

DRAFT GOODS AND SERVICES TAX - RETURN RULES, 20--

Note: Corresponding changes in the Model GST Law are being carried out separately. Comments , if any may kindly be given by 28th September, 2016.

Chapter-__: RETURNS

1. Form and manner of furnishing details of outward supplies

- (1) Every registered taxable person required to furnish the details:
- (a) of outward supplies of goods and/or services effected during a tax period under sub-section (1) of section 25; and
 - (b) of outward supplies of goods and/or services effected during an earlier tax period under sub-section (2) of section 25

shall furnish such details in **FORM GSTR-1** electronically through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.

(2) The details of outward supplies furnished by the supplier shall be made available electronically to each of the registered taxable persons (recipients) in **Part A** of **FORM GSTR-2A** through the Common Portal after the due date of filing of **FORM GSTR-1**.

(3) The details of inward supplies added, corrected or deleted by the recipient in his **FORM GSTR-2** under sub-section (1) of section 26 or **FORM GSTR-4** under section 27 shall be made available to the supplier electronically in **FORM GSTR-1A** through the Common Portal and such supplier may either accept or reject the modifications made by the recipient and **FORM GSTR-1** furnished by the supplier shall stand amended to the extent of modifications accepted by him.

2. Form and manner of furnishing details of inward supplies

(1) Every registered taxable person required to furnish the details of inward supplies of goods and/or services received during a tax period under sub-section (2) of section 26 shall, on the basis of details contained in **Part A** of **FORM GSTR-2A**, prepare such details in the manner specified in sub-section (1) of the said section and furnish the same in **FORM GSTR-2** electronically through the Common Portal, either directly or from a Facilitation Centre, notified by the Board or Commissioner, after including therein details of such other inward supplies, if any, required to be furnished under sub-section (2) of section 26.

(2) Every registered taxable person shall furnish the details, if any, required under sub-section (3) of section 26 electronically in **FORM GSTR-2**.

(3) The recipient of goods and/or services shall specify the inward supplies in respect of which he is not eligible, either fully or partially, for input tax credit in **FORM GSTR-2** where such eligibility can be determined at the invoice level.

(4) The recipient of goods and/or services shall declare the quantum of ineligible input tax credit on inward supplies which is relatable to non-taxable supplies or for purposes other than business and cannot be determined at the invoice level in **FORM GSTR-2**.

(5) The details of invoices furnished by an Input Service Distributor in his return in **FORM GSTR-6** under rule 7 shall be made available to the recipient of credit in **Part B** of **FORM GSTR 2A** electronically through the Common Portal and the said recipient may include the same in **FORM GSTR-2**.

(6) The details of tax deducted at source by the deductor under section 37 furnished in **FORM GSTR-7** shall be made available to the deductee in **Part C** of **FORM GSTR-2A**

electronically through the Common Portal and the said deductee may include the same in **FORM GSTR-2**.

(7) The details of tax collected at source by an e-commerce operator under section 43C furnished in **FORM GSTR-8** shall be made available to the concerned taxable person in **Part D** of **FORM GSTR 2A** electronically through the Common Portal and such taxable person may include the same in **FORM GSTR-2**.

3. Form and manner of submission of monthly return

(1) Every registered taxable person, other than a taxable person paying tax under section 8, shall furnish a return under sub-section (1) of section 27 in **FORM GSTR-3** electronically through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.

(2) **Part A** of the return under sub-rule (1) shall be electronically generated on the basis of information furnished through returns in **FORM GSTR-1, FORM GSTR-2**, electronic credit ledger, electronic cash ledger and electronic tax liability register of the taxable person.

(3) Every registered taxable person furnishing the return under sub-rule (1) shall, subject to the provisions of section 35, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or these rules by debiting the electronic cash ledger and/or electronic credit ledger as per the details contained in **Part B** of the return in **FORM GSTR-3**.

(4) A registered taxable person, claiming refund of any balance in the electronic cash ledger as per sub-section (6) of section 35, may claim such refund in **Part B** of the return in **FORM GSTR-3** and such return shall be deemed to be an application filed under section 38.

