Notice calling for suggestions, views, comments etc. from stakeholders on comprehensive changes in FORM GSTR-3B

A proposal of comprehensive changes in **FORM GSTR-3B** was deliberated by the GST Council in its 47th meeting held at Chandigarh on 28th and 29th June 2022. The Council recommended that the said proposal may be placed in public domain for seeking inputs and suggestions of the stakeholders.

Accordingly, the general public and the trade at large are hereby informed that a detailed Concept Paper on comprehensive changes in **FORM GSTR-3B** is enclosed.

All members of the trade/ stakeholders are requested to kindly furnish their views/comments/suggestions on the Concept Paper latest by 15th September 2022 at gstpolicywing-cbic@gov.in so as to facilitate finalization of the matter.

Enclosures: Concept Paper along with Annexure-A (**FORM GSTR-3B**) and Annexure-B (Instructions)

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B. Amendment recommended by the Council in the provisions related to Returns:

Amendments in CGST Act were recommended by the GST Council in its 43rd meeting to align the GST Law with the GSTR-1/ 2B/ 3B return filing system. The salient features of proposed return filing are as below:

i. Filing of **FORM GSTR-1** to be mandatory before filing of return in **FORM GSTR-3B;**

ii. Filing of **FORM GSTR-1** to be sequential;

iii. No two-way communication while filing return;

iv. Provision of furnishing of details of inward supplies to be removed, instead **FORM GSTR-2B** (static return) shall be made available to recipients;

v. Restrictions in ITC to extend where details of the Input Tax Credit of such supplies which have not been communicated to the registered persons

vi. Provisions for Spike Rules to be incorporated in Section 37 & 38

Accordingly, based on the recommendations of GST Council, amendments have been made in the return related provisions of the CGST Act, through the Finance Act, 2022 and will come into effect once the said provisions of the Finance Act, 2022 are notified.

C. Major demands by taxpayers in GSTR-3B:

i. It has been a long pending demand of trade and industry to allow amendment in **FORM GSTR-3B**. At present, any omission or mistake made while filing a GSTR-3B return, can be rectified in the return to be furnished for the month/ tax period during which such omission or mistake are noticed. Such rectifications/ adjustments can be made upto due date of filing return for September of the next year, or the date of filing annual return, whichever is earlier.

ii. In exceptional circumstances, sometimes value of credit notes issued by a supplier exceeds value of invoices and debit notes issued by him during a tax period. This leads to net negative value of supplies for the taxpayer in the said tax period. Presently, negative values are not allowed to be reported in any table of **GSTR-3B**. Similarly, recipient may have to report negative values in ITC table due to receipt of credit notes in a month whose value is more than the total ITC available for the month. Trade and industry have been asking the facility of reporting negative values since long.

E. **Present FORM GSTR-3B structure**:

i. Auto drafted Input Tax Credit statement in **FORM GSTR-2B** has been made available to the taxpayer w.e.f. August 2020 containing all data regarding ITC available based on B2B supplies received from other persons, imports, ISD and RCM supplies

ii. Auto-population of ITC and liabilities in **FORM GSTR-3B** (Payment return) from **FORM GSTR-2B** (auto-generated inward supply statement) and **FORM GSTR-1** (Outward supply statement) respectively has been started w.e.f. December 2020 which has simplified the return filing.

F. **PROPOSAL FOR CHANGES IN FORM GSTR-3B:**

Keeping in view the challenges of taxpayers as detailed above and the journey of return enhancements done till date, it is proposed to make changes in the format of GSTR-3B which would cover the following aspects:

i. **Auto-population of values from GTSR-1 into GSTR-3B in specific rows**: This would establish one-to-one correspondence to a large extent between rows of GSTR-1 & GSTR-3B, thereby providing clarity to the taxpayer and tax officers. Further, it would minimize requirement of user input in GSTR-3B and ease GSTR-3B filing process.

