



KANU DOSHI GROUP

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GST UPDATES

Restricting filing of GSTR-1 if GST- 3B not filed - Implementation of GST Rule 59(6)

Rule No 59(6) was notified by CBIC vide Notification No 1/2021 and it will be implemented on the GST portal from 1st September 2021. Upon implementation, the GST portal will check before filing of GSTR-1 whether the following has been filed or not:

- a) GSTR-3B for the previous two monthly periods (for monthly filers)
- b) GSTR-3B for the previous quarter (for quarterly filers)

The system will restrict filing of GSTR-1 till Rule 59(6) is complied with. The system is automated and works in similar way as blocking and unblocking is done by E-waybill portal.

To make sure that GSTR-1 filing is not restricted, taxpayers should start filing GST-3B at the earliest.

Our Interpretation:

This implementation of the Rule on GST portal is a further attempt by CBIC to streamline filing of GST- 3B pending returns and induce taxpayers who have still not filed GSTR-3B for previous periods to file returns or risk of losing ability to file GSTR-1 returns and transfer tax credit to customers.

