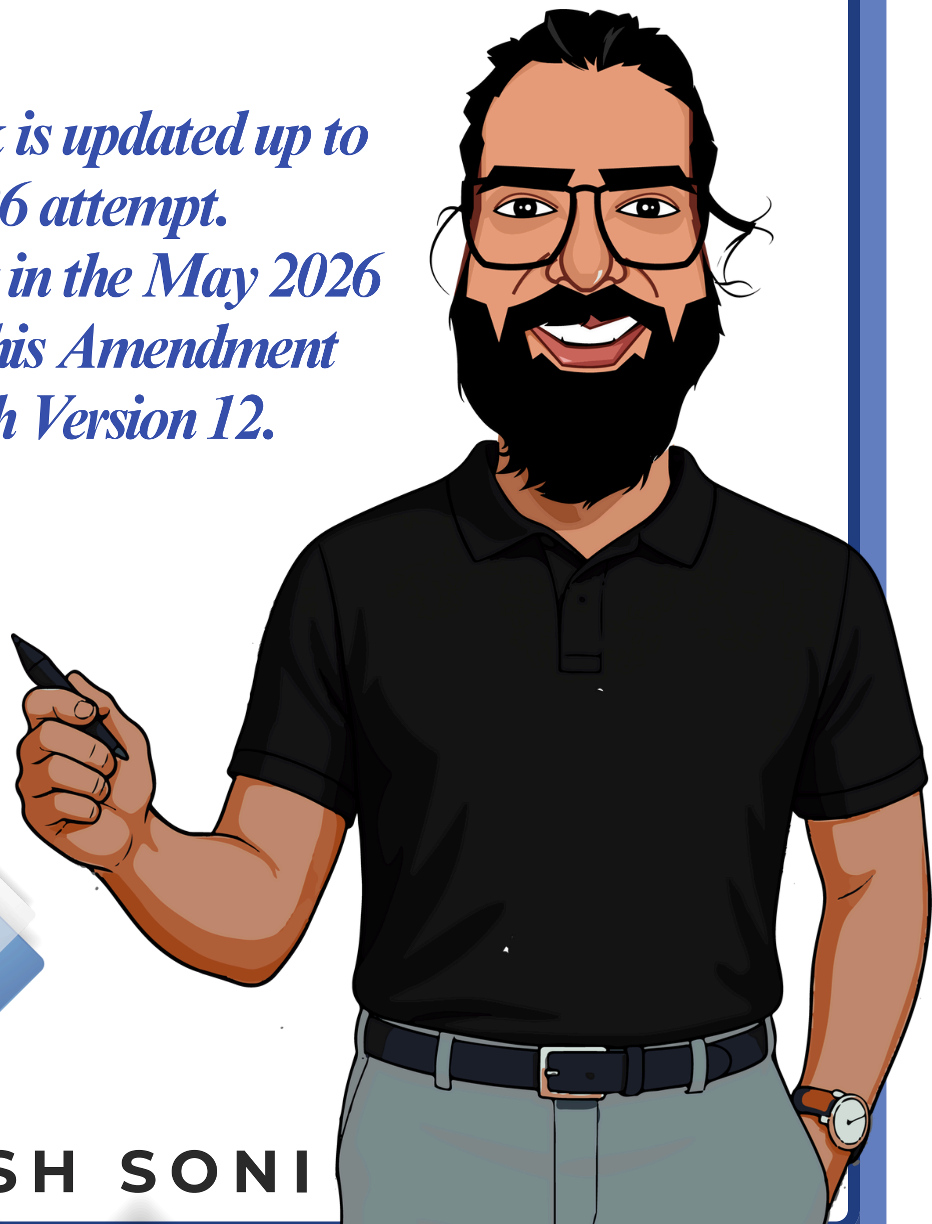
AMENDMENT NOTES

CHARTMASTER'S AMENDMENT E-BOOKLET

STATUTORY UPDATES FOR MAY 2026

CA | CMA FINAL

Note: Version 12 book is updated up to the January 2026 attempt.
For students appearing in the May 2026 attempt, please use this Amendment Booklet along with Version 12.



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Chapter 1: Supply

New entries added to Schedule III of CGST act:
Para 8(aa): Supply of goods warehoused in a SEZ or in a Free Trade Warehousing Zone

(aa) Supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area;

Explanation:

- Warehoused goods means goods deposited in a warehouse.
- SEZ means each SEZ notified (including Free Trade & Warehousing Zone) & includes an existing SEZ;
- Free Trade and Warehousing Zone means a SEZ wherein mainly trading & warehousing and other activities related thereto are carried on;
- Domestic Tariff Area means the whole of India (including the territorial waters and continental shelf) but does not include the areas of the SEZs;

Author: This brings transactions relating to supply of goods warehoused in SEZ/FTWZ at par with the existing provision in GST for transactions in Customs bonded warehouse.

