

**CA BRINDAVAN GIRI
(BG SIR)**



GST

AMENDMENTS

MAY/JUNE 2026 EXAMS



FOR CA/CMA FINAL
GST AMENDMENTS

GENERAL GST RATES

Old	0%, 5%, 12%, 18%, 28%
New	0%, 5%, 18%, 40%

LEVY

Sec 9(3): GST Rate on GTA & on renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient

GTA: Under FCM

- Option 01: 5% GST without ITC benefit
- Option 02: ~~12%~~ 18% GST with ITC benefit

Renting of Motor Vehicle: Under FCM

- Option 01: 5% GST with limited ITC benefit
- Option 02: ~~12%~~ 18% GST with ITC benefit

Sec 9(5): Tax payable by ECO on notified services

New Service added:

services by way of local delivery

- ➔ except where the person supplying such services through ECO is liable for registration u/s 22(1) of CGST Act 2017.

EXEMPTION [N/N 12/2017 CT]

Entry Amended

Entry
18

Services by way of transportation of goods—
(a) by road except the services of
(i) a goods transportation agency;
(ii) a courier agency;
(b) by inland waterways.

Explanation: Nothing contained in this entry shall apply to:
(i) local delivery services provided by an ECO or
(ii) local delivery services provided through an ECO.

New Entries Added	
Entry 36C	<p>Services of life insurance business provided by an insurer to the insured, where the insured is not a group.</p> <p><i>Explanation: For the removal of doubts, it is hereby clarified that:</i></p> <p>(a) <i>This exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual.</i></p> <p>(b) <i>For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance.</i></p>
Entry 36D	<p>Services of health insurance business provided by an insurer to the insured, where the insured is not a group.</p> <p><i>Explanation: For the removal of doubts, it is hereby clarified that:</i></p> <p>(a) <i>This exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual.</i></p> <p>(b) <i>For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance.</i></p>
Entry 36E	Reinsurance of the insurance services specified in S.N 36C or 36D.

For the purposes of entries at serial numbers 36C and 36D in above, 'group' means group of persons who join together with a commonality of purpose or for engaging in a common economic activity, other than availing insurance, and includes:

- (a) *Employer – employee groups, where an employer-employee relationship exists between the master/group policyholder and the members of the group in accordance with the applicable laws;*
- (b) *Non employer– employee groups, where a clearly evident relationship exists between the master/group policyholder and the members of the group, for services/ activities other than insurance.*

TIME OF SUPPLY

- Sec 12(4)/13(4) relating to time of supply of vouchers omitted.

VALUATION

Clarification on various doubts related to treatment of secondary or post-sale discounts under GST

Issue 01: Whether the full ITC is available to the recipient of supply when the recipients make discounted payments to the supplier of goods on account of financial/commercial credit notes issued by the said supplier ?

Clarification:

If **supplier** of goods issues financial/ commercial credit notes, he **will not be eligible to reduce his original tax liability**. As the transaction value is not allowed to be reduced on account of issuance of financial/ commercial credit note.

Accordingly the recipient will not be required to reverse the ITC attributed to the discount provided on the basis of financial/ commercial Credit notes issued by the supplier, as there is no reduction in the original transaction value of the supply and the corresponding tax liability would also not get reduced.

Issue 02: Whether a post-sale discount offered by a manufacturer to its dealer/distributor, would be treated as a consideration paid by the manufacturer for the dealer's supply of the same goods to the end customer as a monetary value of the inducement to supply of goods manufactured by him to the end customer?

Clarification:

Situation 1: No agreement between manufacturer & end customer

In this scenario there are two independent sales:

Sale 01: By manufacturer to Dealer

Sale 02: By dealer to end customer

In this type of **contract dealer fully becomes owner** of goods and subsequently sells the goods to end customer on his own account. **The relationship between manufacturer and dealer is on principal-to-principal basis.**

These **discounts are simply given for competitive pricing to push sales and merely reduce the sale price of the goods and are not linked to any independent activity rendered to the manufacturer.** Therefore, it is clarified that **such a discount cannot be included in consideration as the monetary value of the inducement of further supply of these goods.**

Situation 2: Agreement exists between manufacturer & end customer

In this case the **manufacturer may issue commercial or financial credit notes to the dealer, enabling such dealer to provide the goods at the agreed discounted rate to the end consumer.**

Therefore, it is clarified that **such a post-sale discount, given by the manufacturer to the dealer for supplying goods to the end customer at a discounted rate, should be included in the overall consideration as it is an inducement towards the supply of goods by the dealer to the end customer.**

Issue O3: Whether a post-sale discount extended by the manufacturer to the dealer can be treated as a consideration in lieu of the activities performed to promote the sale of the goods?