ii. **Provision for allowing amendment in GSTR-3B vide insertion of various amendment tables for outward supplies, input supplies liable to reverse charge and ITC**: Since **FORM GSTR-1** and **FORM GSTR-2B** have been linked with **FORM GSTR-3B**, it is recommended that amendment in **FORM GSTR-3B**, as far as feasible, should flow from amendment in **FORM GSTR-1, as far as outward liabilities are concerned**. Even in the new return system which was envisaged, the amendment in RET-1(RET-1A) was proposed through amendment in details of outward supply (ANX-1/ANX-1A). Therefore, for giving more clarity to the taxpayers, separate amendment table (for liabilities) may be introduced in **FORM GSTR-3B** so that any amendment made in **FORM GSTR-1** gets reflected in **FORM GSTR-3B**clearly. Similarly, an amendment table may also be incorporated in **FORM GSTR-3B** to show any amendment in ITC portion. [***The amendment tables may be activated only on selection by taxpayers***]

Annexure-A

FORM GSTR-3B

[See rule 61(1)]

Monthly / Quarterly Return

Year	y	y	y	y
Month/ Quarter				

1	GSTIN	
2(a).	Legal name of the registered person	<Auto >
2(b)	Trade name, if any	<Auto >
2(c)	ARN	<Auto >(after filing)
2(d)	Date of filing	<Auto >(after filing)

3. Details of Outward Supplies and inward supplies liable to reverse charge

Part A: Outward Supplies, inward supplies liableto reverse charge, supplies under section 9(5) and advances received/adjusted

Nature of Supplies	Total Taxable value	Integrated Tax	Central Tax	State/UT Tax	Cess
1	**2**	**3**	**4**	**5**	**6**
(a) Taxable outward supplies (other than zero rated, deemed export, reverse charge, nil rated, exempted)	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
(b) Exports	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
(c) Supplies made to SEZ unit or SEZ developer	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
(d) Deemed exports	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
(e) Outward supplies attracting reverse charge	<Auto>	<NIL>	<NIL>	<NIL>	<NIL>
(f) Inward supplies (liable to reverse charge)					
(1) Import of services	<Manual>	< Manual>	< Manual>	< Manual>	< Manual>
(2) Others	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
(g) Supplies on which ECO is required to pay tax u/s 9(5) [To be furnished by ECO]	< Auto >	< Auto >	< Auto >	< Auto >	< Auto >
(h) Supplies made through ECO on which ECO is required to pay tax u/s 9(5) [To be furnished by the supplier]	<Auto>	<NIL>	<NIL>	<NIL>	<NIL>
(i) Other outward supplies (Nil rated, exempted)	<Auto>	<NIL>	<NIL>	<NIL>	<NIL>
(j) Non-GST outward supplies	<Auto>	<NIL>	<NIL>	<NIL>	<NIL>

4. **Eligible and ineligible ITC**

Description	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5
(A) ITC Available				
(1) Import of goods	<Auto>	<Auto>	<Auto>	<Auto>
(2) Import of services	<Manual>	<Manual>	<Manual>	<Manual>
(3) Inward supplies liable to reverse charge (other than 2 above)	<Auto>	<Auto>	<Auto>	<Auto>
(4) Inward supplies from ISD	<Auto>	<Auto>	<Auto>	<Auto>
(5) ITC on Domestic Inwards Supplies excluding 1 to 4	<Auto>	<Auto>	<Auto>	<Auto>
(6) ITC reclaimed				
(a) ITC which was reversed in (B)(4)(a) in earlier tax period	<Manual>	<Manual>	<Manual>	<Manual>
(b) ITC which was reversed in (B)(4)(b) in earlier tax period	<Manual>	<Manual>	<Manual>	<Manual>
(c) ITC which was reversed in (B)(4)(c) in earlier tax period	<Manual>	<Manual>	<Manual>	<Manual>
(B) ITC Reversed				
(1) As per rules 38,42 and 43	<Manual>	<Manual>	<Manual>	<Manual>
(2) As per section 17(5)	<Manual>	<Manual>	<Manual>	<Manual>
(3) On account of credit notes in respect of inward supplies	<Auto>	<Auto>	<Auto>	<Auto>
(4) Others				
(a) On account of section 16(2)(b) i.e. goods/services not received in the current tax period	<Manual>	<Manual>	<Manual>	<Manual>
(b) On account of second proviso to section 16(2)	<Manual>	<Manual>	<Manual>	<Manual>
(c) Others	<Manual>	<Manual>	<Manual>	<Manual>
(C) Net ITC Available [(A) – (B)]	<Auto>	<Auto>	<Auto>	<Auto>