Crux: Supply of goods warehoused in SEZ/FTWZ to any person before export/before clearance into DTA shall be neither supply of goods nor services.

Chapter 3: Charge of GST

Rate of GST on GTA increased from 12% to 18% under FCM.

Chapter 6: Exemptions from GST

Entry No. 18: Transportation of Goods-Within India (Refer ECO chapter below)

Entry No.36C: Services of life insurance business provided by an insurer to the insured

Services of life insurance business provided by an insurer to the insured, where the insured is not a group.

Explanation: For the removal of doubts, it is hereby clarified that:

(a) This exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual.

(b) For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance.

Entry No.36D: Services of health insurance business provided by an insurer to the insured

Services of health insurance business provided by an insurer to the insured, where the insured is not a group.

Explanation: For the removal of doubts, it is hereby clarified that:

(a) This exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual.

(b) For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance.

Health insurance business means the effecting of contracts which provide for sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient, travel cover and personal accident cover;

Entry No.36E: Reinsurance

Reinsurance of the insurance services specified in serial numbers 36C or 36D

For entry 36C and 36D, '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.

Author:

- Big move by government bringing individual life and insurance from 18% to exemption, making insurance affordable and increasing insurance coverage in the country.
- Exemption available for Insurance of Individual & family and not applicable to group medi claims.
- Exemption does not apply to group insurances:
  Example: Employer: Offers group health and life insurance as part of the employee benefits package.
  Trade Association: Provides group accidental cover for its members.

Crux: Health & Life insurance services to individual & family and also their reinsurance services are exempt.

Chapter 7: Value of Supply

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

Issue: 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: Section 16(1) of the CGST Act, 2017 provides that every registered person shall be entitled to take ITC charged on any supply of goods/services/both, which are used or intended to be used in the course or furtherance of his business.

It has been clarified vide circular that the supplier of goods can issue financial/ commercial credit notes and in such cases, 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 tax charged from the recipient would also not get reduced. 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 accordingly the corresponding tax liability would also not get reduced.

Crux: Full ITC is available to the recipient even if the supplier issues financial/commercial credit notes and offers post-supply discounts. Since the supplier cannot reduce tax liability on such credit notes, the recipient need not reverse any ITC.

Issue: Whether a post-sale discount offered by a manufacturer to its dealer/ distributor, would be trated 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: Section 2(31) of the CGST Act, 2017 defines consideration as to include the monetary value of any act for the inducement of the supply of goods or services, whether by the recipient or by any other person. In cases where there is no agreement between the manufacturer and the end customer, there are two independent sale transactions, one from the manufacturer to the dealer and the other from the dealer to the end customer. The essence of the matter is that in a contract of sale, the sale is completed on the transfer of title to the goods to the buyer. Once this happens, the buyer becomes the owner of the goods, and the seller has no vestige of the title or claims therein. The dealer takes ownership of the goods purchased from the manufacturer and subsequently sells them to the end customer and transaction between the manufacturers to dealer operates on a 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.

However, in cases where the manufacturer has some agreement with an end customer to supply goods at a discounted price, 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.

Crux: Post-sale discounts given by a manufacturer to a dealer are generally not treated as consideration or inducement for the dealer's sales to end customers. However, if the discount is under an agreement to sell goods to end customers at a reduced price, it is treated as consideration & included in the value of supply.

Issue: 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: The matter has been examined. 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.

Crux: Post-sale discounts given by manufacturers to dealers are not considered consideration for promotional activities, as they merely reduce the sale price of goods. However, if the dealer provides specific, contractually agreed promotional services, GST is applicable on such services.

Rule 31A: Valuation of lottery – notification 3/2018 CT dated 23.01.2018

(1) The value in respect of supplies specified below shall be determined as provided hereinafter.

(2) The value of supply of lottery shall be
   - deemed to be 100/140 of the face value of ticket or of the price as notified in the Official Gazette by the Organising State, whichever is higher.

(3) Supply of actionable claim (betting, gambling, horse racing in a race club)
   - 100% of the face value of the bet or the amount paid into the totalisator

Crux: With effect from 22nd sep 2025, lottery placed in special slab for Sin goods and taxed @ 40%.

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

Chapter 8: Tax Invoice Credit & Debit notes

Credit & Debit notes [Section 34]

Section 34(2): Proviso amended

Proviso: 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 and interest on such supply has been passed on to any other person, in other cases.

