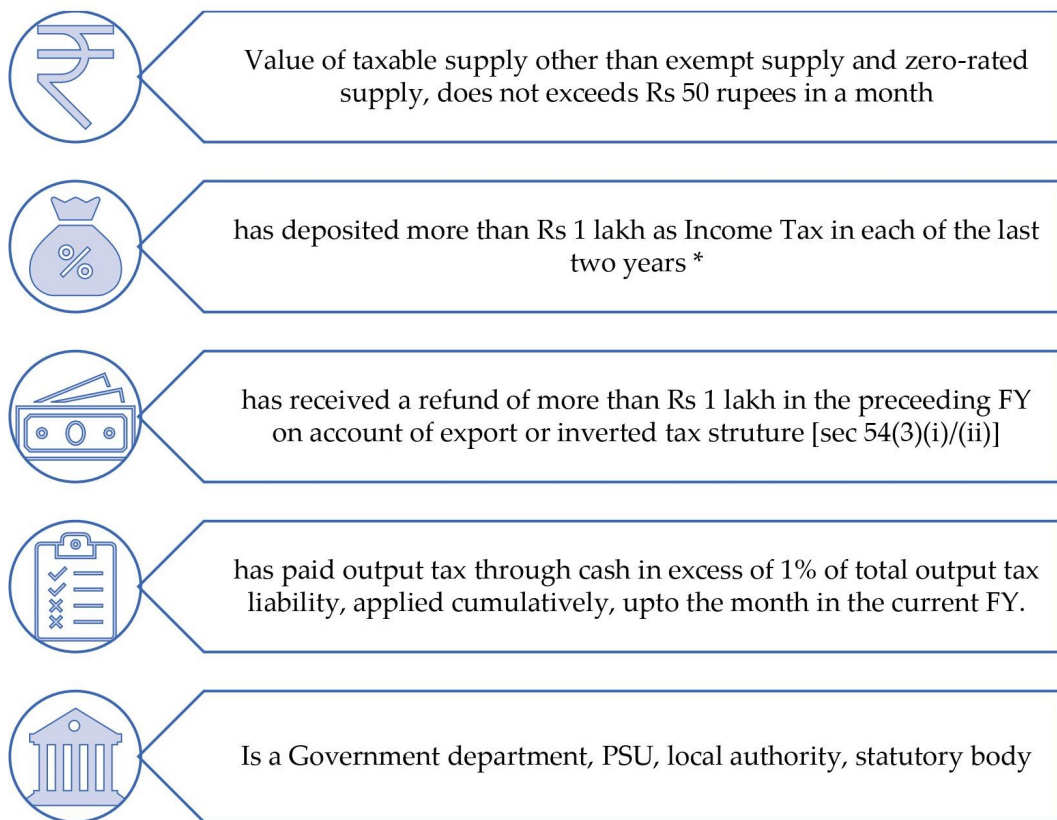


GST Update: Rule 86B : 1% payment of tax liability in cash in GST

Recently, the CBIC has inserted new Rule 86B in the CGST Rules, 2017. As per the new rule, the registered person has been restricted to use the amount available in electronic credit ledger to discharge his liability towards output tax not more than 99% of such tax liability. This has been made applicable from 1-01-2021. Thus, it will impact the filing of GSTR-3B of December 2020 and months onwards.

Exceptions: There are certain exceptions to this rule i.e. the **rule shall not apply** in following cases;



** the said person or the proprietor or karta or the managing director or any of its two partners, whole-time Directors, Members of Managing Committee of Associations or Board of Trustees, as the case may be, have paid more than one lakh.*