

Significant Notifications and Circulars issued in GST and Customs between 16th December 2020 to 15th January 2021

GST

Notifications

1. Select sections of the Finance Act, 2020 to be effective from 1st January 2021

The Central Government vide [Notification No. 92/2020- Central Tax dated 22nd December 2020](#) has appointed **1st day of January, 2021**, as the date on which the provisions of sections 119, 120, 121, 122, 123, 124, 126, 127 and 131 of the Finance Act, 2020 shall come into force.

2. Waiver of late fee for FORM GSTR-4 filing in UT of Ladakh for Financial year 2019-20

The Central Government vide [Notification No. 93/2020- Central Tax dated 22nd December 2020](#) has amended [Notification No. 73/2017-Central Tax, dated 29th December, 2017](#) to **waive the late fee** payable for delay in furnishing of FORM GSTR-4 for the Financial Year 2019-20, from the 1st day of November, 2020 till the 31st day of December, 2020 for the registered person whose principal place of business is in the Union Territory of Ladakh.

3. Amendments in CGST Rules, 2017

The Central Government vide [Notification No. 94/2020- Central Tax dated 22nd December 2020](#) & [Notification No. 01/2021- Central Tax dated 1st January 2021](#) has amended CGST Rules, 2017. The significant amendments are given as under:-

- a) **Rule 8 (Application for registration):** Biometric based Aadhaar authentication/ verification process introduced for GST registration.
- b) **Rule 9 (Verification of the application and approval):** Time limit for grant of GST registration on successful authentication of Aadhaar increased from 3 to 7 working days. On not opting for Authentication of Aadhaar or failure to get Aadhaar Authenticated or where the proper officer deems fit to carry out physical verification of the places of business, the time limit for grant of registration extended from 7 days to 30 days.
- c) **Rule 21 (Registration to be cancelled in certain cases):** Registration can be cancelled if (i) ITC is availed in violation of section 16, or (ii) Outward tax supplies declared in return under section 39 are less than the outward tax supplies declared in GSTR-1 for one or more tax periods, or (iii) the provisions of new rule 86B are violated.
- d) **Rule 21A (Suspension of registration):** The registration of a taxpayer can be suspended without giving a reasonable opportunity of being heard if the proper officer has reasons to believe that the registration is liable to be cancelled. New sub-rule (2A) inserted to provide for suspension of registration if variations or anomalies are found between GSTR-3B and GSTR 1 or GSTR 2A of a taxpayer, or any other analysis as carried out by the department. During the period, the registration is suspended, the taxpayer will not be able to claim any refund under section 54. Suspension of registration under this

rule may be revoked by the proper officer, anytime during the pendency of the proceedings for cancellation, if he deems fit.

- e) **Rule 22 (Cancellation of registration):** Provisions of cancellation of registration under rule 22 synced with newly inserted sub-rule (2A) of rule 21A.
- f) **Rule 36(4) (Restriction on availment of ITC):** ITC entitlement for invoices not furnished by supplier reduced from 10% to 5%.
- g) **Rule 59 (Form and manner of furnishing details of outward supplies):** A new sub-rule (6) has been inserted so as to block filing of GSTR-1 by a monthly return filer who has not furnished GSTR-3B for preceding two months. Where the registered person is a quarterly return filer, he will not be able to file GSTR-1 or use invoice furnishing facility if he does not file GSTR-3B for the preceding tax period. Registered person who comes under the purview of newly inserted rule 86B will not be able to file GSTR-1 or use invoice furnishing facility if he does not file GSTR-3B for the preceding tax period.
- h) **Rule 86B (Restrictions on use of amount available in electronic credit ledger):** New Rule 86B has been inserted to provide for restrictions on utilisation of ITC for payment of output tax liability in excess of 99% of such tax liability if value of taxable supply other than exempt supply and export, in a month exceeds Rs 50 lakh limit. Certain exceptions have also been provided in the rule.
- i) **Rule 138 (Information to be furnished prior to commencement of movement of goods and generation of e-way bill):** E-way bill to be valid for 200 km per day.
- j) **Rule 138E (Restriction on furnishing of information in PART A of FORM GST EWB-01):** Person whose registration has been suspended not allowed to furnish PART A of E-way Bill.
- k) **Form GST REG-31:** A new form GST REG-31 has been inserted in the said rules for 'Intimation for suspension and notice for cancellation of registration'.

4. **Due date for filing of Annual Return & Annual Reconciliation Statement for the FY 2019-20 extended to 28th February 2021**

The CBIC vide [Notification No. 95/2020- Central Tax dated 30th December 2020](#) has extended the due date for furnishing of Annual Return in Form GSTR-9 and Annual Reconciliation Statement in Form GSTR- 9C for the financial year 2019-2020 from 31st December 2020 to 28th February, 2021.

CUSTOMS

Circulars & Notifications

1. **Implementation of PGA eSANCHIT– Paperless Processing under SWIFT- Uploading of Licenses/Permits/Certificates/Other Authorizations (LPCOs) by PGAs**

The CBIC has issued [Circular No.57/2020-Customs dated 30th December, 2020](#) to bring on board 2 more Participating Government Agencies (PGAs) namely Trade Promotion Council of India (TPCI) and Export Promotion Council for EOUs & SEZs (EPCES) with their Licenses/Permits/Certificates/Other Authorizations (LPCOs) at eSANCHIT platform. With this, the total number of PGAs on eSANCHIT as on date becomes 53.

2. Import and export of vaccines in relation to COVID-19 through courier

The CBIC has amended Courier Imports and Exports Regulations, 2010 to facilitate the import/ export of vaccines in relation to COVID-19 without any value limitation through courier where the Express Cargo Clearance System (ECCS) is operational. Since the vaccines will be imported in durable containers equipped with the requisite temperature monitoring and tracking devices, sub-regulation (3) of regulation 6 and the declaration in Form H (CSB IV) of the Regulations have been suitably amended to provide for the export of the durable container including accessories thereof, imported in relation to COVID-19 vaccines. The clarifications contained in [Circular No.51/2020-Customs dated 20.11.2020](#) would apply for the temporary importation and re-export of the durable containers including accessories thereof imported in relation to the COVID-19 vaccines through Courier.

[Notification No. 115/2020-Customs \(N.T.\) dated 30th December 2020 read with Circular No. 56/2020-Customs dated 30th Dec, 2020](#)

3. Posting of staff at Customs areas and collection of Cost Recovery Charges

The CBIC vide [Circular No. 02/2021 Cus dated 19.01.2021](#), has issued comprehensive guidelines in respect of posting of officers and staff on cost recovery basis and grant of exemption from payment of cost recovery charges. Detailed guidelines can be accessed from www.cbic.gov.in.

4. Customs Authority for Advance Rulings Regulations, 2021

The CBIC has notified Customs Authority for Advance Rulings Regulations, 2021 vide [Notification No. 01/2021 – Customs \(N.T.\) dated 04th January, 2021](#). The authority will be empowered to hear and determine all applications and petitions. Further, the Central Government rescinded the Customs (Advance Rulings) Rules 2002, through [Notification No. 02/2021- Customs \(N.T.\) dated 04th January, 2021](#).

