

GOVERNMENT OF KARNATAKA
(Department of Commercial Taxes)

No. KSA/GST.CR-05/2019-20

Office of the Commissioner of
Commercial Taxes
Vanijya Therige Karyalaya,
Gandhinagar,
Bengaluru-560009, Dated:15-03-2021

COMMISSIONER OF COMMERCIAL TAXES CIRCULAR No.GST-17/2020-21

Subject: Quarterly Return Monthly Payment Scheme - Reg.

As a trade facilitation measure and in order to further ease the process of doing business, the GST Council in its 42nd meeting held on 05.10.2020, had recommended that registered person having aggregate turnover up to five (5) crore rupees may be allowed to furnish return on quarterly basis along with monthly payment of tax, with effect from 01.01.2021. Government has issued following notifications to implement the Scheme of quarterly return filing along with monthly payment of taxes (hereinafter referred to as “QRMP Scheme/ Scheme”):

Sl. No.	Notification	Remarks
1.	Notification(43/2020) FD 03 CSL 2020 dated 19/11/2020	Notifies amendment carried out in sub-section (1), (2) and (7) of section 39 of the KGST Act vide Karnataka Act 23 of 2019.
2.	Notification (4-J/2020) FD 05 CSL 2020 dated 29/12/2020	Makes the Eleventh amendment (2020) to the KGST Rules 2017.
4.	Notification (44/2020) FD 03 CSL 2020 dated 19/11/2020	Notifies class of persons under proviso to section 39(1) of the KGST Act.
5.	Notification (45/2020) FD 03 CSL 2020 dated 19/11/2020	Notifies special procedure for making payment of tax liability in the first two months of a quarter

2. Various issues related to notifications issued to implement the QRMP Scheme have been examined. In order to explain the Scheme in simple terms and in order to ensure uniformity in implementation across field formations, this office, in exercise of its powers conferred under section 168 (1) of the Karnataka Goods and Services Act, 2017 (hereinafter referred to as the KGST Act), hereby clarifies various issues in succeeding paragraphs.

3. Eligibility for the Scheme

In terms of Notification (44/2020) FD 03 CSL 2020 dated 19/11/2020, a registered person who is required to furnish a return in **FORM GSTR-3B**, and who has **an aggregate turnover of up to 5 crore rupees in the preceding financial year**, is eligible for the QRMP Scheme. It is clarified that the aggregate annual turnover for the preceding financial year shall be calculated in the common portal taking into account the details furnished in the returns by the

taxpayer for the tax periods in the preceding financial year. This new Scheme will be effective from 01.01.2021. Further, in case the aggregate turnover exceeds 5 crore rupees during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.

4. Exercising option for QRMP Scheme

4.1 Facility to avail the Scheme on the common portal would be available throughout the year. In terms of rule 61A of the Karnataka Goods and Services Tax Rules, 2017 (hereinafter referred as KGST Rules), a registered person can opt in for any quarter from first day of second month of preceding quarter to the last day of the first month of the quarter. In order to exercise this option, the registered person must have furnished the last return, as due on the date of exercising such option.

For example: A registered person intending to avail of the Scheme for the quarter 'July to September' can exercise his option during 1st of May to 31st of July.

If he is exercising his option on 27th July for the quarter (July to September), in such case, he must have furnished the return for the month of June which was due on 22/24th July.

4.2 Registered persons are not required to exercise the option every quarter. Where such option has been exercised once, they shall continue to furnish the return as per the selected option for future tax periods, unless they revise the said option.

4.3 For the first quarter of the Scheme i.e. for the quarter January, 2021 to March, 2021, in order to facilitate the taxpayers, it has been decided that all the registered persons, whose aggregate turnover for the FY 2019-20 is up to 5 crore rupees and who have furnished the return in FORM GSTR-3B for the month of October, 2020 by 30th November, 2020, shall be migrated on the common portal as below. Therefore, taxpayers are advised to furnish the return of October, 2020 in time so as to be eligible for default migration. The taxpayers who have not filed their return for October, 2020 on or before 30th November, 2020 will not be migrated to the Scheme. They will be able to opt for the Scheme once the **FORM GSTR-3B** as due on the date of exercising option has been filed.

Sl. No.	Class of registered person	Default Option
1	Registered persons having aggregate turnover of up to 1.5 crore rupees who have furnished FORM GSTR-1 on quarterly basis in the current financial year	Quarterly return
2	Registered persons having aggregate turnover of up to 1.5 crore rupees who have furnished FORM GSTR-1 on monthly basis in the current financial year	Monthly Return
3	Registered persons having aggregate turnover more than 1.5 crore rupees and up to 5 crore rupees in the preceding financial year	Quarterly return

Above default option has been provided for the convenience of registered persons based on their anticipated behaviour. However, such registered persons are free to change the option as above, if they so desire, from 5th of December, 2020 to 31st of January, 2021. It is re-iterated