Crux: No reduction in supplier's output tax liability is allowed through a credit note if the recipient (when registered) has not reversed corresponding ITC, or if the tax burden has already been passed on to another person.

Chapter 11: Time of Supply

Section 12(4) & 13(4) deleted

Crux: Post introduction of circular regarding voucher, consequential deletion of redundant provision.

Chapter 12: Input Tax Credit

Section 17(5)(d): Plant or Machinery replaced with Plant and Machinery and Explanation inserted

Goods/services/both received by a taxable person for construction of an immovable property on his own account – ITC blocked.
Goods/services/both received for construction of plant and machinery: ITC available.

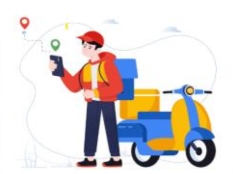
For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to "plant or machinery" shall be construed and shall always be deemed to have been construed as a reference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

Crux: The amendment clarifies that the term "plant or machinery" in clause (d) should always be read as "plant and machinery", and this interpretation applies retrospectively, regardless of any past court decisions.

Chapter 17: Electronic Commerce transactions under GST

Section 9(5) of the CGST Act: Levy and collection (CGST): New category of services notified

(v) Services by way of local delivery except where the person supplying such services through ECO is liable for registration under section 22(1) of the CGST Act, 2017.



Entry No. 18: Transportation of Goods-Within India (study with ECO chapter)

Services by way of transportation of goods-

(a) by road except the services of— a goods transport agency /a courier agency;

(b) by inland waterways.

Explanation. - Nothing contained in this entry shall apply to:

(i) local delivery services provided by an Electronic Commerce Operator; or

(ii) local delivery services provided through an Electronic Commerce Operator

Goods transport agency means any person who provides service in relation to transport of goods by road and issues a consignment note by whatever name called, but does not include

(i) an ECO by whom the services of local delivery are provided,

(ii) an ECO through whom the services of local delivery are provided

Crux:

- Local delivery services brought under section 9(5) except when supplier is liable to register u/s 22(1).
- Purpose of the amendment is to remove GST exemption for app-based local delivery services, ensuring they are taxable even though they involve transportation of goods by road.
- Common examples of local delivery service apps (i.e., apps that pick up and deliver goods within the same city/local area):
  - Dunzo – delivers parcels, groceries, medicines, documents, etc.
  - Swiggy Genie – pick-up & drop services for items within the city.
  - Porter – local intra-city goods transportation (small parcels to mini-trucks).
  - Borzo (formerly Wefast) – hyperlocal courier and pick-up/drop services.

Chapter 18: Returns

Section 44: Annual Return

The Commissioner, on the recommendations of the Council, in respect of filing of annual return for the financial year 2024-25 onwards, hereby exempts the registered person whose aggregate
turnover in any financial year is up to two crore rupees, from filing annual return that said financial year.

Crux: Registered persons with turnover up to ₹2 crore are exempt from filing the annual GST return from FY 2024–25 onwards.

Chapter 23: Demand & Recovery

Monetary limits prescribed for issuance of SCNs and passing of orders under section 74A of the CGST Act.

Board has assigned the officers mentioned in table below, the functions as the POs in relation to issue of SCNs and passing orders under sections 74A of the CGST Act and section 20 of the IGST Act (read with section 74A of the CGST Act), up to the prescribed monetary limits of tax (including cess) not paid/ short paid/ erroneously refunded/ ITC of tax (CGST/IGST/CGST & IGST) wrongly availed/utilized for issuance of SCNs and passing of orders under section 74A:

CGST Officer	Monetary limit of CGST	Monetary limit of IGST	Monetary limit of CGST and IGST
Superintendent of Central Tax	Not exceeding Rs. 10 lakh	Not exceeding Rs. 20 lakh	Not exceeding Rs. 20 lakh
Deputy or Assistant Commissioner of Central Tax	Above Rs. 10 lakh and not exceeding Rs. 1 crore	Above Rs. 20 lakh and not exceeding Rs. 2 crores	Above Rs. 20 lakh and not exceeding Rs. 2 crores
Additional or Joint Commissioner of Central Tax	Above Rs. 1 crore without any limit	Above Rs. 2 crores without any limit	Above Rs. 2 crores without any limit

- It is clarified that where a show cause notice issued under section 74A of CGST Act, 2017 involves demand of both CGST and IGST (including cess), the proper officer shall be determined on the basis of the combined amount of CGST and IGST (including cess), irrespective of the individual amounts of CGST or IGST (including cess) which may exceed the prescribed monetary limit.
- The proper officer shall be determined based on the highest amount of tax specified in the show cause notice and statement across all tax periods.
- The proper officer shall be determined based solely on the amount of tax demanded, excluding penalties from the calculations.

