

From	Karvy Data Management Services Ltd.
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Subject	Compliance relief to small businesses under GST regime
Category	Press Release
Series	Karvy/GST/17

With implementation of GST on 01<sup>st</sup> July 2017 there was a tremendous pressure on the registered assesses to comply with the regulations of return filing under GST. As anticipated, GST Council announced a slew of decisions on 06<sup>th</sup> October 2017 bringing relief to small businesses by reducing their compliance burden by extending the facility to file returns and pay taxes on quarterly basis along with few other benefits.

All such decisions announced by the GST Council has been published in a press release document by Press Information Bureau of Government of India dated 06<sup>th</sup> October 2017.

**Below mentioned is the summary of decisions announced by the GST Council on 6<sup>th</sup> October 2017:**

Sl. No.	GST Council Recommendation Category	Gist of the GST Council Recommendation	
		Existing Provision	Recommended Provision
<b>Composition Scheme</b>			
1	<b>Threshold limit</b>	A registered person may opt for composition scheme having an aggregate turnover of upto 75 lacs (50 lacs for special category states except J&K & Uttarakhand)	A registered person may now opt for composition scheme having an aggregate turnover of upto 01 crore (75 lacs for special category states except J&K & Uttarakhand)
2	<b>Eligibility</b>	Registered persons within the threshold limit mentioned above but engaged into making exempt outward supplies of <b>services</b> were not allowed to opt for the composition scheme – Sec. 10 (2) (b) of CGST Act 2017	Registered persons within the threshold limit mentioned above even engaged into making exempt outward supplies of <b>services</b> are allowed to opt for the composition scheme
3	<b>Timeline to avail composition scheme facility</b>		Till 31st March 2018 both for migrated & new taxpayers
4	<b>Effective date of operational of composition scheme post opting the same</b>		From the first day of the month immediately succeeding the month in which the option to avail the composition is exercised
5	<b>Beneficial sector from this decision</b>		MSME sector
6	<b>Filing of return in Form GSTR-4 for the quarter (July-Sep)'17</b>	NA	Last date for filing of return in Form GSTR-4 by a tax payer under composition scheme shall be extended to 15th Nov 2017

