

CA Inter GST - Amendments for May 2026 Onwards



Applicable for May 2026 Onwards

Change in GST Rates

Earlier, GST rates of 5%, 12%, 18%, and 28% were applicable. From 22nd September 2025, the **12% and 28% rates have been removed** and merged into other rates.

Note: Since GST rates are **not part of the syllabus**, questions will generally not include 12% and 28%. However, if these rates are specifically mentioned by the Institute, they should be considered and applied while solving the question.

Exemptions from GST

New Exemptions Introduced

Life/Health insurance service provided by insurer to the insured where **insured is not a group**.

Note:

- (i) Exemption is **applicable** where **insured is an individual or individual and his family** as a group (Family includes all individual insured as family under contract of insurance).
- (ii) Exemption is **not applicable** where such insurance service is **taken for group either as employer or otherwise**.
- (iii) Reinsurance of the above shall also be exempted.

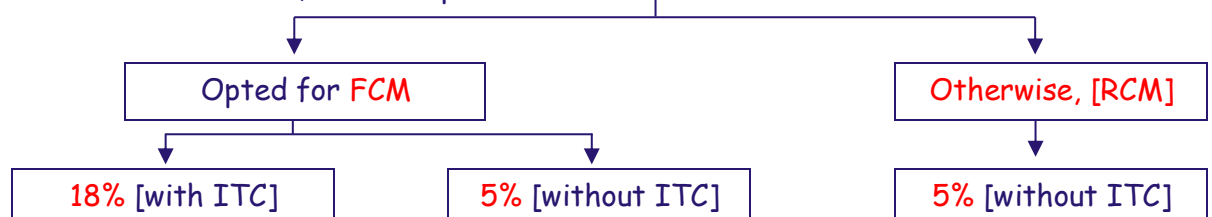
Exemptions Amended

Earlier	May 26 Onwards
Transport of goods by: <ul style="list-style-type: none"> ▪ Road except GTA or courier agency ▪ Inland waterways 	Transport of goods by: <ul style="list-style-type: none"> ▪ Road except GTA or courier agency or local delivery service provided by/through ECO ▪ Inland waterways

Charge of GST - RCM in case of Services

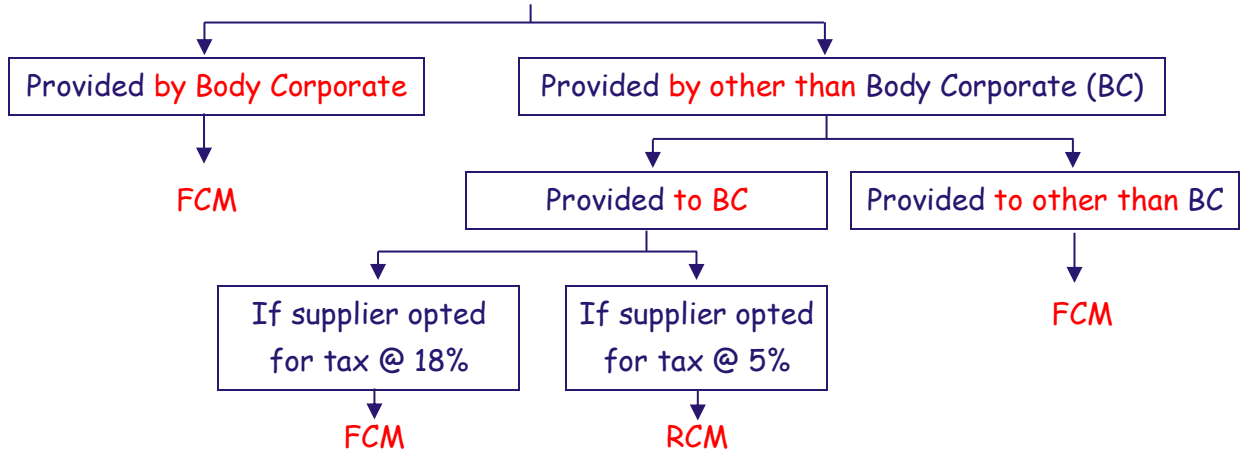
Tax rate applicable in case of services by GTA

In case a GTA opts for Forward Charge Mechanism (FCM), it can choose to pay tax at **18% with ITC or 5% without ITC**. Earlier, it could opt for 12% with ITC or 5% without ITC



Service by way of **renting of motor vehicle** [designed to carry **passenger**] where **fuel cost is included in consideration**

In this case if supplier is other than body corporate and recipient is a body corporate it can choose to pay tax at **18% [if opted for FCM]** or **5% [if opted for RCM]**. Earlier, it could opt for **12% [if opted for FCM]** or **5% [if opted for RCM]**



Time of Supply

Time of supply in case of **supply of vouchers** for goods or services

Provisions relating to determination of **Time of Supply for vouchers have been removed**, since the supply of vouchers is **not treated as a supply** as per the recent circular.

Electronic Commerce Transactions

Notified Services u/s 9(5) of CGST and 5(5) of IGST- New Service Notified

Local delivery Services

Example: Porter, Dunzo etc.

Except: **Supplier is liable to register u/s 22** [in such case supplier would be liable to pay tax]

Returns

GSTR-2B is now **not an Auto Generated Statement**.

Every registered person **whose aggregate turnover exceed ₹ 2 crores** is required to file GSTR-9 except:

- CTP, N RTP
- ISD
- TDS Deductor/TCS Collector

New Circulars - Value of Supply

Value of Supply - Clarification on Post Supply Discount (Secondary Discount)

- (i) Treatment of ITC and Tax payable in case of **discount given through financial/commercial credit note** (not a GST credit note).
 - Neither supplier's liability will be reduced, **nor ITC has to be reversed** by the recipient.
- (ii) Whether **post supply discount** can be treated as consideration paid by manufacturer to dealer for making further supply
 - **No agreement** between manufacturer and end customer: **not a supply**
 - **Agreement** between manufacturer and end customer: included **in supply**
- (iii) Whether **post supply discount** can be treated as consideration paid by manufacturer to dealer **in lieu of promotional activities** performed by dealer.
 - **Only if dealer undertake specific promotional activities** i.e., advertisement, branding etc. and for that consideration was clearly **stated in agreement**.