Crux: Board has assigned officers with monetary limit to Pass SCN & DO under Section 74A

Chapter 24: Appeals & revision

Section 107: Appeals to Appellate Authority

(6) No appeal shall be filed under sub-section (1), unless the appellant has paid-

(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and

(b) a sum equal to ten per cent. of the remaining amount of tax in dispute arising from the said order, subject to a maximum of 20 crore rupees, in relation to which the appeal has been filed.

Proviso substituted

Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to 10%. of the said penalty, in addition to the amount payable under the proviso to section 107(6) has been paid by the appellant.

~~Proviso: no appeal shall be filed against an order under sub-section (3) of section 129, unless a sum equal to 25% of the penalty has been paid by the appellant.~~

Crux: Amended proviso introduced for penalty-only orders (no tax demand)
In such cases, appeal is allowed only after paying 10% of the penalty. No Maximum limit.

Section 112: Appeals to Appellate Tribunal

(8) Pre-deposit - 100% of admitted amount, 10% of disputed liability/Max 20 cr and the balance amount shall be deemed to be stayed

No appeal shall be filed under sub-section (1), unless the appellant has paid—

(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and

(b) a sum equal to 10% of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of section 107, arising from the said order subject to a maximum of 20 crore rupees, in relation to which the appeal has been filed.

Proviso inserted

Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to 10% of the said penalty, in addition to the amount payable under the proviso to section 107(6) has been paid by the appellant.

Crux: Amended proviso introduced for penalty-only orders (no tax demand)
In such cases, appeal is allowed only after paying additional 10% of the penalty. No Maximum limit.

Rule 110A: Procedure for the Appeals to be heard by a single Member Bench

(1) The President or the Vice-President if so authorised by the President in respect of any State Bench, may either on his own motion or an application filed by the parties to the appeal, scrutinise the appeal and transfer such appeal to any single Member Bench within the respective State if the appeal does not involve a question of law.

(2) In case the single Member Bench, while hearing the appeal allotted under sub-rule (1), comes to a conclusion that the appeal may involve a question of law, such Bench shall for reasons to be recorded in writing send back the appeal to the President or the Vice-President, as the case may be, for reconsideration.

(3) During the scrutiny of appeal under sub-rule (1) or reconsideration of appeal under sub-rule (2), the fact as to whether in respect of the same taxable person within a State, the same issue for the same or a different tax period has already been heard or decided by a Bench comprising of a Technical Member and a Judicial Member, shall be taken into consideration and where such a matter exists, the appeal shall be heard by a Bench comprising of a Technical Member and a Judicial Member.

(4) For the purpose of reckoning the amount of fifty lakh rupees under sub-section (8) of section 109, the cumulative tax or input tax credit involved, or the amount of fine, fee or penalty, shall be determined with reference to all issues and all tax periods covered in the order appealed against.

Crux:

- Appeals without a question of law can be transferred by the President/Vice-President to a Single Member Bench
- If the Single Member Bench later finds a question of law involved, it must send the appeal back for reconsideration
- If the same issue for the same taxpayer was earlier heard/decided by a two-member bench, the appeal must again be heard by a two-member bench i.e. one Judicial and one technical member.
- Appeals up to ₹50 lakh and not involving any question of law may be heard by a Single Member Bench (with President's approval)
- The ₹50 lakh limit is calculated by adding all taxes/ITC/penalty amounts across all issues and periods in the order.

Rule 110: Appeal to the Appellate Tribunal

(1) Appeal to AT shall be filed with relevant docs in GST APL 05

An appeal to the Appellate Tribunal u/s 112(1) shall be filed in GST APL-05, along with the relevant documents, electronically & provisional acknowledgement in Part A of FORM GST APL-02A shall be issued immediately:

~~Proviso: an appeal to the AT may be filed manually in GST APL 05, along with the relevant documents, only if the Registrar allows the same by issuing a special or general order, and in such case, a provisional acknowledgement shall be issued to the appellant immediately.~~

(2) A memorandum of cross-objections in GST APL 06

A memorandum of cross-objections to the AT u/s 112(6), if any, shall be filed electronically in GST APL-06:

~~Proviso: memorandum of cross objections may be filed manually in GST APL 06, only if the Registrar allows the same by issuing a special or general order .~~

(3) The appeal & memorandum of cross-objections shall be signed in the manner specified in rule 26.