(5) Where the time limit for furnishing **FORM GSTR-1** under sub-section (1) of section 25 and **FORM GSTR-2** under sub-section (2) of section 26 has been extended, return in **FORM GSTR-3** may be furnished in such manner as may be notified by the Commissioner/Board.

4. Form and manner of submission of quarterly return by the composition supplier

(1) Every registered taxable person paying tax under section 8 shall, after adding, correcting or deleting the details contained in **FORM GSTR-4A**, furnish a quarterly return in **FORM GSTR-4** electronically through the Common Portal, either directly or from a Facilitation Centre, notified by the Board or Commissioner.

(2) Every registered taxable person furnishing the return under sub-rule (1) shall discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or these rules by debiting the electronic cash ledger.

5. Form and manner of submission of return by non-resident taxable person

Every registered non-resident taxable person shall furnish a return in **FORM GSTR-5** electronically through the Common Portal, either directly or from a Facilitation Centre, notified by the Board or Commissioner, including therein the details of outward supplies and inward supplies and shall pay the tax, interest, penalty, fees or any other amount

payable under the Act or these rules within twenty days after the end of a tax period or within seven days after the last day of the validity period of registration, whichever is earlier.

6. Form and manner of submission of return by an input service distributor

Every input service distributor shall, after adding, correcting or deleting the details contained in **FORM GSTR-6A**, furnish electronically a return in **FORM GSTR-6**, containing the details of tax invoices on which credit has been received and those issued under section 17, through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.

7. Form and manner of submission of return by a person required to deduct tax at source

(1) Every registered taxable person required to deduct tax at source under section 37 shall furnish a return in **FORM GSTR-7** electronically through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.

(2) The details furnished by the operator under sub-rule (1) shall be made available electronically to each of the suppliers in **Part C** of **FORM GSTR-2A** on the Common Portal after the due date of filing of **FORM GSTR-7**.

(3) The certificate referred to in sub-section (3) of section 37 shall be made available electronically to the deductee on the Common Portal in **FORM GSTR-7A** on the basis of the return filed under sub-rule (1).

8. Form and manner of submission of statement of supplies effected through e-Commerce

(1) Every e-Commerce operator required to collect tax at source under section 43C shall furnish a statement in **FORM GSTR-8** electronically through the Common Portal, either directly or from a Facilitation Centre, notified by the Board or Commissioner, containing details of supplies effected through such operator and the amount of tax collected as required under sub-section (1) of section 43C.

(2) The details furnished by the operator under sub-rule (1) shall be made available electronically to each of the suppliers in **Part D** of **FORM GSTR-2A** on the Common Portal after the due date of filing of **FORM GSTR-8**.

9. Notice to non-filers of returns

A notice in **FORM GSTR-3A** shall be issued, electronically, to a registered taxable person who fails to furnish return under section 27 and section 31.

10. Matching of claim of input tax credit

The following details relating to the claim of input tax credit on inward supplies including imports, provisionally allowed under section 28, shall be matched under section 29 after the due date for furnishing the return in **FORM GSTR-3**

- (a) GSTIN of the supplier

- (b) GSTIN of the recipient
- (c) Invoice/Debit Note date
- (d) Invoice/Debit Note number
- (e) Taxable value
- (f) Tax amount:

Provided that where the time limit for furnishing **FORM GSTR-1** under sub-section (1) of section 25 and **FORM GSTR-2** under sub-section (2) of section 26 has been extended, the date of matching relating to claim of input tax credit shall be extended to such date as may be notified by the Board/Commissioner.

Explanation: (1) The claim of input tax credit in respect of invoices and debit notes in **FORM GSTR-2** that were accepted by the recipient in **FORM GSTR-2A** without amendment shall be treated as matched if the corresponding supplier has furnished a valid return.

(2) The claim of input tax credit shall be considered as matched, where the amount of input tax credit claimed is equal to or less than the output tax paid on such tax invoice or Debit Note, as the case may be, by the corresponding supplier.

