

Nangia Andersen LLP



NEWSFLASH

Notifications issued to provide for self-certification of GSTR-9C and relief to small taxpayers from filing of Form GSTR-9 and GSTR-9C

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Notifications issued to provide for self-certification of GSTR-9C and relief to small taxpayers from filing of Form GSTR-9 and GSTR-9C

- Sub-section (5) of section 35 of the Central Goods and Services Tax Act, 2017 ('CGST Act') is being omitted to remove the mandatory requirement of getting annual accounts and reconciliation statement audited by specified professional vide Section 110 of the Finance Act, 2021 now notified to be effective from 1 August 2021.
- Section 44 of the CGST Act is being substituted to remove the mandatory requirement of furnishing a reconciliation statement duly certified by specified professionals and to provide on self-certification basis. It further provides for the Commissioner to exempt a class of taxpayers from the requirement of filing the annual return (Section 111 of the Finance Act, 2021 now notified).
- Pursuant to the above, Rule 80 of the Central Goods and Services Tax Rules, 2017 ('CGST Rules') have been amended to provide for exemption from filing of GSTR-9C to taxpayers whose annual aggregate turnover ('AATO') is up to Rs. 5 crores. In effect, taxpayers are required to file Form GSTR-9C only when their AATO exceeds Rs. 5 crores.
- Taxpayers whose annual aggregate turnover in FY 2020-21 is up to Rs. 2 crores are not required to file annual return (Form GSTR-9). In other words, taxpayers are required to file Form GSTR-9 only when the AATO exceeds Rs. 2 crores.
- Suitable changes have been made in Form GSTR-9 and GSTR-9C.

(Notification Nos. 29/2021-Central Tax, 30/2021-Central Tax and 31/2021-Central Tax dated 30 July 2021)

Nangia Andersen LLP's Take

The Finance Act, 2021 incorporated amendments in section 35(5) and 44 of the CGST Act to do away with requirement of certification of Reconciliation Statement in GSTR-9C by CA/CMA. To give effect to the said amendment, notification has been issued with effect from 1 August 2021, to discontinue the mandatory certification. In other words, taxpayers can now self-certify their annual GST returns from the financial year 2020-21 onwards, instead of the mandatory certification by CA/CMAs. The Central Board of Indirect Taxes and Customs ('CBIC') also clarified through twitter handle that taxpayer with AATO above INR 5 crore can now self-certify the reconciliation statement in GSTR-9C from FY 2020-21 onwards. This will provide compliance relief to many taxpayers. Now the similar amendments are required to be made by the States in respective State GST legislations.

**NOIDA**

(Delhi NCR - Corporate Office) A-109, Sector - 136,
Noida - 201304
T: +91 120 5123000

DELHI

(Registered Office) B-27, Soami Nagar,
New Delhi - 110017
T: +91 0120 5123000

GURUGRAM

812-814, Tower B, Emaar Digital Greens, Sector-61, Gurugram,
Haryana - 122102
T: +91 0124 430 1551

MUMBAI

11th Floor, B Wing, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013, India
T: +91 22 61737000

CHENNAI

Prestige Palladium Bayan, Level 5, 129-140, Greams Road, Thousand Lights, Chennai - 600006 T: +91 44 46549201

BENGALURU

Embassy Square, #306, 3rd Floor 148 Infantry Road, Bengaluru, Karnataka 560001
T: +91 8022280999

PUNE

3rd Floor, Park Plaza, CTS 1085, Ganeshkhind Road, Next to Pune Central Mall, Shivajinagar, Pune - 411005

DEHRADUN

1st Floor, "IDA" 46 E.C. Road, Dehradun - 248001, Uttarakhand T: +91 135 271 6300

www.nangia-andersen.com | query@nangia-andersen.com

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