

**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: 12-05-2020**

COMMISSIONER OF COMMERCIAL TAXES CIRCULAR No. GST-07/2020

Subject: Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws-reg.

CCT Circular No. GST-05/2020, dated 27.04.2020 and Circular No. GST-06/2020, dated 27.04.2020 had been issued to clarify doubts regarding relief measures taken by the Government for facilitating taxpayers in meeting the compliance requirements under various provisions of the Karnataka Goods and Services Tax Act, 2017 (hereinafter referred to as the “KGST Act”) on account of the measures taken to prevent the spread of Novel Corona Virus (COVID-19). Post issuance of the said clarifications, certain challenges being faced by taxpayers in adhering to the compliance requirements under various other provisions of the KGST Act were brought to the notice of this office, and need to be clarified.

2. The issues raised have been examined and in order to ensure uniformity in the implementation of the provisions of the law across the field formations, in exercise of the powers conferred under section 168(1) of the KGST Act, it is hereby clarified as under:

Sl. No.	Issue	Clarification
Issues related to Insolvency and Bankruptcy Code, 2016		
1.	Notification (05/2020) No. FD 03 CSL 2020 dated 27.03.2020, issued under section 148 of the KGST Act provided that an IRP / CIRP is required to take a separate registration within 30 days of the issuance of the Notification. It has been represented that the IRP/RP are facing difficulty in obtaining registrations during the period of the lockdown and have requested to increase the time	Vide Notification (18/2020) No. FD 03 CSL 2020, dated 07.05.2020, the time limit required for obtaining registration by the IRP/RP in terms of special procedure prescribed vide Notification No. (05/2020) No. FD 03 CSL 2020 dated 27.03.2020 has been extended. Accordingly, IRP/RP shall now be required to obtain registration within thirty days of the appointment of the IRP/RP or by 30th June, 2020, whichever is later.

	for obtaining registration from the present 30 days limit.	
2.	<p>The Notification (05/2020) No.FD 03 CSL 2020 dated 27.03.2020 specifies that the IRP/RP, in respect of a corporate debtor, has to take a new registration with effect from the date of appointment. Clarification has been sought whether IRP would be required to take a fresh registration even when they are complying with all the provisions of the GST Law under the registration of Corporate Debtor (earlier GSTIN) i.e. all the GSTR-3Bs have been filed by the Corporate debtor / IRP prior to the period of appointment of IRPs and they have not been defaulted in return filing.</p>	<p>i. The Notification (05/2020) No.FD 03 CSL 2020 dated 27.03.2020 was issued to devise a special procedure to overcome the requirement of sequential filing of FORM GSTR-3B under GST and to align it with the provisions of the IBC Act, 2016. The said Notification has been amended vide Notification (18/2020) No. FD 03 CSL 2020, dated 07.05.2020 so as to specifically provide that corporate debtors who have not defaulted in furnishing the return under GST would not be required to obtain a separate registration with effect from the date of appointment of IRP/RP.</p> <p>ii. Accordingly, it is clarified that IRP/RP would <u>not be required to take a fresh registration</u> in those cases where statements in FORM GSTR-1 under section 37 and returns in FORM GSTR-3B under section 39 of the KGST Act, for all the tax periods prior to the appointment of IRP/RP, have been furnished under the registration of Corporate Debtor (earlier GSTIN).</p>
3.	<p>Another doubt has been raised that the present Notification has used the terms IRP and RP interchangeably, and in cases where an appointed IRP is not ratified and a separate RP is appointed, whether the same new GSTIN shall be transferred from the IRP to RP, or both will need to take fresh registration.</p>	<p>i. In cases where the RP is not the same as IRP, or in cases where a different IRP/RP is appointed midway during the insolvency process, the change in the GST system may be carried out by <u>an amendment in the registration form</u>. Changing the authorized signatory is a non- core amendment and does not require approval of tax officer. However, if the previous authorized signatory does not share the credentials with his successor, then the newly appointed person can get his details added through the Jurisdictional authority as Primary authorized signatory.</p>

		<p>ii. The new registration by IRP/RP shall be required only once, and in case of any change in IRP/RP after initial appointment under IBC, it would be deemed to be change of authorized signatory and it would not be considered as a distinct person on every such change after initial appointment. Accordingly, it is clarified that such a change would need only change of authorized signatory which can be done by the authorized signatory of the Company who can add IRP /RP as new authorized signatory or failing that it can be added by the concerned jurisdictional officer on request by IRP/RP.</p>
<p>Other COVID-19 related representations.</p>		
<p>4.</p>	<p>As per Notification (40/2017) No. FD 48 CSL 2017 dated 23.10.2017, a registered supplier is allowed to supply the goods to a registered recipient (merchant exporter) at 0.1% provided, <i>inter-alia</i>, that the merchant exporter exports the goods within a period of ninety days from the date of issue of a tax invoice by the registered supplier. Request has been made to clarify the provision vis-à-vis the exemption provided vide Notification (17/2020) No. FD 03 CSL 2020, dated 20.04.2020.</p>	<p>i. Vide Notification (17/2020) No. FD 03 CSL 2020, dated 20.04.2020, time limit for compliance of any action by any person which falls during the period from 20.03.2020 to 29.06.2020 has been extended up to 30.06.2020, where completion or compliance of such action has not been made within such time.</p> <p>ii. Notification (40/2017) No. FD 48 CSL 2017 dated 23.10.2017 was issued under powers conferred by section 11 of the KGST Act, 2017. The exemption provided in Notification (17/2020) No. FD 03 CSL 2020, dated 20.04.2020 is applicable for section 11 as well.</p> <p>iii. Accordingly, it is clarified that the said requirement of exporting the goods by the merchant exporter within 90 days from the date of issue of tax invoice by the registered supplier gets extended to 30th June, 2020, provided the completion of such 90 days period falls within 20.03.2020 to 29.06.2020.</p>

<p>5.</p>	<p>Sub-rule (3) of that rule 45 of KGST Rules requires furnishing of FORM GST ITC-04 in respect of goods dispatched to a job worker or received from a job worker during a quarter on or before the 25th day of the month succeeding that quarter. Accordingly, the due date of filing of FORM GST ITC-04 for the quarter ending March, 2020 falls on 25.04.2020. Clarification has been sought as to whether the extension of time limit as provided in terms of Notification (17/2020) No. FD 03 CSL 2020, dated 20.04.2020 also covers furnishing of FORM GST ITC-04 for quarter ending March, 2020</p>	<p>Time limit for compliance of any action by any person which falls during the period from 20.03.2020 to 29.06.2020 has been extended up to 30.06.2020 where completion or compliance of such action has not been made within such time. Accordingly, it is clarified that the due date of furnishing of FORM GST ITC-04 for the quarter ending March, 2020 stands extended up to 30.06.2020.</p>
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4. Difficulty, if any, in implementation of the Circular may be brought to the notice of this office.



(SRIKAR M.S.)

Commissioner of Commercial Taxes
(Karnataka) Bengaluru
Commissioner of Commercial Taxes
Karnataka, Bangalore.

To,
All officers of the Department in the State