Circular No. 26/26/2017-GST

F. No. 349/164/2017/-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
GST Policy Wing

New Delhi, Dated the 29th December , 2017

To,

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/ Commissioners of Central Tax (All)
The Principal Director Generals/ Director Generals (All)

Subject: Filing of Returns under GST- regarding

The GST Council, in its 23rd meeting held at Guwahati on 10th November 2017, has taken certain decisions in regard to filing of returns by taxpayers. Subsequently, various representations have been received seeking clarifications on various aspects of return filing such as return filing dates, applicability and quantum of late fee, amendment of errors in submitting / filing of **FORM GSTR-3B** and other related queries. In order to consolidate the information in various notifications and circulars regarding return filing and to ensure uniformity in implementation across field formations, the Board, in exercise of its powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017 hereby clarifies the following issues:

1. Return Filing Calendar:

1.1 Dates for filing of **FORM GSTR-1** and **FORM GSTR-3B** have been put in a calendar format for ease of understanding as under:

Return Filing Dates		January 2018		February 2018			March 2018		April 2018			May 2018
		10	20	10	15	20	10	20	10	20	30	10
Up to 1. 5 Crore	GSTR - 3B		Dec 3B			Jan 3B		Feb 3B		Mar 3B		Apr 3B
	GSTR -1	Jul - Sep 2017			Oct - Dec 2017						Jan- Mar 2017	
Greater than 1. 5 Crore	GSTR - 3B		Dec 3B			Jan 3B		Feb 3B		Mar 3B		Apr 3B
	GSTR -1	July to Nov 2017		Dec 2017			Jan 2018		Feb 2018			Mar 2018

1.2 It may be noted that all registered persons are required to file their **FORM GSTR-3B** on a monthly basis in terms of Notification No. 35/2017-Central Tax (referred to as "CT' hereinafter) dated 15th September, 2017 and 56/2017-CT dated 15th November 2017. Further, Notification No. 71/2017-CT and Notification No. 72/2017 – CT both dated 29th December 2017 (superseding Notification No. 57/2017-CT and 58/2017-CT both dated 15th November 2017) have been issued to notify the due dates for filing of outward supply statement in **FORM GSTR-1** for various months / quarters (as depicted in the calendar above) by registered persons having aggregate turnover in the previous financial year or current financial year of upto1.5 Crores rupees and above 1.5 Crores rupees respectively. Since, the option of quarterly filing was not available earlier, many taxpayers have already filed their **FORM GSTR-1** for the month of July, such taxpayers shall not file these details again and shall only file details for the month of August and September, 2017. For those, who have not filed their **FORM GSTR-1** for the month of July, they shall also file their **FORM GSTR-1**

for the month of July separately and then file their **FORM GSTR-1** on quarterly basis for the month of August and September, 2017.

1.3 It has been further decided that the time period of filing of **FORM GSTR-2** and **FORM GSTR -3** for the months of July 2017 to March 2018 would be worked out by a Committee of officers and communicated later.

1.4 Registered persons opting for Composition scheme are required to file their returns quarterly in **FORM GSTR-4**. The due date for filing of **FORM GSTR-4** for the quarter ending September 2017 has been extended to 24th December 2017 vide Notification No. 59/2017-CT dated 15th November 2017. For the remaining quarters, the last date for filing of **FORM GSTR-4** is within eighteen days after the end of such quarter.

1.5 It is also clarified that the registered person will self-assess his aggregate turnover in terms of Section 2(6) of the CGST Act, 2017 for the previous financial year or the current financial year (in case of new registrants). Based on this self-assessed turnover, the registered person with turnover up to Rs. 1.5 Crore will be required to file **FORM GSTR-1** on quarterly basis instead of on monthly basis. It is also clarified that the registered person may opt to file **FORM GSTR-1** on monthly basis if he so wishes even though his aggregate turnover is up to Rs. 1.5 Crore. Once he falls in this bracket or if he chooses to file return on monthly basis, the registered person will not have the option to change the return filing periodicity for the entire financial year. In cases, where the registered person wrongly reports his aggregate turnover and opts to file **FORM GSTR-1** on quarterly basis, he may be liable for punitive action under the CGST Act, 2017.

