

ERGO

Analysing developments impacting business

RELIEF MEASURES ANNOUNCED IN THE AREAS OF GST, CUSTOMS AND FOREIGN TRADE

25 March 2020

Indirect Taxes

The Hon'ble Finance Minister has announced a host of relaxations in the compliance timelines for small taxpayers and various other relief measures. The major announcements from the standpoint of Indirect Taxes included:

- **Monthly Returns:** Taxpayers having an aggregate turnover of less than INR 5 crores have been permitted to file GSTR-3B due in the months of March, April and May 2020 (i.e. for supplies made in the months of February, March and April 2020), by 30 June 2020 without any interest or late fee. Other taxpayers are allowed a grace period of 15 days after which a reduced interest rate of 9 % p.a. would be payable, without any late fee.
- **Composition scheme:** The deadline to opt for the composition scheme for FY 2020-21 and the due date of filing returns and payment of tax for composition dealers for the quarter ending 31 March 2020 have also been extended to the end of June 2020.
- **Annual return:** Due date for furnishing annual return for FY 2018-19 has been extended up to 30 June 2020.
- **Sabka Vishwas Scheme:** Due date for making payment under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 has been extended up to 30 June 2020, without interest.
- **Other compliances:** Time limit for all compliances (including issuance of notices, orders, furnishing of returns, statements, etc.) under goods and services tax and customs where the existing time limit is expiring between 20 March 2020 and 29 June 2020, has been extended up to 30 June 2020.
- **Import/ Export and Customs clearance:** Import/ export of goods, related port services and allied activities declared as 'essential services' and would be operational 24 X 7.
- **Sanitary Permits:** All Sanitary Permits (SIPs) for import of SPF Shrimp Broodstock and other agriculture inputs expiring between 1 March 2020 to 15 April 2020 have been extended by 3 months.

- **Export:** Export of sanitizers and ventilators of all sorts has been prohibited. Additionally, export of Hydroxychloroquine and its formulations has been prohibited, except in certain specified situations.

Observations

Considering that a large percentage of the country is working from home these days, the announcements made by the Hon'ble Finance Minister appear to be carefully considered and planned. The month of March is already a challenging month for tax professionals and assesseees alike and the aforesaid relaxation in compliance timelines is expected to take some load off the taxpayers' shoulders.

However, an additional incentive in the form of temporary tax cuts on import and sale of Personal Protective Equipment (PPE) such as masks, gloves and N95 respirators would have been welcome, considering the growing importance of the said products in combating the present situation.

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