Clarification:

When dealers receive such post-sale discounts, they may engage in promotional activities to boost sales. However, **these activities ultimately enhance the sale of goods that the dealers themselves own, thereby increasing their own revenue.** In this context, the discount merely reduces the sale price of the goods and is not linked to any independent service rendered to the manufacturer. Therefore, it is clarified that post-sale discounts offered by manufacturers to dealers in such cases **shall not be treated as consideration for a separate transaction of supply of services.**

However, GST would be leviable in cases where a dealer undertakes specific sales promotional activities, such as advertising campaigns, co-branding, customization services, special sales drives, exhibition arrangements, or customer support services, etc., only when such services are explicitly stated in the agreement with a clearly defined consideration payable for such a supply. In such cases, the dealer provides a distinct service to the supplier, and accordingly, GST would be chargeable.

Mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers

~~Till the time a functionality/ facility is made available on the common portal to enable the suppliers as well as the tax officers to verify whether the input tax credit attributable to such discounts offered through tax credit notes has been reversed by the recipient or not, **the supplier may procure a certificate from the recipient of supply, issued by the Chartered Accountant (CA) or the Cost Accountant (CMA), certifying that the recipient has made the required proportionate reversal of input tax credit at his end in respect of such credit note issued by the supplier.**~~

~~Where the amount of tax (CGST+SGST+IGST and including compensation cess, if any) involved in the discount given by the supplier to a recipient through tax credit notes in a Financial Year is not exceeding Rs 5,00,000 then instead of CA/CMA certificate, the said supplier may procure an undertaking/ certificate from the said recipient that the said input tax credit attributable to such discount has been reversed by him.~~

Rule 31A: Value of supply in case of lottery, betting, gambling and horse racing

Value of supply of lottery shall be deemed to be	Higher of: (a) 100/128 140 of face value or (b) price notified in the OZ by the Organising State
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INPUT TAX CREDIT (ITC)

Sec 17(5)(d): Construction of Immovable property on own account

- (i) for the words “plant **or** machinery”, the words “plant **and** machinery” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017;
- (ii) the Explanation shall be numbered as Explanation 1 thereof, and after Explanation 1 as so numbered, the following Explanation shall be inserted, namely:—

Explanation 2.—For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to “plant or machinery” shall be construed and shall always be deemed to have been construed as a reference to “plant and machinery”.

Sec 20: Manner of distribution of credit by Input Service Distributor (Read with Rule 39)

- (1) Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax u/s 9(3)/9(4) of this Act or u/s 5(3)/5(4) of the IGST Act, 2017, for or on behalf of distinct persons referred to in section 25, shall be required to be registered as Input Service Distributor u/s 24(viii) and shall distribute the input tax credit in respect of such invoices.

Rule 39(1A):

- For the distribution of credit in respect of input services, attributable to one or more distinct persons, subject to levy of tax u/s 9(3)/9(4) of CGST Act, 2017 or u/s 5(3)/5(4) of the IGST Act, 2017, a registered person, having the same PAN and State code as an ISD, may issue an invoice or, as the case may be, a credit or debit note as per the provisions of [rule 54\(1A\)](#) to transfer the credit of such common input services to the ISD and such credit shall be distributed by the said ISD in the manner as provided in sub-rule (1).

INVOICING

Proviso added to Sec 34(2)

Provided that no reduction in output tax liability of the supplier shall be permitted, if the —

- (i) **ITC as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or**
- (ii) **incidence of tax on such supply has been passed on to any other person, in other cases.**

RETURNS

Sec 38: Communication of details of inward supplies and input tax credit

[For the words “an auto-generated statement”, the words “a statement” shall be substituted]

- (1) The details of outward supplies furnished by the registered persons u/s 37(1) and of such other supplies as may be prescribed, and ~~an auto-generated statement~~ a statement containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.
- (2) The ~~auto-generated statement under~~ statement referred in sub-section (1) shall consist of—

Sec 44: Annual Return read with Rule 80

- ➔ Every registered person whose aggregate turnover in any financial year from FY 2024-25 onwards is upto ₹ 2cr has been exempted from filing annual return for the said FY by the commissioner.

REFUND

Rule 91(2) - Grant of provisional refund

The proper officer, on the basis of identification and evaluation of risk by the system, shall make an order in the prescribed form, sanctioning the amount of refund due to the said applicant on a provisional basis within a period not exceeding 7 days from the date of the acknowledgement under rule 90(1)/90(2).

The proper officer may, for reasons to be recorded in writing, not grant refund on a provisional basis and proceed to make an order under rule 92.

However, said order shall not be required to be re-validated by the proper officer.