11. Final acceptance of input tax credit and communication thereof

(1) The final acceptance of claim of input tax credit in respect of any tax period, specified in sub-section (2) of section 29, shall be made available electronically to the registered taxable person making such claim in **FORM GST ITC-1** through the Common Portal.

(2) The claim of input tax credit in respect of any tax period which had been communicated as mismatched but is found to be matched after rectification by the supplier and/or recipient shall be finally accepted and made available electronically to the taxable person making such claim in **FORM GST ITC-1** through the Common Portal.

12. Communication and rectification of discrepancy in claim of input tax credit and reversal of claim of input tax credit

(1) Any discrepancy in the claim of input tax credit in respect of any tax period, specified in sub-section (3) of section 29 and the details of output tax liable to be added under sub-section (5) of the said section on account of continuation of such discrepancy shall be made available to the registered taxable person making such claim and the supplier electronically in **FORM GST ITC-1** through the Common Portal on or before the last date of the month in which the matching has been carried out.

(2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.

(3) A recipient to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of inward supplies to be furnished for the month in which the discrepancy is made available.

(4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the

recipient in his return in **FORM GSTR-3** for the month succeeding the month in which the discrepancy is made available.

Explanation: (1) Rectification by a supplier means adding or correcting the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient.

(2) Rectification by the recipient means deleting or correcting the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier.

13. Claim of input tax credit on the same invoice more than once

Duplication of claims of input tax credit in the details of inward supplies shall be communicated to the registered taxable person in **FORM GST ITC-1** electronically through the Common Portal.

14. Matching of claim of reduction in the output tax liability

The following details relating to the claim of reduction in output tax liability shall be matched under section 29A after the due date for furnishing the return in **FORM GSTR-3**

- (a) GSTIN of the supplier
- (b) GSTIN of the recipient
- (c) Credit Note date
- (d) Credit Note number
- (e) Taxable value
- (f) Tax amount:

Provided that where the time limit for furnishing FORM GSTR-1 under sub-section (1) of section 25 and FORM GSTR-2 under sub-section (2) of section 26 has been extended, the date of matching of claim of reduction in the output tax liability shall be extended to such date as may be notified by the Board/Commissioner.

Explanation: (1) The claim of reduction of output tax liability due to issuance of credit notes in **FORM GSTR-1** that were accepted by the recipient in **FORM GSTR-2A** without amendment shall be treated as matched if the corresponding recipient has furnished a valid return.

(2) The claim of reduction in the output tax liability shall be considered as matched, where the amount of reduction claimed is equal to or less than the claim of reduction of input tax credit admitted and discharged on such credit note by the corresponding recipient in his valid return.

15. Final acceptance of reduction of output tax liability and communication thereof

(1) The final acceptance of claim of reduction in output tax liability in respect of any tax period, specified in sub-section (2) of section 29A, shall be made available

electronically to the taxable person making such claim in **FORM GST ITC-1** through the Common Portal.

(2) The claim of reduction in output tax liability in respect of any tax period which had been communicated as mismatched but is found to be matched after rectification by the supplier and/or recipient shall be finally accepted and made available electronically to the taxable person making such claim in **FORM GST ITC-1** through the Common Portal.

16. Communication and rectification of discrepancy in reduction in output tax liability and reversal of claim of reduction

(1) Any discrepancy in claim of reduction in output tax liability, specified in sub-section (3) of section 29A, and the details of output tax liability to be added under sub-section (5) of the said section on account of continuation of such discrepancy shall be made available to the registered taxable person making such claim and the recipient electronically in **FORM GST ITC-1** through the Common Portal on or before the last date of the month in which the matching has been carried out.

(2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.

(3) A recipient to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of inward supplies to be furnished for the month in which the discrepancy is made available.

(4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the supplier in his return in **FORM GSTR-3** for the month succeeding the month in which the discrepancy is made available.

Explanation: (1) Rectification by a supplier means deleting or correcting the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient.

(2) Rectification by the recipient means adding or correcting the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier.

17. Claim of reduction in output tax liability more than once

Duplication of claims for reduction in output tax liability in the details of outward supplies shall be communicated to the registered taxable person in **FORM GST ITC-1** electronically through the Common Portal.