4A. **Amendments to details of ITC available and ITC reversed furnished in earlier tax periods**

Description	Tax Period to which it pertains	Differential tax			
		IGST	CGST	SGST/UTGST	Cess
1	2	3	4	5	6
(A) Amendment to ITC available		<Manual>	<Manual>	<Manual>	<Manual>
(B) Amendment to ITC reversed					
(1) As per rules 38,42 and 43		<Manual>	<Manual>	<Manual>	<Manual>
(2) As per section 17(5)		<Manual>	<Manual>	<Manual>	<Manual>

Taxpayer will be able to see the tax period to which the amendment pertains

Taxpayer will be able to select the sub-category of ITC available to be amended from drop-down menu

Annexure-B

Instructions –

1. Terms used:
   a. Auto: Auto-populated
   b. NE: Non-editable
   c. POS: Place of Supply
2. Table 3 will capture information related to outward supplies and inward supplies liable to reverse charge:
   a. **Part-A** will contain details of outward supplies, inward supplies liable to reverse charge, supplies under section 9(5) and advances received/adjusted. Any debit/credit notes issued in the current tax period will not be declared here. Further, any amendment to an invoice, including amendment to debit/credit note, pertaining to earlier tax periods will not be reported here. Part-A will be auto-populated from Tables 4, 6, 8, 11 and proposed Table 14 of **FORM GSTR-1** other than row (f) which will be partly auto-populated from **FORM GSTR-2B** and partly user entry.
   b. **Part-B** will contain details of inter-state outward supplies made to unregistered persons, composition taxable persons and UIN holders out of the supplies declared in Part-A. It will be auto-populated from relevant entries of Table 4, 5 and 7 of **FORM GSTR-1.**
   c. **Part-C** will contain amendment made to statement of outward supplies relating to details furnished in Part-A and Part-B in earlier tax period and amendment to inward supplies attracting reverse charge furnished in Part-A of earlier tax period.
      i. Row (a) will contain amendment made in the statement of outward supplies relating to details furnished in rows (a), (b), (c), (d), (e), (g), (h) and (k) of Part-A furnished in earlier tax period. It will be auto-populated from Tables 9, 10 & 11 of GSTR-1 and will be non-editable.This row will be displayed to the taxpayer only if he shows any amendment/debit note/credit note in **FORM GSTR-1.** PoS column of this row will be masked i.e no value will be entered in the PoS column of this row.
      ii. Row (b) will contain amendment made to inward supplies attracting reverse charge i.e. row (f) of Part-A furnished in earlier tax period. It will be auto-populated from **FORM GSTR-2B.** However, it can be edited by the taxpayer. Further, taxpayer can select the time period to which such amendment pertains. This table will be activated either on selection by taxpayers or if the debit note, amendment to invoice or amendment to debit note is done by the supplier. PoS column of this row will be masked i.e no value will be entered in the PoS column of this row.
      iii. Row (c) will contain amendment madein the statement of outward supplies relating to details furnished in Part-B furnished in earlier tax period. It will be auto-populated from Tables 9 & 10 of GSTR-1 and will be non-editable. Further, row (c) being a sub-set of row (a), it will not to be added in tax liability.This row will be displayed to the taxpayer only if he shows any amendment/debit note/credit note in **FORM GSTR-1.**

downward amendment/revision in reversal of such ITC will be reported in row (A)(6) of Table 4.

d. Any upward amendment/revision in reclaim of ITC other than on account of rule 38, 42 & 43, section 17(5) will reported in row (A)(6) of Table 4 and any downward amendment/revision of such ITC will be reported in row (B)(4) of Table 4.

6. Table 5 i.e. the payment table will be auto-populated from other tables in **FORM GSTR-3B** and will be non-editable.