ITEM 3:
Claiming bad debt relief

(i) A taxable person may claim bad debt relief subject to the requirements and conditions set forth under sec.58 of the GSTA 2014 and the person has not received any payment or part of the payment in respect of the taxable supply from the debtor after the sixth month from the date of supply.

(ii) The bad debt relief may be claimed if – (wef 28/10/2015)

(a) requirements under s.58 GSTA and Part X of GST Regulations 2014 are fulfilled; and

(b) the supply is made by a GST registered person to another GST registered person; and

(iii) The bad debt relief shall be claimed immediately in the taxable period after the expiry of the sixth month from the date of supply. (wef 28/10/2015)

(iv) If the bad debt relief is not claimed by the supplier in the immediate taxable period immediately after the expiry of the sixth month, then the taxable person has to notify the Director General (DG) within 30 days after the expiry of the sixth month on his intention to claim at a later date. (wef 28/10/2015)

(v) A GST registered person who has made the input tax claim but fails to pay his supplier within six months from the date of supply shall account for output tax immediately after the expiry of the sixth month (s.38(9) GSTA) (wef 28/10/2015)

(vi) The word ‘month’ in sec.58 refers to calendar month or complete month –

Example: Invoice issued at 15th January 2017. For monthly taxable period, the sixth month expires at the end of June and the bad debt relief shall be claimed in July taxable period.