Quarterly Return Filing and Monthly Payment of Taxes (QRMP) Scheme under GST

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The Central Board of Indirect Taxes & Customs (CBIC) introduced Quarterly Return Filing and Monthly Payment of Taxes (QRMP) scheme under Goods and Services Tax (GST) to help small taxpayers whose turnover is less than Rs.5 crores.

The CBIC on 10th of November, 2020 issued following in respect of QRMP scheme

S.no	Law References	Purpose
1	Notification No. 81/2020-Central Tax, dated 10-11-2020	Notifies amendment carried out in sub-section (1), (2) and (7) of section 39 of the CGST Act vide Finance (No.2) Act, 2019.
2	Notification No. 82/2020-Central Tax, dated 10-11-2020	Makes the Thirteenth amendment (2020) to the CGST Rules 2017.
3	Notification No. 84/2020-Central Tax, dated 10-11-2020	Notifies class of persons under proviso to section 39(1) of the CGST Act.
4	Notification No. 85/2020-Central Tax, dated 10-11-2020	Notifies special procedure for making payment of tax liability in the first two months of a quarter.
5	Circular No. 143/13/2020-GST dated 10.11.2020	Explain the scheme in simple terms.

Notf. 81/2020 – CGST 10th November 2020

S.O. ...... (E).— In exercise of the powers conferred by clause (b) of sub-section (2) of section 1 of the Finance (No. 2) Act, 2019 (23 of 2019), the Central Government hereby appoints the 10th day of November, 2020, as the date on which the provisions of section 97 of the said Act shall come into force.

In view of the above, enabling provisions for making available Quarterly Filing of 3B as introduced vide the Finance (No. 2) Act, 2019 by inserting following proviso in Section 39(1) made effective w.e.f. 10.11.2020 so as to give statutory power to QRMP Scheme.:

"(*1*) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, and within such time, as may be prescribed:

Provided that the Government may, on the recommendations of the Council, notify certain class of registered persons who shall furnish a return for every quarter or part thereof, subject to such conditions and restrictions as may be specified therein.

Notf. 82 /2020 – CGST 10th November 2020

6. In the said rules, after rule 61, the following rule shall be inserted, namely: -

"**61A**. **Manner of opting for furnishing quarterly return**.- (1) Every registered person intending to furnish return on a quarterly basis under proviso to sub-section (1) of section 39, shall in accordance with the conditions and restrictions notified in this regard, indicate his preference for furnishing of return on a quarterly basis, electronically, on the common portal, from the 1st day of the second month of the preceding quarter till the last day of the first month of the quarter for which the option is being exercised:

Provided that where such option has been exercised once, the said registered person shall continue to furnish the return on a quarterly basis for future tax periods, unless the said registered person,

(a) becomes ineligible for furnishing the return on a quarterly basis as per the conditions and restrictions notified in this regard; or

(b) opts for furnishing of return on a monthly basis, electronically, on the common portal:

Notf. 82 /2020 – CGST 10th November 2020

Provided further that a registered person shall not be eligible to opt for furnishing quarterly return in case the last return due on the date of exercising such option has not been furnished.

(2) A registered person, whose aggregate turnover exceeds 5 crore rupees during the current financial year, shall opt for furnishing of return on a monthly basis, electronically, on the common portal, from the first month of the quarter, succeeding the quarter during which his aggregate turnover exceeds 5 crore rupees.

Notf. 84/2020 – CGST 10th November, 2020

G.S.R. .....(E).— In exercise of the powers conferred by proviso to sub-section (1) of section 39 read with proviso to sub-section (7) of section 39 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the said Act), the Government, on the recommendations of the Council, hereby notifies the registered persons, other than a person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), having an aggregate turnover of up to five crore rupees in the preceding financial year, and who have opted to furnish a return for every quarter, under sub-rule (1) of rule 61A of the Central Goods and Services Tax Rules, 2017 (hereafter in this notification referred to as the said rules) as the class of persons who shall, subject to the following conditions and restrictions, furnish a return for every quarter from January, 2021 onwards, and pay the tax due every month in accordance with the proviso to sub-section (7) of section 39 of the said Act, namely: —

(i) the return for the preceding month, as due on the date of exercising such option, has been furnished:

Notf. 84/2020 – CGST 10th November, 2020

(ii) 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 same.

(2) A registered person whose aggregate turnover crosses five crore rupees during a quarter in a financial year shall not be eligible for furnishing of return on quarterly basis from the first month of the succeeding quarter.

(3) For the registered person falling in the class specified in column (2) of the Table below, who have furnished the return for the tax period October, 2020 on or before 30th November, 2020, it shall be deemed that they have opted under sub-rule (1) of rule 61A of the said rules for the monthly or quarterly furnishing of return as mentioned in column (3) of the said table-

S.No	Class of registered person	Deemed Option
1	**2**	**3**
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

(4) The registered persons referred to in column (2) of the said Table, may change the default option electronically, on the common portal, during the period from the 5th day of December, 2020 to the 31st day of January, 2021.