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2. **Applicability and quantum of late fee:**

2.1 The late fee for the months of July, August and September for late filing of **FORM GSTR – 3B** has already been waived off vide Notification No. 28/2017-CT dated 1st September 2017 and 50/2017-CT dated 24th October 2017.

2.2 It has been decided that for subsequent months, i.e. October 2017 onwards, the amount of late fee payable, by a taxpayer whose tax liability for that month was 'NIL', will be Rs. 20/- per day (Rs. 10/- per day each under CGST & SGST Acts) instead of Rs. 200/- per day (Rs. 100/- per day each under CGST & SGST Acts). For other taxpayers, whose tax liability for that month was not 'NIL', late fee payable will be Rs. 50/- per day (Rs. 25/- per day each under CGST & SGST Acts) instead of Rs. 200/- per day (Rs. 100/- per day each under CGST & SGST Acts). Notification No. 64/2017-CT dated 15th November 2017 has already been issued in this regard.

3. Amendment / corrections / rectification of errors:

3.1 Various representations have been received wherein registered persons have requested for clarification on the procedure for rectification of errors made while filing their **FORM GSTR-3B**. In this regard, Circular No. 7/7/2017-GST dated 1st September 2017 was issued which clarified that errors committed while filing **FORM GSTR – 3B** may be rectified while filing **FORM GSTR-1** and **FORM GSTR-2** of the same month. Further, in the said circular, it was clarified that the system will automatically reconcile the data submitted in **FORM GSTR-3B** with **FORM GSTR-1** and **FORM GSTR-2**, and the variations if any will either

be offset against output tax liability or added to the output tax liability of the subsequent months of the registered person.

3.2 Since, the GST Council has decided that the time period of filing of **FORM GSTR-2** and **FORM GSTR -3** for the month of July 2017 to March 2018 would be worked out by a Committee of officers, the system based reconciliation prescribed under Circular No. 7/7/2017-GST dated 1st September 2017 can only be operationalized after the relevant notification is issued. The said circular is therefore kept in abeyance till such time.

3.3 The common errors while submitting **FORM GSTR-3B** and the steps needed to be taken to rectify the same are provided in the table annexed herewith. The registered person needs to decide at which stage of filing of **FORM GSTR-3B** he is currently at and also the error committed by him. The corresponding column in the table provides the steps to be followed by him to rectify such error**.**

4. It is clarified that as return in **FORM GSTR-3B** do not contain provisions for reporting of differential figures for past month(s), the said figures may be reported on net basis alongwith the values for current month itself in appropriate tables i.e. Table No. 3.1, 3.2, 4 and 5, as the case may be. It may be noted that while making adjustment in the output tax liability or input tax credit, there can be no negative entries in the **FORM GSTR-3B**. The amount remaining for adjustment, if any, may be adjusted in the return(s) in FORM GSTR-3B of subsequent month(s) and, in cases where such adjustment is not feasible, refund may be claimed. Where adjustments have been made in **FORM GSTR-3B** of multiple months, corresponding adjustments in **FORM GSTR-1** should also preferably be made in the corresponding months.

5. Where the taxpayer has committed an error in submitting (before offsetting and filing) the information in **FORM GSTR-3B**, a provision for editing the same has been provided. The facility to edit the information can be used only before offsetting the liability and editing will not be permitted after offsetting the liability. Hence, every care should be taken to ensure the accuracy of the figures before proceeding to offset the liabilities.

6. It is further clarified that the information furnished by the registered person in the return in **FORM GSTR-3B** would be reconciled by the department's system with the information furnished in **FORM GSTR-1** and discrepancies, if any, shall be dealt with in accordance with the relevant provisions of the CGST Act, 2017 and rules made thereunder. Detailed instructions regarding reconciliation of information furnished in **FORM GSTR-3B** with that contained in **FORM GSTR-2** and **FORM GSTR-3** will be issued in due course of time.

7. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

8. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)
Commissioner (GST)

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	Stage of Return Filing (GSTR - 3B)			
	Stage 1	**Stage 2**	**Stage 3**	**Stage 4**
	Confirmed Submission	**Cash Ledger Updated**	**Offset Liability**	**Return Filed**
Common Error– I	Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step.	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
Liability was under reported	Use "Edit" facility to add under reported liability.	Use "Edit" facility to add such liability and additional cash, if required (i.e. where sufficient balances are not available in the credit or cash ledgers) may be deposited in the cash ledger by creating challan in **FORM GST PMT-06**.	Liability may be added in the return of subsequent month(s) after payment of interest.	
	Company A has four units in Haryana, while filing their return for the month of July, they inadvertently, missed on details of a last minute order. Since, they had already submitted and confirmed their output supply details, they were not sure of how to proceed. What can they do? *The company may use the 'edit return' facility to add such liability in their submitted return and then proceed for filing of their return.*	*Company A has four units in Haryana, while filing their return for the month of July, they inadvertently, missed on details of a last minute order. Since, they had already submitted and confirmed their output supply details, but were not sure of how to proceed. They added cash in the cash to the extent of their under reported liability. What can they do?* *The company may use the 'edit return' facility to add such liability in their submitted return. Further, the company may generate a fresh challan under **FORM GST PMT-06** to additional cash or utilize their credit and*	*Company A has four units in Haryana, while filing their return for the month of July, they inadvertently, missed on details of a last minute order. The Company had filed their returns in order to not pay late fee and other penalties. What can they do?* *In this case, they may report this additional liability in the return of next month and pay tax with interest.*	

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		furnish their return.	
Change in FORM GSTR-1	**If such liability was not reported in FORM GSTR-1 of the month/quarter, then such liability may be declared in the subsequent month's/quarter's FORM GSTR-1 in which payment was made.**		

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	Stage of Return Filing (GSTR - 3B)			
	Stage 1	**Stage 2**	**Stage 3**	**Stage 4**
	Confirmed Submission	**Cash Ledger Updated**	**Offset Liability**	**Return Filed**
Common Error - II	Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step.	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
Liability was over reported	Use "Edit" facility to reduce over reported liability.	Use "Edit" facility to reduce over reported liability and cash ledger may be partially debited to offset such liability. Remaining balance may either be claimed as refund or used to offset future liabilities.	Liability may be adjusted in return of subsequent month(s) or refund may be claimed where adjustment is not feasible.	
	Company B had reported an inter-State sale but realized that the same sale was counted twice and hence was not to be reported. But the return form was already submitted and no change could be done to the liabilities. What can company B do? *In this case, Company B has the option to use the "edit" facility to reduce such liability and proceed to file their return.*	*Company B had reported an inter-State sale but realized that the same sale was counted twice and hence was not to be reported or taxed. But the return form was already submitted and no change could be done to reduce the liabilities. Further, the company had already deposited cash in their cash ledger before realizing this error. What can company B do?* *In this case, Company B has the option to use the "edit" facility to reduce such liability. Once, this is done, they can partially debit their cash ledger to offset their tax liability. Further, remaining balance can either be claimed as refund or used to offset future liabilities.*	*Company B had reported an inter-State sale but realized that the same sale was counted twice and hence was not to be reported or taxed. But the return form was already filed and no change could be done to reduce the liabilities. What can company B do?* *In this case, they may reduce this liability in the return of subsequent months or claim refund of the same.*	
Change in FORM GSTR-1	**Where the liability was over reported in the month's / quarter's FORM GSTR-1 also, then such liability may be amended through amendments under Table 9 of FORM GSTR-1**			