(4) Where the order appealed against is uploaded on the common portal, a final acknowledgement, indicating appeal number, shall be issued in Part B of FORM GST APL-02A on removal of defects, if any, and the date of issue of the provisional acknowledgement shall be considered as the date of filing of appeal under sub-rule (1):

Proviso: where the order appealed against is not uploaded on the common portal, the appellant shall submit or upload, as the case may be, a self-certified copy of the said order within a period of seven days from the date of filing of GST APL-05 and a final acknowledgement, indicating appeal number, shall be issued in Part B of FORM GST APL-02A on removal of defects, if any, and the date of issue of the provisional acknowledgment shall be considered as the date of filing of appeal:

Proviso: where the said self-certified copy of the order is submitted or uploaded after a period of seven days from the date of filing of GST APL-05, a final acknowledgement, indicating appeal number, shall be issued in Part B of FORM GST APL-02A on removal of defects, if any, and the date of submission or uploading of such self-certified copy shall be considered as the date of filing of appeal.

Explanation.—For the purposes of this rule, the appeal shall be treated as filed only when the final acknowledgement, indicating the appeal number, is issued.

Rule 111: Application to the Appellate Tribunal

(1) An application to the Appellate Tribunal under sub-section (3) of section 112 shall be filed in Form GST APL-07, along with the relevant documents, electronically and a provisional acknowledgement in Part A of FORM GST APL-02A shall be issued to the appellant immediately:

~~Proviso: an application to the Appellate Authority may be filed manually in GST APL-07, along with the relevant documents, only if the Registrar allows the same by issuing a special or general order to that effect, subject to such conditions and restrictions as specified in the said order, and in such case, a provisional acknowledgement shall be issued to the appellant immediately.~~

(2) A memorandum of cross-objections to the Appellate Tribunal if any, shall be filed electronically in GST APL-06:

~~Proviso: the memorandum of cross-objections may be filed manually in GST APL-06, only if the Registrar allows the same by issuing a special or general order.~~

(3) The appeal & the memorandum of cross objections shall be signed in manner specified.

(4) Where the order appealed against is uploaded on the common portal, a final acknowledgement, indicating appeal number, shall be issued in Part B of FORM GST APL-02A on removal of defects, if any, and the date of issue of the provisional acknowledgement shall be considered as the date of filing of appeal under sub-rule (1):

Proviso: where the order appealed against is not uploaded on the common portal, the appellant shall submit or upload, as the case may be, a self-certified copy of the said order within a period of seven days from the date of filing of GST APL-07 and a final acknowledgment, indicating appeal number shall be issued in Part B of FORM GST APL-02A on removal of defects, if any, and the date of issue of the provisional acknowledgment shall be considered as the date of filing of appeal:

Proviso: where the said self-attested ~~certified~~ copy of the order is submitted or uploaded after a period of seven days from the date of filing of FORM GST APL-07, a final acknowledgement, indicating appeal number, shall be issued in Part B of FORM GST APL-02A on removal of defects, if any, and the date of submission or uploading of such self-certified copy shall be considered as the date of filing of appeal.

Crux:

- Appeal and Memorandum of cross objection was allowed to be filed manually if allowed by registrar: These provisions to file manually has now been deleted.
- Amendment in form numbers, not relevant from exam point of view.

Rule 113: Order of Appellate Authority or Appellate Tribunal

(1) The Appellate Authority shall, along with its order under sub-section (11) of section 107, issue a summary of the order in GST APL-04 clearly indicating the final amount of demand confirmed.

(2) The Appellate Tribunal shall, along with its order under sub-section (1) of section 113, issue, or cause to be issued, a summary of the order in GST APL-04A clearly indicating the final amount of demand confirmed by the Appellate Tribunal.

~~The jurisdictional officer shall issue a statement in GST APL-04 clearly indicating the final amount of demand confirmed by the Appellate Tribunal.~~

Chapter 31: Refunds

Section 54(6): Provisional Refund

Following category of registered persons who shall not be allowed refund on provisional basis under section 54(6), namely:

(a) Any person, who has not undergone Aadhaar authentication under rule 10B of the CGST Rules, 2017;

(b) Any person, who is engaged in the supply of the following goods: Tobacco and manufactured tobacco substitutes, Areca nuts, Pan masala, Essential oils. [Mnemonics: TAPE]

Rule 91: Grant of provisional refund

(1) No Provisional refund, if person has been prosecuted for any offence for immediately preceeding 5 years for tax evaded > 2.5 crores

(2) <u>If PO satisfied, Provisional refund order-in GST RFD 04: Sub-rule(2) substituted</u>

The PO, on the basis of identification and evaluation of risk by the system, shall make an order in GST RFD-04, within a period not exceeding 7 days from the date of the acknowledgement under sub-rule (1) or sub-rule (2) of rule 90:

Proviso: the PO, for reasons to be recorded in writing, may not grant refund on provisional basis and proceed with the order under rule 92:

Proviso: the order issued in GST RFD-04 shall not be required to be revalidated by the PO.