Notf. 85/2020 – CGST 10th November, 2020

G.S.R………(E). — In exercise of the powers conferred by section 148 read with sub-section (7) of section 39 of the Central Goods and Services Tax Act, 2017 (12 of 2017), (hereinafter referred to as the said Act), the Central Government, on the recommendations of the Council, hereby notifies the registered persons, notified under proviso to sub-section (1) of section 39 of the said Act, who have opted to furnish a return for every quarter or part thereof, as the class of persons who may, in first month or second month or both months of the quarter, follow the special procedure such that the said persons may pay the tax due under proviso to sub-section (7) of section 39 of the said Act, by way of making a deposit of an amount in the electronic cash ledger equivalent to, -

(i) thirty five per cent. of the tax liability paid by debiting the electronic cash ledger in the return for the preceding quarter where the return is furnished quarterly; or

(ii) the tax liability paid by debiting the electronic cash ledger in the return for the last month of the immediately preceding quarter where the return is furnished monthly:

Notf. 85/2020 – CGST 10th November, 2020

Provided that no such amount may be required to be deposited-

(a) for the first month of the quarter, where the balance in the electronic cash ledger or electronic credit ledger is adequate for the tax liability for the said month or where there is nil tax liability ;

(b) for the second month of the quarter, where the balance in the electronic cash ledger or electronic credit ledger is adequate for the cumulative tax liability for the first and the second month of the quarter or where there is nil tax liability:

Provided further that registered person shall not be eligible for the said special procedure unless he has furnished the return for a complete tax period preceding such month.

Explanation- For the purpose of this notification, the expression "a complete tax period" means a tax period in which the person is registered from the first day of the tax period till the last day of the tax period.

2. This notification shall come into force with effect from the 1st day of January, 2021.

Who is eligible for the QRMP scheme?

A registered person who is required to furnish a return in FORM GSTR-3B having aggregate turnover of up to Rs. 5 CR in the preceding FY, is eligible for the QRMP Scheme.

If aggregate turnover exceeds five crore rupees during any quarter in the current financial year, the registered person shall not be eligible for the scheme from the next quarter.

The quarterly GSTR-3B is optional and available from 1st January 2021 onwards.

Important Fact

The aggregate turnover (PAN wise) of preceding FY will be considered for threshold limit of Rs. 5 cr.

The option can be availed GSTIN wise. GSTINs for that PAN can opt for the Scheme and the remaining GSTINs can remain out of the Scheme.

If the aggregate turnover exceeds Rs. 5 cr during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.

When to Opt-Out and How to Opt-out from the Scheme?

Any taxpayer whose aggregate turnover has exceeded Rs. 5 cr in the FY 2020-21, shall opt out of the Scheme.

The registered person shall not be eligible for the scheme from the next quarter.

The facility for opting out of the Scheme for a quarter will be available from **first day of second month of preceding quarter to the last day of the first month of the quarter.**

All persons have obtained registration during any quarter or the registered persons opting out from paying tax under Section 10 of the CGST Act during any quarter shall be able to opt for the Scheme for the quarter for which the opting facility is available on the date of exercising option.

Time limit to opt for QRMP Scheme

a) The facility is available online and can be availed throughout the year, in any quarter

b) Option for QRMP, once exercised, will continue till registered person (RP) revises the option or his annual aggregated turnover exceeds INR 5 Cr.

Note: *The RPs opting for the scheme can avail the facility of Invoice Furnishing Facility (IFF), so that the outward supplies to registered person are reflected in their respective Form GSTR 2A & 2B.*

Timeline for exercising option under QRMP Scheme during FY 2021-22

S . No	Period – Quarter	Timeline
1	April – June	**1st Feb 2021 to 30th April 2021**
2	July – Sept	**1st May 2021 to 31st July 2021**
3	Oct – Dec	**1st August 2021 to 31st Oct 2021**
4	Jan – March	**1st Nov 2021 to 31st Jan 2022**

Late fee under QRMP scheme

The late fee should be paid as follows if the quarterly GSTR-3B is not filed within due date, subject to a maximum late fees of Rs 5,000

Name of the Act	Late fee for every day of delay	Late fee for every day of delay (in case of 'Nil' tax liability)
CGST Act	Rs.25	Rs.10
SGST Act	Rs.25	Rs.10
IGST Act	Rs.50	Rs.20

Interest Payment under QRMP Scheme

Fixed Sum Method	Self-Assessment Method
A pre-filled challan facility in PMT-06 either 35% (if quarterly return had been filed in previous quarter) and 100% of previous month (if monthly return has been filed for the previous quarter).	Manual computation of taxes to be paid in cash.
Filing of up-to date tax returns is mandatory for using this fixed sum method.	Tax liability = Liability on outward supplies plus RCM on Inward supplies minus Eligible ITC.
Not available if return for a complete tax period is not filed.	If cash balance is available in Electronic Cash Ledger and utilizable, then only balance deposit would be sufficient.

