

## Frequently asked questions on QRMP scheme

### Q 1: What is QRMP scheme? What are its benefit?

A: **Quarterly Return, Monthly Payment** of Taxes (QRMP) Scheme is a scheme to simplify compliance for small taxpayers. Under this scheme, taxpayers having an aggregate turnover at PAN level up to Rs. 5 crore can opt for *quarterly* GSTR-1 and GSTR-3B filing. Payment can be made in the first two months by a simple challan in FORM GST PMT-06. For the ease of taxpayers, system has assigned *quarterly* frequency to small taxpayers automatically.

### Q 2: Why have I been assigned quarterly filing without opting for the same?

A: Taxpayers eligible for the simplified compliance scheme were assigned quarterly frequency by the GST system. All taxpayers were informed regarding the frequency assigned to them by e-mail and SMS.

### Q 3: Why have I been assigned quarterly frequency by system even when my aggregate turnover on PAN is greater than Rs. 5 crore?

A: For the purpose of determining the eligibility for QRMP, the turnover was determined on the basis of the values declared by taxpayers in Table-3.1 of GSTR-3B (*except inward supplies attracting reverse charge*) for the Financial Year 2019-20. If a component of the turnover, like *exempted* or *non-GST turnover*, was not declared by a taxpayer in GSTR-3B or was declared in next financial year, then the turnover computed by the system for such taxpayers could be less than Rs. 5 crore. Such taxpayers may have been assigned to QRMP on the basis of values declared by them in GSTR-3B. Such taxpayers are advised to opt-out of scheme for quarter Apr-Jun'21 by 30<sup>th</sup> April 2021.

### Q 4: Why have I been assigned monthly frequency by system even when my aggregate turnover on PAN is upto Rs. 5 crore?

A: At the time of assigning the frequency by the system, system considered the aggregate turnover of the taxpayer and the filing status of FORM GSTR-3B for the month of October 2020. If the said GSTR-3B was not filed till 30<sup>th</sup> November 2020, the taxpayer were assigned to monthly frequency.

The system allows the taxpayer to opt for QRMP scheme only if the last applicable return in FORM GSTR-3B, whose due date is over, is filed.

#### **Illustration :**

If the taxpayer is trying to opt for QRMP Scheme on 25<sup>th</sup> Feb'21, from Quarter Apr-Jun'21 onwards then it will be allowed only if the return in form GSTR-3B is filed for the month Jan'21.

If the taxpayer is trying to opt for QRMP Scheme on 19<sup>th</sup> Feb'21, from Quarter Apr-Jun'21 onwards then it will be allowed only if the return in form GSTR-3B is filed for the month Dec'20.

**Q 5: I want to opt-out of QRMP scheme and become monthly filer. Why the portal is not allowing me to do same for the quarter Jan-Mar, 2021?**

A: The last date to choose or change the filing frequency for the quarter of *January to March 2021* was 31<sup>st</sup> January, 2021. After 31<sup>st</sup> January 2021, the filing frequency cannot be changed for the quarter *January to March 2021*.

However, for the quarter of *April to June 2021*, taxpayers may change their filing frequency from quarterly to monthly from 1<sup>st</sup> February, 2021 to 30<sup>th</sup> April, 2021.

It may be noted that profile selection is not a recurring requirement every quarter. Once a frequency has been opted for, it is applicable for all future periods unless changed further.

**Q 6: What is IFF? Is it another compliance requirement?**

A: **Invoice Furnishing Facility (IFF)** is an *optional* facility made available as per Rule-59(2) of the CGST Rules, 2017. This is provided for those *quarterly* taxpayers who want to pass on input tax credit (ITC) to their recipients (*buyers/customers*) in first two months of a quarter. Since IFF is an *optional* facility, it poses no additional compliance burden. It is a facility for those *quarterly* filers who intend to pass ITC to their recipients in first two months of the quarter. It may be noted that since IFF is an *optional* facility, IFF for a month will expire after the *due date* of 13<sup>th</sup> of next month, and cannot be filed after this date.

**Q 7: Is filing IFF mandatorily or optional?**

A: Invoice Furnishing Facility (IFF) is an *optional* facility to those taxpayers who want to pass on input tax credit (ITC) to their recipients (*buyers/customers*) in first two months of a quarter. Those taxpayers who do not have to pass credit to their recipients need not file IFF in the first two months of the quarter. They may declare their outward supplies in the *quarterly* FORM GSTR-1. It may be noted that since IFF is an *optional* facility, IFF for a month will expire after the *due date* of 13<sup>th</sup> of next month, and cannot be filed after this date.

**Q 8: How do I make payment of my liability in first two months of the quarter?**

A: In first two months of the quarter, payment of liability can be made by either of the following two methods:

- a. Fixed Sum Method: Portal will generate a pre-filled challan in Form GST PMT-06. The system generated pre-filled challan in this case is commonly also known as 35% challan.
- b. Self-Assessment Method: The actual tax due is to be paid through challan, in Form GST PMT-06, by considering the tax liability on inward and outward supplies and the input tax credit available for the period as per law.

