

**Dr.L.B.Singhal**  
**(Ph.D., MBA, LLB, B.Sc.)**  
**Secretary General, AEPC**

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**Sub.- Highlights of the recommendations made by the 43rd GST Council meeting for Trade Facilitation & other Relief Measures**

Dear Members,

The 43rd GST Council meeting was held under the Chairpersonship of Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman through video conferencing on 28.05.2021. The GST Council has made recommendations related to changes in GST rates on supply of goods and services and changes related to GST law and procedure.

The following are the highlights of the recommendations made by the 43rd GST Council meeting for Trade Facilitation & other Relief Measures-

- 1. An Amnesty Scheme has been recommended for reducing late fees on returns:**  
Late fee for the tax periods from July 2017 to April 2021 capped to a maximum of ₹500 per return for taxpayers who did not have any tax liability, and ₹1,000 for other taxpayers, the reduced rate of late fee would apply, if pending GSTR-3B returns are furnished between June - August 2021.
- 2. Late fee imposed under section 47 of the CGST Act has been rationalized:**
  - A.** Late fee for delay in furnishing of FORM GSTR-3B and FORM GSTR-1 to be capped at Rs 500 per return for taxpayers having nil tax liability in GSTR-3B or nil outward supplies in GSTR-1
  - B.** For other taxpayers, late fee to be capped to a maximum of-
    - Rs 2000 for taxpayers having Annual Aggregate Turnover (AATO) in preceding year upto Rs 1.5 crore
    - Rs 5000 for taxpayers having AATO in preceding year between Rs 1.5 crore to Rs 5 crore
    - Rs 10000 For taxpayers having AATO in preceding year above Rs 5 crores
  - C.** Late fee for delay in furnishing of FORM GSTR-4 by composition taxpayers to be capped to Rs 500 per return, if tax liability is nil in the return, and Rs 2000 per return for others.
  - D.** Late fee payable for delayed furnishing of FORM GSTR-7 to be reduced to Rs.50/- per day and to be capped to a maximum of Rs 2000/- per return.

*All the above proposals to be made applicable for prospective tax periods.*

**3. COVID-19 related relief measures for taxpayers in addition to the relief measures already provided to the taxpayers vide the notifications issued on 01.05.2021**

**A. For small taxpayers (aggregate turnover upto Rs. 5 crore)**

March & April 2021 tax periods:

- NIL rate of interest for first 15 days from the due date of furnishing the return in FORM GSTR-3B or filing of PMT-06 Challan, reduced rate of 9% thereafter for further 45 days and 30 days for March, 2021 and April, 2021 respectively.
- Waiver of late fee for delay in furnishing return in FORM GSTR-3B for the tax periods March / QE March, 2021 and April 2021 for 60 days and 45 days respectively, from the due date of furnishing FORM GSTR-3B.
- NIL rate of interest for first 15 days from the due date of furnishing the statement in CMP-08 by composition dealers for QE March 2021, and reduced rate of 9% thereafter for further 45 days.

For May 2021 tax period:

- NIL rate of interest for first 15 days from the due date of furnishing the return in FORM GSTR-3B or filing of PMT-06 Challan, and reduced rate of 9% thereafter for further 15 days.
- Waiver of late fee for delay in furnishing returns in FORM GSTR-3B for taxpayers filing monthly returns for 30 days from the due date of furnishing FORM GSTR-3B.

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

- A lower rate of interest @ 9% for first 15 days after the due date of filing return in FORM GSTR-3B for the tax period May, 2021.
- Waiver of late fee for delay in furnishing returns in FORM GSTR-3B for the tax period May, 2021 for 15 days from the due date of furnishing FORM GSTR-3B

**4. Certain other COVID-19 related relaxations-**

- The Council has also extended certain other Covid-19 related relaxations including extension of due date of filing GSTR-1/IFF for May 2021 by 15 days, extension of due date of filing GSTR-4 for FY 2020-21 to July 31, 2021 and extension of due date of filing ITC-04 for QE March 2021 to 30.06.2021.
- Cumulative application of rule 36(4) for availing ITC for tax periods April, May and June, 2021 in the return for the period June, 2021.
- Companies can file returns using Electronic Verification Code (EVC), instead of Digital Signature Certificate (DSC) till August 31, 2021.

**5. Relaxations under section 168A of the CGST Act:**

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.

**6. Annual Return for Financial Year 2020-21 has been simplified:**

Amendments in Sections 35 and 44 of CGST Act made through Finance Act 2021 will be notified. This would ease the compliance requirement in furnishing reconciliation statement in form GSTR-9C, as taxpayers would be able to self-certify the reconciliation statement, instead of getting it certified by chartered accountants.

Besides, the filing of annual return in form GSTR-9/9A for FY 2020-21 to be optional for taxpayers having aggregate annual turnover upto Rs 2 crore, and the reconciliation statement in form GSTR-9C for the FY 2020-21 will be required to be filed by taxpayers with annual aggregate turnover above Rs 5 crore.

7. Retrospective amendment in section 50 of the CGST Act with effect from 01.07.2017, providing for payment of interest on net cash basis, to be notified at the earliest.

8. GST Council recommended amendments in certain provisions of the Act so as to make the present system of **GSTR-1/3B** return filing as the default return filing system in GST.

*Note:*

1. *The recommendations of the GST Council would be given effect through relevant Circulars/Notifications which alone shall have the force of law.*

2. *For complete and detailed information, kindly refer to the press release (<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1722578>).*

This is for your kind information.

With best wishes

Yours sincerely,

Dr. L. B. Singhal,  
Secretary General,  
AEPC