18. Refund of interest paid on reclaim of reversal

The interest to be refunded under sub-section (9) of section 29 or sub-section (9) of section 29A shall be claimed by the taxable person in his return in **FORM GSTR-3** and shall be credited to his electronic cash ledger in **FORM GST PMT-3** and the amount credited shall be available for payment of any future liability of interest or the taxable person may claim refund of the amount under section 38.

19. Matching of details furnished by the e-Commerce operator with the details furnished by the supplier

The following details relating to the supplies made through an e-Commerce operator, as declared in **FORM GSTR-8**, shall be matched with the corresponding details declared by the supplier in **FORM GSTR-1**-

- (a) GSTIN of the supplier
- (b) GSTIN/UIN of the recipient, if the recipient is a registered taxable person
- (c) State of place of supply
- (d) Date of invoice of the supplier
- (e) Invoice Number of the supplier
- (f) Tax rate
- (g) Taxable value
- (h) Tax amount:

Provided that for all supplies where the supplier is not required to furnish the details separately for each supply, the following details relating to such supplies made through an e-Commerce operator, as declared in **FORM GSTR-8**, shall be matched with the corresponding details declared by the supplier in **FORM GSTR-1**-

- (a) GSTIN of the supplier
- (b) State of place of supply
- (c) Tax rate
- (d) Total taxable value of all supplies made in the State
- (e) Tax amount on all supplies made in the State:

Provided further that where the time limit for furnishing **FORM GSTR-1** under sub-section (1) of section 25 has been extended, the date of matching of the above mentioned details shall be extended to such date as may be notified by the Board/Commissioner.

20. Communication and rectification of discrepancy in details furnished by the e-Commerce operator and the supplier

(1) Any discrepancy in the details furnished by the operator and those declared by the supplier shall be made available to both electronically in **FORM GST ITC-1** through the Common Portal on or before the last date of the month in which the matching has been carried out.

(2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.

(3) An operator to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement to be furnished for the month in which the discrepancy is made available.

(4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the supplier in his return in **FORM GSTR-3** for the month succeeding the month in which the details of discrepancy are made available and such addition to the output tax liability and interest payable thereon shall be made available to the supplier electronically on the Common Portal in **FORM GST ITC-1**.

21. Annual return

(1) Every registered taxable person shall furnish an annual return under sub-section (1) of section 30 electronically in **FORM GSTR-9** through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner:

Provided that a taxable person paying tax under section 8 shall furnish the annual return in **FORM GSTR-9A**.

(2) Every registered taxable person whose aggregate turnover during a financial year exceeds one crore rupees shall get his accounts audited under sub-section (4) of section 42 and he shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in **FORM GSTR-9B**, electronically through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.

22. Final return

Every registered taxable person required to furnish a final return under section 31, shall furnish such return electronically in **FORM GSTR-10** through the Common Portal either directly or from a Facilitation Centre, notified by the Board or Commissioner.

23. Details of inward supplies of persons having Unique Identity Number

(1) Every person, who has been issued a Unique Identity Number and claims refund of the taxes paid on his inward supplies, shall furnish the details of such supplies of taxable goods and/or services in **FORM GSTR-11** either directly or from a Facilitation Centre, notified by the Board or Commissioner.

(2) Every person, who has been issued a Unique Identity Number for purposes other than refund of the taxes paid, shall furnish the details of inward supplies of taxable goods and/or services as may be required by the proper officer in **FORM GSTR-11**.

24. Provisions relating to a Tax Return Preparer

(1) An application in **FORM GST TRP-1** may be made to the officer authorised in this behalf for enrolment as Tax Return Preparer by any person who satisfies any of the conditions specified below, namely:

- (a)
 - (i) he is a citizen of India;
 - (ii) he is a person of sound mind;
 - (iii) he is not adjudicated as insolvent;
 - (iv) he has not been convicted by a competent court for an offence with imprisonment not less than two years; and
- (b) that he is a retired officer of the Commercial Tax Department of any State Government or of the Central Board of Excise and Customs, Department of Revenue, Government of India, who, during his service under the Government, had worked in a post not lower in rank than that of a Group-B gazetted officer for a period of not less than two years; or
- (c) he has passed:

