Quarterly Return & Monthly Payment Scheme (QRMP)

1. QRMP Scheme got approved by the GST Council on 5th October, 2020
   Proposed to be implemented w.e.f. 1st January, 2021

2. Taxpayers with turnover less than Rs. 5 Crore will have a choice to opt in the scheme and thus file their GSTR-1 and GSTR-3B quarterly
   Opting in and Opting out to be available from 1st of M2 of Q-1 to 31st of M1 of Q-2 i.e. for 90 days

3. All eligible taxpayers to be defaulted to QRMP on 1st December 2020- except < 1.5 Cr. taxpayers who chose monthly GSTR-1 (window for changing option to be available from 5th of December 2020 to 31st January 2021).
   The system for defaulting taxpayers from 1st of December 2020 will check if return for October 2020 has been filed or not

Exercising option for QRMP Scheme

- Facility to avail the scheme on the common portal would be available throughout the year.

- In terms of Rule 61A of the CGST Rules, a registered person can opt in for any quarter from first day of second month of preceding quarter to the last day of the first month of the quarter.

  An example: *A registered person intending to avail of the scheme for the quarter 'July to September' can exercise his option during 1st of May to 31st of July*

- In order to exercise the option, the registered person must have furnished the return for the preceding quarter or month, as due on the date of exercising such option.

An example: *If he is exercising his option on 27th July for the quarter (July to September), in such case, he must have furnished the return for the June which was due on 22/24th July*

Payment to be Made in M1 and M2

Payment is required to be made in M1 and M2 through challan in FORM PMT-06 either on

- self-assessment basis or

- a fixed amount based on the average monthly tax liability in the preceding quarter (35% of the net cash liability declared and paid in the preceding quarter)

After month M3 the return for the entire quarter shall be filed and cash liability net of amount already paid for M1 and M2 shall be discharged.

If no payment has been made in M1 and M2, it would be presumed that sufficient balance is available in cash ledger or in the credit ledger of the registered person.

Cash ledger refund in month M1 and M2 for any quarter shall not be allowed in cases where taxpayers have opted in for this scheme.

FORM PMT-06 to be amended to include reason for filing of challan –payment for M1 or M2 of a quarterly return filer.

Treatment of Late Fee and interest for M1 and M2

Interest would be payable for M1 and M2, if the liability of M1 and M2 is paid in M3 or later. However, this interest would be self-assessed and not calculated by the system.

No interest would be payable where the taxpayer opts for discharging liability by the due date at fixed amount (35% of their net cash liability declared and paid in the preceding quarter as declared in GSTR-3B) as provided in the rules (say in M1) and later it is found that in the Month M1 the liability was higher, provided they discharge their entire liability in GSTR-3B of the quarter.

Interest would be applicable if liability (either self-assessed or fixed sum) for each month is discharged beyond the due date; but late fees would be applicable only where the quarterly return is furnished beyond the due date.

Invoice Filing Facility (IFF)

Small taxpayers under QRMP may perceive difficulty in supplying to large organized taxpayers or to exporters as such recipients reportedly demand that the invoice be reported by the supplier on monthly basis.

To mitigate this hardship, an IFF would be provided so that these quarterly return filers are able to upload and file those invoices in month M1 and M2 itself for those recipients who so demand.

Such filing facility would be available up to a cut-off date and credit would flow to the buyer after the cut-off date on filing of the IFF.

Invoices reported/filed once in either M1 or M2 shall not be required to be reported/filed when GSTR-1 for the quarter is filed.

However, invoices which are uploaded in IFF but not filed will be purged on the cut-off date and would need to be reported in the quarterly GSTR-1.

All liability from IFF of M1 and M2 and that from GSTR-1Q shall flow to one GSTR-3B for the quarter. Till it gets developed, the filing of quarterly GSTR 3B shall be based on voluntary assessment of tax.

No. of Returns – Current Scenario Vs. QRMP (for Quarterly Filer)

Current Scenario	
Return	**No. of Returns to be filed in a year**
GSTR-1	4
GSTR-3B	12
Total	**16**

QRMP Scheme	
Return	**No. of Returns to be filed in a year***
GSTR-1	4
GSTR-3B	4
Total	**8**

*As a result of implementation of QRMP Scheme, No. of returns to be filed by a person who has opted for quarterly scheme will be reduced from 16 to 8. (*Subject to M1, M2 and IFF Compliances, if any.)*