Sec 54(6): Provisional refund

Notified persons who shall not be allowed provisional refund on provisional basis –

- (a) Any person who has not undergone Aadhaar authentication under rule 10B of the CGST Rules 2017.
- (b) Supplier of following goods –

S.N	HSN Code	Description of Goods
1	0802 80	Areca nuts
2	2106 90 20	Pan masala
3	24	Tobacco and manufactured tobacco substitutes
4	3301	Essential oils

DEMAND & RECOVERY

(1) Proper Officer for SCN:

Level of Officer	Monetary limit of tax (including cess) not paid or short paid or erroneously refunded or input tax credit of central tax wrongly availed or utilized for issuance of SCN and passing of orders u/s 73, 74 or 74A		
	CGST	IGST	CGST & IGST
Superintendent of Central Tax	Upto ₹ 10 lakhs	Upto ₹ 20 lakhs	Upto ₹ 20 lakhs
AC/DC of Central Tax	₹ 10 lakhs to ₹ 1crore	₹ 20 lakhs to ₹ 2crore	₹ 20 lakhs to ₹ 2crore
Add. Comm/ Jt Comm of Central Tax	Above ₹ 1 crore	Above ₹ 2 crore	Above ₹ 2 crore

OFFENCES & PENALTIES

Monetary limits prescribed for issuance of SCNs and passing of orders u/S 122 of the CGST Act

Level of Officer	Monetary limit		
	CGST	IGST	CGST & IGST
Superintendent of Central Tax	Upto ₹ 10 lakhs	Upto ₹ 20 lakhs	Upto ₹ 20 lakhs
AC/DC of Central Tax	₹ 10 lakhs to ₹ 1crore	₹ 20 lakhs to ₹ 2crore	₹ 20 lakhs to ₹ 2crore
Add. Comm/ Jt Comm of Central Tax	Above ₹ 1 crore	Above ₹ 2 crore	Above ₹ 2 crore

APPEALS

Rule 110A: Procedure for Appeals Heard by a Single Member Bench

- The **President** (or authorised Vice-President) **may**, on their own or on application, **transfer an appeal to a Single Member Bench if no question of law is involved.**
- **If the Single Member Bench later believes the appeal involves a question of law, it must record reasons in writing and return the appeal to the President/Vice-President for reconsideration.**
- **While scrutinising or reconsidering an appeal, if the same issue for the same taxpayer has already been decided by a two-member Bench (Technical + Judicial), then the new appeal must also be heard by a two-member Bench.**
- **The ₹50 lakh limit is calculated by adding the total tax/ITC involved, or fine/fee/penalty, across all issues and all tax periods in the appealed order.**

Customs (Finalization of Provisional Assessment) Regulations, 2025

[Replaced Customs (Finalization of Provisional Assessment) Regulations, 2018]

- (1) **PO must inform** importer/exporter, **within 15 days from the date of provisional assessment**, the specific details of documents/information to be produced/furnished.
- (2) **Importer/exporter is required to submit it within 2 months of requisition by PO.**

Extension:

- **PO may**, for reasons to be recorded in writing, **allow a further period not exceeding 2 months**, on his own or at the request of the importer or the exporter.
- **An officer to whom the proper officer is subordinate may allow additional time period** as deemed fit (for reasons to be recorded in writing) on request of the importer or the exporter **but no extension** under this regulation may **be allowed beyond 14 months from date of provisional assessment**

(3) Time-limit to conclude enquiry for the purpose of finalisation of provisional assessment

Where duty leviable on the imported/export goods is assessed provisionally by the PO for the reason that the proper officer deems it necessary to make further enquiry:

- officer of customs shall complete the enquiry and transfer the relevant documents along with the report in writing to the proper officer for finalization of assessment.
- **within 14 months from the date of provisional assessment.**

(4) Time-limit for finalization of provisional assessment

- **Proper officer should finalise within 3 months from receipt of documents or completion of enquiry. An officer to whom the PO is subordinate may allow additional time period of 2 months at a time.** However, the assessment shall be finalised within 2 years from the date of the provisional assessment.
- **The Commissioner of Customs may**, on sufficient cause being shown and reasons to be recorded in writing, **extend the period of 2 years for finalisation of provisional assessment by an additional time of 1 year** in terms of the first proviso to Sec 18(1B) of the Customs Act, 1962.

- (5) Assessment to be finalized as per section 18 and any shortfall in duty paid to be appropriated from the security collected.
- (6) Bond executed at the time of order of provisional assessment may be cancelled on finalization of the assessment.
- (7) Failure to adhere to these Regulations attracts penalty of ₹50,000 to importer/exporter and authorized person/CH Broker.

FTP

Applicability of RoDTEP Scheme for eligible exports from DTA, by Advance Authorisation (AA) holders, Export Oriented Units (EOUs) and SEZ units extended up to 31.03.2026.