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	Stage of Return Filing (GSTR - 3B)			
	Stage 1	**Stage 2**	**Stage 3**	**Stage 4**
	Confirmed Submission	**Cash Ledger Updated**	**Offset Liability**	**Return Filed**
Common Error - III	Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step.	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
Liability was wrongly reported	Use "Edit" facility to rectify wrongly reported liability.	Use "Edit" facility to rectify wrongly reported liability and cash ledger may be debited to offset new liability, where sufficient balances are not available in the credit ledger. Remaining balance, if any may be either claimed as refund or used to offset future liabilities.	Unreported liability may be added in the next month's return with interest, if applicable. Also, adjustment may be made in return of subsequent month(s) or refund may be claimed where adjustment is not feasible.	
	*Company C is registered in the State of Haryana. While entering their outward supplies in **FORM GSTR-3B**, the company realized that they had inadvertently, shown inter-State supply as intra-State supply and submitted the return. What can they do?* *In this case, the company will have to rectify wrongly reported liability using the edit facility. Here, the company will reduce their Central Tax / State tax supplies and liability and add integrated tax liability and proceed to file their return.*	*Company C is registered in the State of Haryana. While entering their outward supplies in **FORM GSTR-3B**, the company realized that they had inadvertently, shown inter-State supply as intra-State supply and submitted the return. Further, they also had updated their Central Tax and State tax cash ledgers. What can they do?* *In this case, the company will have to rectify wrongly reported liability using the edit facility. The company will reduce their Central Tax / State tax liability and add integrated tax liability. Further, they will have to pay integrated tax and update their cash ledger. They may seek for Central Tax / State tax cash refund in due course or use the same for offsetting future liabilities.*	*Company C was registered in the State of Haryana. While entering their outward supplies in **FORM GSTR-3B**, the company realized that they had inadvertently, shown inter-State supply as intra-State supply and submitted the return. The company paid their wrong liability and filed their return in order to avoid late fee and penalty? What can they do?* Since, the return has already been filed, then the company will have to report the inter-State supply in their next month's liability and adjust their wrongly paid intra-State liability in the subsequent months returns or claim refund of the same.	
Change in FORM GSTR-1	**Such taxpayers will have to file for amendments by filling Table 9 of the subsequent month's / quarter's FORM GSTR-1.**			

Common Error - IV	**Stage of Return Filing (GSTR - 3B)**			
	Stage 1	**Stage 2**	**Stage 3**	**Stage 4**
	Confirmed Submission	**Cash Ledger Updated**	**Offset Liability**	**Return Filed**
	Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
Input tax credit was under reported	Use 'Edit" facility to add un-availed input tax credit. Input tax Credit will be added to the credit ledger and may be used for offsetting this month or subsequent month's liability.	No Action required in cash ledger	Input tax credit which was not reported may be availed while filing return for subsequent month(s).	
	*Company D, while filing their **FORM GSTR - 3B** for the month of July, inadvertently, misreported Input tax credit of Rs. 1,00,00,000/- as Rs. 10,00,000/-. They had confirmed and submitted their return. What can they do?* *The company may use the "edit" facility to add more Input tax credit to their submitted **FORM GSTR-3B**. Once, this is done, such credit will be reflected in their Electronic Credit ledger and may be utilized to offset liabilities for this month or for subsequent months.*	No Action required in cash ledger	*Company D, while filing their **FORM GSTR - 3B** for the month of July, inadvertently, misreported Input tax credit of Rs. 1,00,00,000/- as Rs. 10,00,000/-. They had filed their return and paid Rs. 90,00,000/- in cash. What can they do?* *Since, the return has already been filed, Company D may add such Input tax credit in their return for subsequent month(s).*	
Change in FORM GSTR-1	No Action			

Common	**Stage of Return Filing (GSTR - 3B)**

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Error - V	Stage 1	Stage 2	Stage 3	Stage 4
	Confirmed Submission	**Cash Ledger Updated**	**Offset Liability**	**Return Filed**
	Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step.	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
Input tax credit was over reported	Use "Edit" facility to rectify the over reported input tax credit	Additional cash, if required, may be deposited in the cash ledger by creating challan in **FORM GST PMT-06**	Pay (through cash) / Reverse such over reported input tax credit with interest in return of subsequent month (s).	
	*While filing their **FORM GSTR 3B** for the months of July, 2017, Company E inadvertently, reported their eligible input tax credit, as Rs. 20,00,000/- instead of Rs. 10,00,000/-. What can they do?* *Since, the company has submitted details of their input tax credit but not used such credit for offsetting their liabilities, they can reduce their input tax credit by using the "edit" facility.*	*While filing their **FORM GSTR 3B** for the months of July, 2017, Company E inadvertently, reported their eligible input tax credit, as Rs. 20,00,000/- instead of Rs. 10,00,000/-. What can they do?* *Since, the company has submitted details of their input tax credit but not used such credit for offsetting their liabilities, they can reduce their input tax credit by using the "edit" facility. Since, they have deposited Rs. 10,00,000/- only in their input tax credit ledger they may deposit additional Rs. 10,00,000/- in the cash ledger by creating challan in **FORM GST PMT-06.***	*While filing their **FORM GSTR 3B** for the months of July, 2017, Company E inadvertently, reported their eligible input tax credit, as Rs. 20,00,000/- instead of Rs. 10,00,000/-. Company E also utilized their additional input tax credit and filed their returns. What can they do?* *Since, the company had utilized ineligible credit to offset such liabilities, the company will have to pay (through cash) / Reverse such over reported utilized input tax credit with interest.*	
Change in FORM GSTR-1	No Action			