Sl. No.	GST Council Recommendation Category	Gist of the GST Council Recommendation	
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<b>Relief for small &amp; medium enterprises with respect to the compliance burden</b>			
7	<b>Registration for service providers with aggregate turnover upto 20 lacs making inter-state taxable supplies</b>	Anyone making inter-state taxable supplies except inter-state job worker is compulsorily required to register under GST irrespective of the turnover	<b>Service Providers</b> with annual aggregate turnover upto 20 lacs (10 lacs in special category states except J&K) are not required to register under GST even if they are making inter-state taxable supplies of services
8	<b>Payment of tax and filing of return for registered tax payers with aggregate turnover upto 1.5 crores</b>	Payment of tax and filing of return in Form GSTR-1, 2 & 3 for registered tax payers except for the one who have opted composition scheme was on monthly basis	Payment of tax and filing of return in Form GSTR-1, 2 & 3 for registered tax payers with aggregate turnover upto 1.5 crores will be on quarterly basis starting from third quarter of FY 2017-2018 (i.e. from Oct'17 - Dec'17) Due date shall be notified by the Govt.
9	<b>Eligibility to avail ITC</b>	On monthly basis	On monthly basis
10	<b>Filing of return in Form GSTR-3B till December'2017</b>	All taxpayers are required to file monthly return in Form GSTR-3B till December'2017	All taxpayers are required to file monthly return in Form GSTR-3B till December'2017
11	<b>Filing of return in Form GSTR-1, 2 &amp; 3 for the month of July'17, Aug'17 &amp; Sep'17</b>	All normal taxpayers are required to file monthly return in Form GSTR-1, 2 & 3 for the month of July'17, Aug'17 & Sep'17. Due date to be followed as per notification by the Govt.	All normal taxpayers are required to file monthly return in Form GSTR-1, 2 & 3 for the month of July'17, Aug'17 & Sep'17. Due date to be followed as per notification by the Govt.
12	<b>Temporary suspension of reverse charge mechanism (RCM) provision applicable on purchase from unregistered person - Sec. 9(4) of CGST Act 2017</b>	Liability to pay tax is with the recipient on account of purchase of goods / services from an unregistered person under RCM-Sec. 9(4) of CGST Act 2017	Tax liability on the recipient under RCM on account of purchase of goods / services from an unregistered person as per the provision of Sec. 9(4) of CGST Act 2017 has been temporarily suspended till 31st March 2018. It is assumed that the said suspension shall be effective from 01st October 2017. However, the effective date shall be notified by the Govt. <b>It is important to note that applicability of RCM for classified list if services / goods covered under Sec. 9(3) of CGST Act 2017 will continue</b>
13	<b>Payment of tax on receipt of advance towards supply of goods by a registered taxpayer with annual aggregate turnover of Rs.1.5 crore on a later stage</b>	All registered tax payers are supposed to discharge tax liability to the Govt. on account of receipt of advance from their customers as per the time of supply provisions - Sec. 12 & 13 of CGST Act 2017	A registered taxpayer with annual aggregate turnover of Rs.1.5 crore will no longer be required to pay tax on account of receipt of advance from his customer towards supply of <b>goods</b> on a later stage <b>It is important to note that payment of tax on account of receipt of advance from a customer towards supply of services on a later stage shall continue</b>
14	<b>Exemption from payment of tax for services provided by a GTA to an unregistered person</b>	Services provided by a GTA to an unregistered person was covered under forward charge mechanism wherein the registered GTA was required to pay tax to the Govt.	In order to provide ease in doing business to the small businesses, services provided by a GTA to an unregistered person under GST shall be exempted

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<b>Other facilitation measures</b>			
15	<b>Applicability of TDS / TCS</b>	NA	Registration and operationalization of TDS / TCS provisions under GST shall be postponed till 31st March 2018
16	<b>Applicability of e-way bill provision</b>	NA	The e-way bill system shall be introduced in a staggered manner w.e.f 01.01.2018 and shall be rolled out nationwide w.e.f 01.04.2018
17	<b>Filing of return in Form GSTR-6 by an input service distributor (ISD) for the month of July'17, Aug'17 &amp; Sep'17</b>	Last date for filing of return in Form GSTR-6 by an input service distributor (ISD) for the month of July'17 was 13th October 2017 and for Aug'17 & Sep'17 was yet to be notified	Last date for filing of return in Form GSTR-6 by an input service distributor (ISD) for the month of July'17, Aug'17 & Sep'17 shall be extended to 15th Nov 2017

It should be noted that the above recommendations from the GST Council shall be implemented by way of issuance of notification which is expected to be released in due course by the Government. Until then, taxpayers are requested to oblige with the existing provisions.

We have attached the press release document with this knowledge sharing article for your reference.

#### **About KARVY DATA MANAGEMENT SERVICES LTD.**

Karvy Data Management Services Limited (KDMSL), a GST Suvidha Provider which has developed ASP Solution for easing GST compliance for tax payers. Easy to use interfaces are made available at the disposal of the tax payers to simplify their compliances in terms of dashboards, MIS, returns, payments, refunds and other compliance process. So, 'HELP US HELP YOU' we offer following services for GST - GSP & ASP Services (on cloud or on premises) with ERP Integration and Vendor Management Solution. We also offer managed services for Outsourced GST Compliance which will take care of end to end compliances.

In India, GST Team of KDMSL are located in following cities: Hyderabad, Mumbai, Bangalore, New Delhi and Kolkata. For more information about KDMSL service offerings, visit [www.karvygst.com](http://www.karvygst.com)

Below are the co-ordinates of our representatives from GST Team across India:

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