The *due date* for making payment by challan is 25<sup>th</sup> of the next month.

**Q 9: What is fixed sum method of payment?**

A: In *fixed sum* method, the taxpayer is required to pay a system generated challan in the first two months of a quarter. The system generated pre-filled challan in this case is commonly also known as 35% challan. If *fixed sum* method is opted for by the taxpayer & there is no ITC to be passed in that month, then except for paying system generated challan, no other compliance requirement is there in the first two months of the quarter.

**Q 10: How is the 35% challan computed under the *fixed sum* method?**

A: Under the *fixed sum* method, depending on the filing frequency in the previous quarter, the 35% challan is calculated by either of the following methods:

**Method (a) :**

An amount which is equivalent to the amount paid as tax from electronic cash ledger in their GSTR-3B return for the last month of the immediately preceding quarter, where the GSTR-3B return was furnished on monthly basis.

**OR**

**Method (b) :**

35% of amount paid as tax from *electronic cash ledger* in their return for the preceding quarter, where the GSTR-3B return was furnished on quarterly basis; or

It may be noted that since QRMP scheme is introduced in January 2021, all taxpayers were *monthly* filers in December 2020. Hence, the 35% challan will be populated as per method (a) for the quarter of *January to March 2021* for *quarterly* filers.

**Illustration:**

**Method (a) :**

Taxpayer paid liability by cash amounting to Rs. 5500/- [IGST: Rs. 2,000/-, CGST: Rs. 1,000/-, SGST: Rs. 2,500/-] in *monthly* GSTR-3B for December 2020. The 35% challan generated as per the *fixed sum* method for *January to March 2021* quarter will be of Rs. 5,500/- with the same head-wise break-up.

**Method (b) :**

Taxpayer paid liability by cash amounting to Rs. 7000/- [IGST: Rs. 1,000/-, CGST: Rs. 2,000/-, SGST: Rs. 4,000/-] in *quarterly* GSTR-3B for January to March 2021. The 35% challan generated as per the *fixed sum* method for *April to June 2021* quarter will be of Rs. 2,450/- [IGST: Rs. 350/-, CGST: Rs. 700/-, SGST: Rs. 1,400/-].

**Q 11: How do I declare B2C supplies in IFF for first two month of quarter if I have opted for QRMP?**

A: Supplies made to unregistered persons (*also called B2C supplies*) are not required to be declared in IFF. These may be declared in FORM GSTR-1 for the quarter.

**Q 12: How will I reconcile the values declared in IFF & GSTR-1 with quarterly GSTR-3B?**

A: Taxpayers will be provided with a draft GSTR-3B, which will contain the details of the liability to be paid by taxpayers in the *quarterly* GSTR-3B. This will be prepared on the basis of the supplies declared in FORM GSTR-1 for the quarter. It will also contain data from the *optional* IFF, if any is filed in either of the first two months of the quarter. The said system computed values will also be auto-populated in *quarterly* GSTR-3B.

**Q 13: How do I claim ITC for the first two months of the quarter?**

A: In first two months of the quarter, no declaration pertaining to ITC is required to be made. The available ITC for the entire quarter will be made available by the system in *quarterly* FORM GSTR-2B. This *quarterly* facility will be in addition to the FORM GSTR-2B being made available on *monthly* basis, which can still be used for doing self-assessment.

**Q 14: How do I again become a Monthly filer?**

A: Filing frequency either monthly or quarterly can be selected as per timelines mentioned in below table.

Kindly navigate : [Services > Returns > Opt-in for Quarterly Return](#)

<b>Effective Quarter (1)</b>	<b>Period during which filing frequency can be selected (2)</b>	<b>Last date for selecting the filing frequency (3)</b>
January–February– March <sup>#</sup>	1 <sup>st</sup> November to 31 <sup>st</sup> January	31 <sup>st</sup> January
April – May – June	1 <sup>st</sup> February to 30 <sup>th</sup> April	30 <sup>th</sup> April
July – August – September	1 <sup>st</sup> May to 31 <sup>st</sup> July	31 <sup>st</sup> July
October – November – December	1 <sup>st</sup> August to 31 <sup>st</sup> October	31 <sup>st</sup> October

<sup>#</sup> For the quarter of *January to March 2021*, this option was available from 5<sup>th</sup> December 2020 to 31<sup>st</sup> January 2021.

For more details regarding the QRMP scheme, kindly refer the following Notifications & Circular:

- Notification No. [82 /2020 – Central Tax](#) dated 10<sup>th</sup> Nov. 2021
- Notification No. [85 /2020 – Central Tax](#) dated 10<sup>th</sup> Nov. 2021
- Circular No. [143/13/2020 – GST](#) dated 10<sup>th</sup> Nov. 2021

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