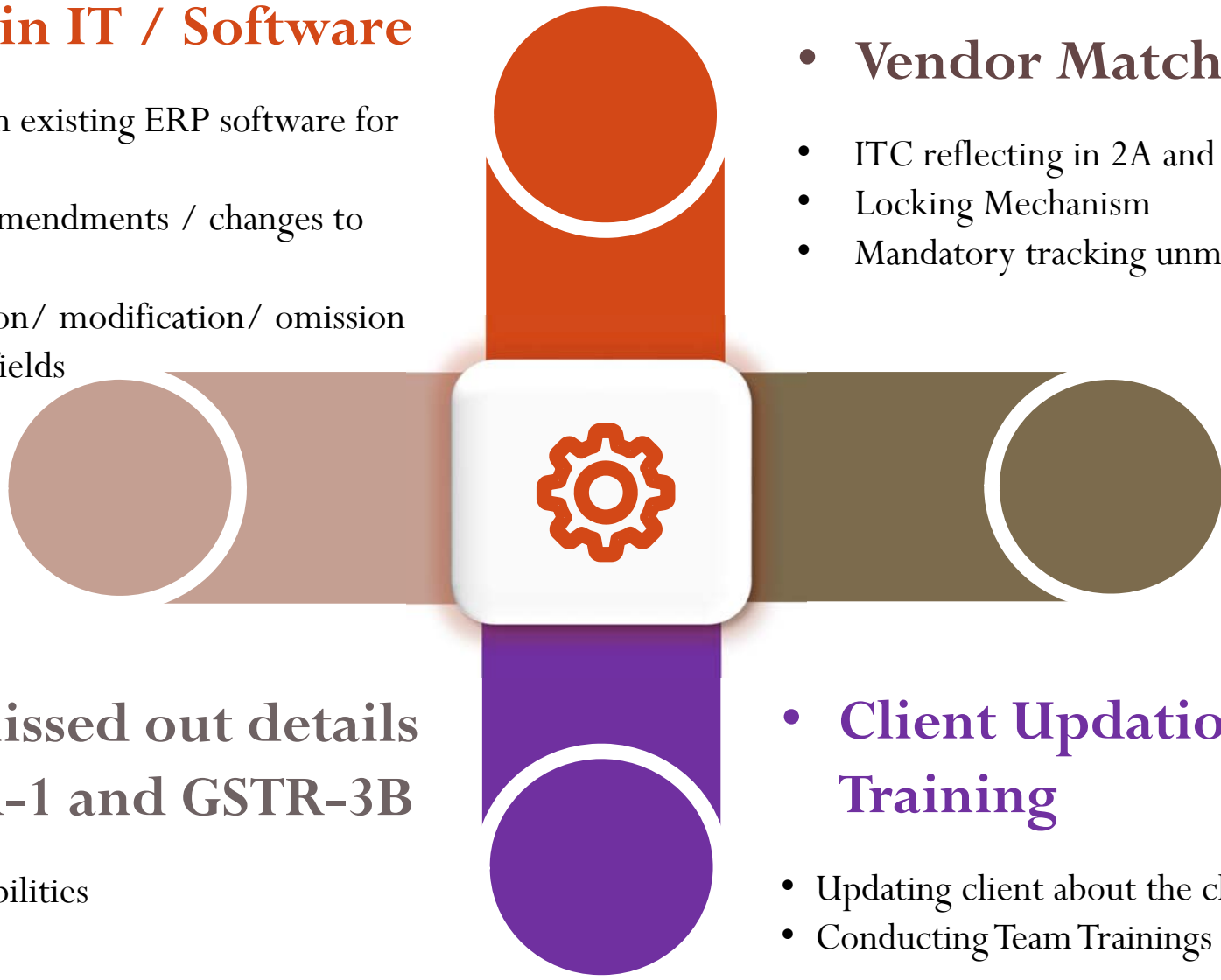
- ITC reflecting in 2A and posted in books
- Locking Mechanism
- Mandatory tracking unmatched credits

• Track missed out details in GSTR-1 and GSTR-3B

- Unreported liabilities
- Unavailed ITC

• Client Updation / Team Training

- Updating client about the changes
- Conducting Team Trainings



Additional Points

- ❑ RCM reporting in outward supplies – Recipient based
- ❑ PAN disclosure for URD Purchases
- ❑ Import – POS wise – HSN wise – Document wise
- ❑ E-Way Bill Details vs. New Forms – RCM Situation
- ❑ Unutilised ITC pertaining to prior periods?
- ❑ Mismatch in RET-1 vs. ANX-1 & ANX-2 based on above
- ❑ Vigilance for adjustments of advances / amendments / CN
- ❑ Shifting of Invoices
- ❑ Higher Late Fees
- ❑ Requirement of Supplier's Periodicity Data
- ❑ Unilateral flow of information

Additional Points

- ❑ Deemed Acceptance
- ❑ Integration of ICEGATE with ANX-1 & ANX-2 – Cases where technical issue?
- ❑ Vendor wise records for Invoices Accepted / Pending / Rejected
- ❑ Acceptance till 10th – Accept / Reject / Pending only after 10th
- ❑ Interest only on invoices uploaded – reversal – manual intervention

Challenges with New Returns

- ❑ Follow-up for Resetting / Unlocking
- ❑ Auto-computation of Interest – Gross or Net?
- ❑ Separate category wise entries for Interest
- ❑ HSN to be maintained for 6 Digit Levels
- ❑ Requirement of Supplier's Periodicity Data
- ❑ Reversals pertaining to prior periods
- ❑ Continuation of Reco for RET-1 (ANX-1) vs. Books
- ❑ Continuation of Reco for RET-1 (ANX-2) vs. Books
- ❑ Reco with GSTR-2A & ANX-2 for invoices for FY 2019-20
- ❑ Credit / Debit Notes pertaining to FY 2019-20





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