Interest under QRMP scheme

S.No	Scenario	Interest to be paid
1	Tax liability mentioned in pre-filled form GST PMT-06 is **paid by 25th of the following month**	Nil
2	Tax liability mentioned in pre-filled form GST PMT-06 **is not paid by 25th of the following month**	18% of the tax liability (from 26th of the following month till the date of payment)
3	The final tax liability for the first two months is **less than or equal to** the amount paid through pre-filled form GST PMT-06	Nil
4	The final tax liability for the first two months is **higher than** the tax amount paid through pre-filled form GST PMT-06, and **such excess liability has been paid within quarterly GSTR-3B due date**	Nil
5	The final tax liability for the first two months is **higher than** the tax amount paid through pre-filled form GST PMT-06, and **such excess liability has not been paid within quarterly GSTR-3B due date**	18% of the tax liabilities (From GSTR-3B due date till the date of payment)

Due Date of GSTR-3B under QRMP Scheme:

S No	States and Union Territories	Due Date
1.	Chhattisgarh, Madhya Pradesh, Gujarat, Dadra and Nagar Haveli, Maharashtra, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu, Puducherry, Andaman and Nicobar Islands, Daman and Diu, Telangana and Andhra Pradesh	22nd of the month succeeding such quarter
2.	Jammu and Kashmir, Ladakh, Himachal Pradesh, Punjab, Chandigarh, Uttarakhand, Haryana, Delhi, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Mizoram, Manipur, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha	24th of the month succeeding such quarter

Invoice Furnishing Facility (IFF)

What is the purpose of the Invoice Furnishing Facility?

The taxpayers whose aggregate turnover is less than Rs.1.5 crore in the preceding financial year can file their GSTR-1 every quarter. This is allowed to reduce the compliance burden on small taxpayers. However, this creates problems for taxpayers who make purchases from small taxpayers in claiming Input Tax Credit (ITC).

- For example, when a buyer purchases goods from a small taxpayer during a quarter, the buyer has to wait until the end of the quarter to claim ITC. The reason for the same is that a small taxpayer can upload the invoices and complete the GSTR-1 filing only after the quarter is completed. This process caused a delay in claiming ITC as the buyer can claim full ITC only when the invoice appears in his/her GSTR-2A/2B.

Hence, the IFF has been introduced to remove these hardships and help the buyers from small taxpayers in claiming ITC.

Notf.82/CGST/Dated

"59 Form and manner of furnishing details of outward supplies.- (1) Every registered person, other than a person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), required to furnish the details of outward supplies of goods or services or both under section 37, shall furnish such details in **FORM GSTR-1** for the month or the quarter, as the case may be, electronically through the common portal, either directly or through a Facilitation Centre as may be notified by the Commissioner.

(2) The registered persons required to furnish return for every quarter under proviso to sub-section (1) of section 39 may furnish the details of such outward supplies of goods or services or both to a registered person, as he may consider necessary, for the first and second months of a quarter, up to a cumulative value of fifty lakh rupees in each of the months,- using invoice furnishing facility (hereafter in this notification referred to as the "IFF") electronically on the common portal, duly authenticated in the manner prescribed under rule 26, from the 1st day of the month succeeding such month till the 13th day of the said month.

(3) The details of outward supplies furnished using the IFF, for the first and second months of a quarter, shall not be furnished in **FORM GSTR-1** for the said quarter.

How to submit details of outward supplies?

- The IFF can be utilised only for the first two months of a quarter.
- The invoices relating to the last month of a quarter are to be uploaded in the GSTR-1 return only.
- There is no requirement to upload invoices in GSTR-1 if the same has been uploaded in the IFF.
- The taxpayer has to submit the B2B invoice details of sale along with debit and credit notes of the B2B invoices issued during the month.
- The total net value of invoices that can be uploaded is restricted to Rs.50 lakh per month.
- The details submitted in IFF will be reflected in the GSTR-2A, GSTR-2B, GSTR-4A or GSTR-6A of the recipients as the case may be.
- The Invoice Furnishing Facility will come into effect from 01.01.2021.

Auto populated details in Form GSTR-2A

IFF - Invoice Furnishing Facility

GSTR-2A

- Details furnished by supplier in GSTR-1 or IFF / non-resident taxable person in GSTR-5 → **Part - A**
- Details furnished by ISD in GSTR-6 → **Part - B**
- Details furnished by TDS in GSTR-7 or TCS in GSTR-8 → **Part - C**
- Details of IGST paid on import of goods / goods brought in DTA from SEZ → **Part - D**

Notification No.82/2020 – Central Tax dated 10.11.2020 w.e.f 01.01.2021

What details are to be submitted in the Invoice Furnishing Facility?

The following details are to be submitted by the small taxpayers if they opt for Invoice Furnishing Facility:

- B2B invoice details of sale transactions (both inter-state and intra-state).
- Debit and credit notes of the B2B invoices issued during the month.

Advantages of using the Invoice Furnishing Facility

- Buyers of goods from small taxpayers can claim ITC every month.
- It allows the monthly reconciliation of data and makes return filing easier.
- Small taxpayers can increase their business by providing faster ITC claims.
- Eases the compliance burden by reducing the volume of invoices to be uploaded at the end of the quarter.

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THANK YOU