

# TAX INFO

Dated 22/07/2022

Latest update on GST Law: **New changes in GSTR-1 and GSTR-3B on GST Portal from 1<sup>st</sup> August, 2022.**

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## **New Table 3.1.1 in GSTR-3B for reporting supplies notified u/s 9(5)**

A new **Table 3.1.1** is being added as per Notification No. 14/2022 – Central Tax dated 5th July, 2022 in GSTR-3B and will be made available on GST Portal from 1<sup>st</sup> August 2022, where both ECOs and registered persons can report supplies made under Section 9(5). As per Section 9(5) of CGST Act, Electronic Commerce Operator (ECO) is required to pay tax on supply of services such as Passenger Transport Service, Accommodation services, Housekeeping Services & Restaurant Services, if such services are supplied through ECO.

An ECO is required to report supplies made u/s 9(5) in **Table 3.1.1(i)** of GSTR-3B and shall not include such supplies in **Table 3.1(a)** of GSTR-3B. The applicable tax on such supplies shall be paid by ECO in **Table 3.1.1(i)** of GSTR-3B in cash only and not by ITC. A registered person who is making supplies of such services as specified u/s 9(5) through an ECO, shall report such supplies in **Table 3.1.1(ii)** and shall not include such supplies in **Table 3.1(a)** of GSTR-3B. The registered person is not required to pay tax on such supplies as the ECO is liable to pay tax on such supplies.

**3.1.1. Details of supplies notified under sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 and corresponding provisions in Integrated Goods and Services Tax/Union Territory Goods and Services Tax/State Goods and Services Tax Acts.**

Description	Total Taxable Value	Integrated Tax	Central Tax	State/UT Tax	Cess
(1)	(2)	(3)	(4)	(5)	(6)
(i) Taxable supplies on which electronic commerce operator pays tax under Sub-section (5) of Section 9 [To be furnished by the electronic commerce operator]					
(ii) Taxable supplies made by the registered person through electronic commerce operator, on which electronic commerce operator is required to pay tax under Sub-section (5) of Section 9 [To be furnished by the registered person making supplies through electronic commerce operator].					

## **Implementation of mandatory mentioning of HSN codes in GSTR-1**

Vide Notification No. 78/2020 – Central Tax dated 15th October, 2020, it is mandatory for the taxpayers to report minimum 4 digits or 6 digits of HSN Code in Table-12 of GSTR-1 on the basis of their Aggregate Annual Turnover (AATO) in the preceding Financial Year. To facilitate the taxpayers, these changes are being implemented in a phase-wise manner on GST Portal.

Part 1 of Phase I has already been implemented from 1<sup>st</sup> April 2022 and is currently live on GST Portal wherein Taxpayers with AATO of up-to 5 crore required to mandatorily report 2-digit HSN codes for goods & services and Taxpayers with AATO of more than 5 crore required to mandatorily report 4-digit HSN codes for goods & services.

**From 1st August, 2022**, Part-II of Phase-I would be implemented on GST Portal wherein **Taxpayers with AATO of up-to 5 cr will continue to mandatorily report 2-digit HSN codes for goods & services but taxpayers with AATO of more than 5 cr would be required to mandatorily report 6-digit HSN code.**

In case of a wrong HSN reported, a warning or alert message will be shown. However, taxpayers will still be able to file GSTR-1. **BUT Taxpayers would be expected to correct HSN where there is an error and a warning message shown.**

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