- (i) a graduate or postgraduate degree or its equivalent examination having a degree in Commerce, Law, Banking including Higher Auditing, or Business Administration or Business Management from any Indian University established by any law for the time being in force; or
- (ii) a degree examination of any Foreign University recognized by any Indian University as equivalent to the degree examination mentioned in clause (i); or
- (iii) any other examination notified by the Government for this purpose; or
- (iv) any degree examination of an Indian University or of any Foreign University recognized by any Indian University as equivalent of the degree examination and has also passed any of the following examinations, namely.-
 - (a) final examination of the Institute of Chartered Accountants of India; or
 - (b) final examination of the Institute of Cost Accountants of India; or
 - (c) final examination of the Institute of Company Secretaries of India; or

(2) On receipt of the application referred to in sub-rule (1), the authorised officer shall, after making such enquiry as he considers necessary, either enroll the applicant as a Tax Return Preparer and issue a certificate to that effect in **FORM GST TRP-2** or reject his application where it is found that the applicant is not qualified to be enrolled as a Tax Return Preparer.

(3) The enrolment made under sub-rule (2) shall be valid until it is cancelled.

(4) If any Tax Return Preparer is found guilty of misconduct in connection with any proceeding under the Act, the authorised officer may, by order, in **FORM GST TRP-4** direct that he shall henceforth be disqualified under section 34, after giving him a notice to show cause in **FORM GST TRP-3** against such disqualification and after giving him a reasonable opportunity of being heard.

(5) Any person against whom an order under sub-rule (4) is made may, within thirty days from the date of the order under sub-rule (4), appeal to the Commissioner against such order.

(6) A list of Tax Return Preparers enrolled under sub-rule (1) shall be maintained on the Common Portal in **FORM GST TRP-5** and the authorised officer may make such amendments to the list as may be necessary from time to time, by reason of any change of address or death or disqualification of any Tax Return Preparer.

(7) Any taxable person may, at his option, authorise a Tax Return Preparer on the Common Portal in **FORM GST TRP-6** or, at any time, withdraw such authorisation in **FORM GST TRP-7** and the Tax Return Preparer so authorised shall be allowed to undertake such tasks as indicated in **FORM GST TRP-6** during the period of authorisation.

(8) Where a statement required to be furnished by a taxable person has been furnished by the Tax Return Preparer authorised by him, a confirmation shall be sought

from the taxable person over email or SMS and the statement furnished by the tax return preparer shall be made available to the taxable person on the Common Portal:

Provided that where the taxable person fails to respond to the request for confirmation till the last date of furnishing of such statement, it shall be deemed that he has confirmed the statements furnished by the Tax Return Preparer.

(9) A Tax Return Preparer can undertake any or all of the following activities on behalf of a taxable person, if so authorised by the taxable person to:

- (a) furnish details of outward and inward supplies;
- (b) furnish monthly, quarterly, annual or final return;
- (c) make payments for credit into the electronic cash ledger;
- (d) file a claim for refund; and
- (e) file an application for amendment or cancellation of registration.

(10) Any taxable person opting to furnish his return through a Tax Return Preparer shall-

- (a) give his consent in **FORM GST TRP-6** to any Tax Return Preparer to prepare and furnish his return; and
- (b) before confirming submission of any statement prepared by the Tax Return Preparer, ensure that the facts mentioned in the return are true and correct.

(11) The Tax Return Preparer shall-

- (a) prepare the statements with due diligence; and
- (b) affix his digital signature on the statements prepared by him or electronically verify using his credentials.

25. Conditions for purposes of appearance

(1) No person shall be eligible to attend before any authority, as a Tax Return Preparer, in connection with any proceeding under the Act on behalf of any taxable person or person unless his name has been entered in the list maintained under sub-rule (6) of rule 20 .

(2) An Accountant or a Tax return preparer attending on behalf of a taxable person or a person in any proceeding under the Act before any authority shall produce before such authority, if required, a copy of the authorization given by the taxable person or person in **Form GST-TRP-6**.