	Stage of Return Filing (GSTR - 3B)			
	Stage 1	**Stage 2**	**Stage 3**	**Stage 4**
	Confirmed Submission	**Cash Ledger Updated**	**Offset Liability**	**Return Filed**
Common Error - VI	Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
Input Tax Credit of the wrong tax was taken	• "Edit" facility to be used to rectify such liability. • New Input tax credit will be added to the credit ledger. • Input tax credit reduced will be adjusted in the credit ledger without any additional liability	Additional cash, if required, may be deposited in the cash ledger by creating challan in **FORM GST PMT-06**	Pay(through cash) / Reverse any wrongly reported input tax credit in return of subsequent month(s). For under reported input tax credit, the same may be availed in return of subsequent month(s).	
	*While filing their **FORM GSTR 3B** for the months of July, 2017, Company E inadvertently, reported their Central Tax credit of Rs. 20,00,000/- as Integrated tax. What can they do?* *Use edit facility to claim correct central tax credit under the right head.*	*While filing their **FORM GSTR 3B** for the months of July, 2017, Company E inadvertently, reported their Central Tax credit of Rs. 20,00,000/- as Integrated tax. What can they do?* *They can use "edit" facility to correct central tax credit under the right head. For offsetting any integrated tax liability, additional cash may be deposited in the cash ledger by creating challan in **FORM GST PMT-06**.*	*While filing their **FORM GSTR 3B** for the months of July, 2017, Company E inadvertently, reported their Central Tax credit of Rs. 20,00,000/- as Integrated tax credit. In order to avoid late fee and penalties, they paid Rs. 20,00,000/- Central Tax in cash and did not utilize their Integrated tax credit. What can they do? Since, the company has filed the returns and there is an unutilized Integrated tax credit of Rs. 20,00,000/- which was inadmissible to them, they will have to pay / reverse such credit in the return of subsequent month(s). Further, Central Tax credit of Rs. 20,00,000/- can be availed in return of subsequent month(s).*	

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<table>
<tr><td>Change in FORM GSTR-1</td><td colspan="4">No Action</td></tr>
<tr><td rowspan="3">Common Error - VII</td><td colspan="4">Stage of Return Filing (GSTR - 3B)</td></tr>
<tr><td>Stage 1</td><td>Stage 2</td><td>Stage 3</td><td>Stage 4</td></tr>
<tr><td>Confirmed Submission</td><td>Cash Ledger Updated</td><td>Offset Liability</td><td>Return Filed</td></tr>
<tr><td></td><td>Return liabilities / Input tax credit availed were reported correctly and thereafter confirmed and submitted. Therefore no change is required to be done to the liability. No action was taken after this step.</td><td>Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step</td><td>All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step</td><td>Return was filed.</td></tr>
<tr><td rowspan="2">Cash ledger wrongly updated</td><td>No Action</td><td>Add cash under the right tax head and seek cash refund of the cash added under the wrong tax head.</td><td colspan="2">No Action</td></tr>
<tr><td>No Action</td><td>While filing their FORM GSTR-3B return, Company F while generating payment challan added Rs. 5,00,000/- under the Central Tax head, while they wanted to deposit Rs. 5,00,000/- under the integrated tax head. What can they do?

Since, they have already filed their challan, they will have to add Rs. 5,00,000/- in their integrated tax head and file their returns. Further, they may seek refund of Rs. 5,00,000/- from their cash ledger.</td><td colspan="2">No Action</td></tr>
<tr><td>Change in FORM GSTR-1</td><td colspan="4">No Action</td></tr>
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