~~The PO, after scrutiny of the claim and the evidence submitted in support thereof and on being prima facie satisfied that the amount claimed as refund under sub-rule (1) is due to the applicant in accordance with the provisions of section 54(6), shall make an order in GST RFD-04, 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)/(2).~~

<u>Basis for issuing RFD-04:</u>

Amendment: Provisional refund is issued based on system-based risk identification and evaluation.

Crux:

Old law: Provisional refund is issued after manual scrutiny and prima facie satisfaction of the PO.

<u>Provision to deny provisional refund:</u>

Amendment: PO may deny provisional refund with written reasons & proceed directly under Rule 92 (order sanctioning refund).

Old law: No such explicit provision to deny.

<u>Following Persons not eligible for provisional refund under Section 54(6) include:</u>

Those who have not completed Aadhaar authentication under Rule 10B.

Those supplying TAPE goods — Tobacco, Areca nuts, Pan masala, Essential oils.

Section 148A. Track and trace mechanism for certain goods.-

(1) The Government may, on the recommendations of the Council, by notification, specify,—
 (a) the goods;
 (b) persons or class of persons who are in possession or deal with such goods,
 to which the provisions of this section shall apply.

(2) The Government may, in respect of the goods referred to in clause (a) of sub-section (1),––
 (a) provide a system for enabling affixation of unique identification marking and for electronic storage and access of information contained therein, through such persons, as may be prescribed; and
 (b) prescribe the unique identification marking for such goods, including the information to be recorded therein.

(3) The persons referred to in sub-section (1), shall,––
 (a) affix on the said goods or packages thereof, a unique identification marking, containing such information and in such manner;
 (b) furnish such information and details within such time and maintain such records or documents, in such form and manner;
 (c) furnish details of the machinery installed in the place of business of manufacture of such goods, including the identification, capacity, duration of operation and such other details or information, within such time and in such form and manner;
 (d) pay such amount in relation to the system referred to in sub-section (2),
 as may be prescribed.

Author:

- The GST Council's 55th meeting explicitly approved a "track and trace mechanism based on a Unique Identification Marking for specified evasion prone commodities.
- Section 148A was inserted via the Finance Act, 2025.
- The government has to notify which goods will be covered. As of now, evasion-prone commodities are expected, but full list will come via notification.
- The detailed rules (how the Unique identification Marking (UIM) will look, how data will be stored, forms, timelines) are to be prescribed.
- Implementation will likely be phased: first for a few goods, then possibly expanded.

Crux:

- Section 148A empowers the Government to notify certain goods and persons for a track-and-trace system using a unique identification marking (UIM).
- Notified persons must affix the UIM, submit required information and machinery details, maintain records, and pay prescribed charges as per the rules.
- Some likely goods to be notified: Cigarettes, Pan Masala, tobacco products, etc.

Chapter 26: Offences & Penalties

Section 122B.

Notwithstanding anything contained in this Act,
- where any person referred to in clause (b) of sub-section (1) of section 148A acts in contravention of the provisions of the said section,
- he shall, in addition to any penalty under Chapter XV or the provisions of this Chapter,
- be liable to pay a penalty equal to an amount of one lakh rupees or ten per cent. of the tax payable on such goods, whichever is higher.".

Crux:
If a person covered under Section 148A(1)(b) violates its provisions, an additional penalty is leviable.
Penalty = ₹1 lakh or 10% of tax payable on goods, whichever is higher, over and above other penalties.

Monetary limits prescribed for issuance of SCNs and passing of orders under section 122 of the CGST Act

Board has assigned the officers mentioned in table below, the functions as the proper officers in relation to issue of SCNs and passing orders under section 122 of the CGST Act and section 20 of the IGST Act(read with section 122 of the CGST Act), up to the prescribed monetary limits of penalty in relation to the tax (CGST/IGST/CGST & IGST) for issuance of show cause notices involving only penalty and passing of orders:

CGST Officer	Monetary limit of CGST	Monetary limit of IGST	Monetary limit of CGST and IGST
Superintendent of Central Tax	Not exceeding Rs. 10 lakh	Not exceeding Rs. 20 lakh	Not exceeding Rs. 20 lakh
Deputy or Assistant Commissioner of Central Tax	Above Rs. 10 lakh and not exceeding Rs. 1 crore	Above Rs. 20 lakh and not exceeding Rs. 2 crores	Above Rs. 20 lakh and not exceeding Rs. 2 crores
Additional or Joint Commissioner of Central Tax	Above Rs. 1 crore without any limit	Above Rs. 2 crores without any limit	Above Rs. 2 crores without any limit

It is also clarified that where a show cause notice issued under section 122 of the CGST Act, 2017 involves demand of penalty in relation to both CGST and IGST, the proper officer shall be determined on the basis of the combined amount of penalty in relation to both CGST and IGST, irrespective of the individual amounts of penalty which may exceed the prescribed monetary limit.

