

## COVID-19: CBIC issues clarifications on various aspects of relief measures announced (1/2)

The finance minister recently announced various Goods and Services Tax (GST) and customs duty relief measures for businesses in view of the COVID-19 pandemic. These announcements were given effect by the Central Board of Indirect Taxes and Customs (CBIC) by issuing various notifications/circulars. The CBIC has now issued certain clarifications to resolve doubts and also address challenges faced by taxpayers in adhering to the compliance requirements under provisions of the GST law. Key clarifications are:

**1 Advance received but contract cancelled subsequently - invoice raised and GST paid:** The supplier is required to issue a credit note and declare the details of such credit notes in return for the month during which such credit note has been issued. There is no need to file a separate refund claim as the tax liability shall be adjusted in the return. File a claim under 'Excess payment of tax, if any' through Form GST RFD-01.

Similar procedure to also be followed in case of **goods supplied under invoice returned.**

**2 Advance received but contract cancelled subsequently - receipt voucher issued and GST paid:** Refund voucher shall be issued. The taxpayer can apply for refund of GST paid on such advances by filing Form GST RFD-01 under the category 'Refund of excess payment of tax'.

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**Whether a person can make a zero-rated supply on Letter of Undertaking (LUT) which expired on 31 March 2020 and claim refund thereon:** The time limit for filing of LUT for the year 2020-21 has been extended to 30 June 2020. Thus, a taxpayer can continue to supply without payment of tax under LUT provided that the Form GST RFD-11 for 2020-21 is furnished on or before 30 June 2020. In the relevant documents, taxpayers may quote the reference number of the LUT for the year 2019-20.

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**Due date for deposit of TDS also extended:** The due date for furnishing of return in Form GSTR-7 along with deposit of tax deducted for the said period has also been extended till 30 June 2020 and no interest shall be leviable if tax deducted is deposited by 30 June 2020.

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**Last date for making refund application extended to 30 June 2020:** The extension of last date to 30 June 2020 also applies to refund application whose last day for filing falls between 20 March 2020 and 29 June 2020.