Crux: Board has assigned officers with monetary limit to issue SCN & pass order under Section 122.

Chapter 7: Assessment & Audit

Customs (Finalisation of Provisional Assessment) Regulations, 2025.

Time-limit and manner of submission of documents or information for the purpose of finalisation of provisional assessment.

(1) Where duty leviable on imported or export goods is assessed provisionally by the proper officer for the reasons that, the necessary documents have not been produced or information has not been furnished by the importer or the exporter at the time of provisional assessment, then the proper officer shall within fifteen days from the date of such assessment, inform the importer or the exporter, in wilting, the specific details of the information to be furnished or the documents to be produced.

(2) Where any document or information is sought by the proper officer, then such information or documents shall be made available by the importer or the exporter within two months from the date of such requisition by the proper officer.

Provided that the proper officer may, for reasons to be recorded in writing, allow a further period not exceeding two months, on his own or at the request of the importer or the exporter, in case the documents or information are not made available within the specified time of two months.

Provided further that the an officer to whom the proper officer is subordinate, may allow an additional time period as deemed fit, for reasons to be recorded in writing, on request of the importer or the exporter regarding his inability to provide those documents or information as requested by the proper officer.

Provided also that no extension in time under this regulation may be allowed by an officer to whom the proper officer is subordinate beyond fourteen months from the date of provisional assessment.

(3) On submission of all the documents or information under sub-regulation (2), the importer or the exporter shall inform the proper officer in writing that he has submitted all the documents or information to be furnished or requisitioned.
Provided that where the documents or information required to be furnished by the importer or the exporter, as the case may be, or requisitioned by the proper officer are not made available within the time allowed under sub-regulation (2), the proper officer shall proceed to finalise the provisional assessment on the basis of documents or information as available on the record.

Time-limit to conclude enquiry for the purpose of finalisation of provisional assessment.-

(1) Where duty leviable on the imported or export goods is assessed provisionally by the proper officer for the reason that the proper officer deems it necessary to make further enquiry then the officer of customs shall complete the enquiry and transfer the relevant documents along with the report in writing to the proper officer for finalization o1" assessment, within fourteen months from the date of provisional assessment.

(2) Where any document or information is required during the enquiry, the proper officer may seek such details within the time prescribed under regulation 2.

Time-limit and manner of submission of documents or information for the purpose of finalisation of provisional assessment pending as on the 29"' March, 2025.-

Where duty leviable on imported or export goods is assessed provisionally by the proper officer for the reasons as per sub-section (1) of section 18 the Act and is pending for finalisation as on the 29" March, 2025, then time-limit for submission of documents or conclusion of enquiry under regulations 4 or 5, as the case may be, shall be reckoned from such date.

Payment of duty of own ascertainment before finalisation of provisional assessment.-

Importer or exporter, may pay any amount electronically against the bill of entry or shipping bill, as the case may be, on his own ascertainment, during the pendency of the provisional assessment, which shall be adjusted against the duty finally assessed or re-assessed, as the case may be.

Provided that importer or exporter is also liable to pay interest, on the above amount so paid voluntarily, consequent to the final assessment order or re-assessment order under sub- section (2) in terms of sub-section 3 of the section 18 of the Act.

Time-limit for finalisation of provisional assessment.

(1) The proper officer shall finalise the duty provisionally assessed, where it is possible to do so, within three months of-
    (a) receipt of documents or information from the importer or the exporter or on the expiry of the time for submission in accordance with regulation 4 of these regulations; or
    (b) conclusion of enquiry in accordance with regulation 5 of these regulations, where the duty leviable was assessed provisionally for that reason.

    Provided that any officer to whom the proper officer is subordinate may allow, for reasons to be recorded in writing, a further time period of two months at a time, in case the proper officer is not able to finalise the provisional assessment within the period of three months as specified in sub-regulation (1).

    Provided further that the assessment shall be finalised within two years from the date of the provisional assessment under sub-section (1) of section 18 of the Act.

    Provided also that for provisional assessment pending under sub-section (1) of section 18 of the Act, as on the 29th March, 2025, the said period of two years shall be reckoned from such date.

(2) Where the proper officer is unable to assess the duty finally within the time specified under sub-regulation (1), for the reason that -
    (a) an information is being sought from an authority outside India through a legal process; or
    (b) an appeal in a similar matter of the same person or any other person is pending before the Appellate Tribunal or the High Court or the Supreme Court; or
    (c) an interim order of stay has been issued by the Appellate Tribunal or the High Court or the Supreme Court; or
    (d) the Board has, in a similar matter, issued specific direction or order to keep such matter pending; or
    (e) the importer or exporter has a pending application before the Settlement Commission or the Interim Board,

    the proper officer shall inform the importer or exporter concerned, the reason for non-finalisation of the provisional assessment and in such case, time of two years for finalisation of assessment done provisionally, specified under sub-regulation (1), shall apply not from the date of provisional assessment but from the date when such reason ceases to exist.

Manner of finalisation of provisional assessment.

(1) The provisional assessment shall be finalised as provided under of section 18 of the Act.

(2) Where the final assessment is contrary to the provisional assessment, the proper officer shall pass a speaking order following principles of natural justice.

(3) Where the final assessment confirms the provisional assessment, the proper officer shall finalise the same after ascertaining the acceptance of such finalisation from the importer or the exporter on record and inform the importer or exporter in writing of the date of such finalisation.

(4) Where the importer or exporter is to pay the deficiency of the amount finally assessed or re- assessed, as the case may be, after adjustment of the amount already paid, the bill of entry or the shipping bill may be returned for payment of the amount.

Provided that importer or exporter is also liable to pay interest, on the above amount so paid, consequent to the final assessment order or re-assessment order as provided under sub- section (2), of section 18 of the Act.

Manner of closure subsequent to the finalisation of provisional assessment.-

(1) On finalisation of Assessment done provisionally under regulation 9, where -
   (a) the final assessment has confirmed the provisional assessment; or
   (b) the duty along with the interest has been paid in full, in case of home consumption or exportation, where the bill of entry or shipping bill has been returned for payment; or
   (c) the importer has executed appropriate bond binding himself in relation to the excess duty, in case of warehoused goods,

   the Bond executed at the time of provisional assessment with security, if any, shall be cancelled or recredited, as the case may be, and the security shall also be returned, if there are no pending dues.

(2) Where the duty, interest, fine, penalty or any other sum due has not been paid for more than ninety days, which is due to be paid after the finalisation of the assessment under sub- section (2) of section of 18 of the Act and the sum due has attained finality for recovery, then the sum due which remains unpaid shall be adjusted from the security, if any, obtained at the time of provisional assessment, or shall be recovered as the sum due, including the amount of interest to the Central Government by the proper officer in accordance with the provisions of section 142 of the Act, under intimation to the importer or the exporter.

(3) Where the importer or exporter is entitled to a refund, after the finalisation of provisional assessment, the refund shall be processed in terms of sub-sections (4) and (5) of section 18 of the Act.

Extension of time-limit for provisional assessment.-

Notwithstanding the time-limit provided in regulations 4, 5, 6 or 7, the Commissioner of Customs may, on sufficient cause being shown and reasons to be recorded in writing, extend the period of two years for finalisation of provisional assessment by an additional time of one year in terms of the first proviso to sub-section lB of section 18 of the Act.

Penalty

The importer or exporter or his authorised representative or Customs Broker who contravenes any of the provisions of these regulations or abets such contravention, or fails to comply with any provisions of these regulations, shall be liable to a penalty to an extent of the amount provided under clause (ii) of sub-section (2) of section 158 of the Act, without prejudice to any other action which may be taken under the Act, rules or regulations made thereunder or under any other law for the time being in force.

Crux: Refer Amendment Class on YouTube.

FOREIGN TRADE POLICY

Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) extended till 31.03.2026

Under FTP 2023, the RoDTEP scheme was made available for eligible exports from Domestic Tariff Area (DTA) units from 01.10.2023 to 30.06.2024. The scheme's effective date has been extended several times through subsequent notifications.

Further, Advance Authorisation (AA) holders, Export Oriented Units (EOUs) and SEZ units were not eligible for said scheme. Subsequently, the scheme was extended to include AA holders, EOUs and SEZ units from 11.03.2024 to 05.02.2025 and then again from 01.06.2025 onwards.

Notification No. 35/2025 dated 30.09.2025 has extended the applicability of RoDTEP Scheme for eligible exports from DTA, by Advance Authorisation (AA) holders, Export Oriented Units (EOUs) and SEZ units up to 31.03.2026.

Crux: RODTEP extended till 31.03.2026.