# TAX CONNECT

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# EDITORIAL



**Friends,**

The GST compliance landscape is set for a significant transformation with the introduction of recipient-generated e-invoicing for specified Reverse Charge Mechanism (RCM) transactions. Under the new framework, eligible businesses will be required to generate self-invoices and obtain Invoice Reference Numbers (IRNs) not for outward supplies alone, but for certain inward supplies received from unregistered persons and import of services.

As per the GSTN advisory, two new e-invoice transaction categories, RCMDOM and RCMIMP, have been introduced to enable reporting of self-invoices for domestic RCM procurements from unregistered suppliers and imported services respectively. The facility is proposed to apply to taxpayers with Aggregate Annual Turnover of ₹5 crore and above, subject to the notified legal provisions.

**Key Compliance Challenge**

The amendment assumes greater significance because Section 13(3) of the CGST Act triggers the time of supply for services under reverse charge, while Rule 47A of the CGST Rules provides a specific timeline for issuance of self-invoices. Consequently, businesses may have only 30 days from the date of receipt of the service to prepare, report and generate self e-invoices for eligible transactions.

This effectively means that compliance monitoring can no longer remain confined to outward supplies and sales teams. Procurement, finance, accounts payable, legal, foreign remittance, and shared service centres will now have to work in close coordination to identify RCM transactions immediately upon receipt of services and ensure timely e-invoice generation.

**Interest and ITC Litigation Exposure:**

Failure to generate self e-invoices within the prescribed timeline could potentially create exposure to Interest liability arising from delayed discharge of GST under reverse charge. Questions on admissibility and time-barring of input tax credit (ITC) may also crop up in case E-Invoice is not made within 30th November of the FY next to the year of receipt of service, unlike in the past when following Circular 211 the time barring period was calculated from the date of Self Invoice generation.

Delayed identification of RCM transactions, particularly for imported services, group company transactions, royalty payments, employee recoveries, professional services from unregistered vendors, and digital service procurements, may become a compliance risk area.

**Industry Must Act Now:**

Though the functionality is presently available in the sandbox environment and the production rollout date is yet to be notified, GSTN has urged taxpayers, ERP providers, GST Suvidha Providers and Application Service Providers to begin system testing and readiness activities. Businesses should immediately:

- Map all RCM service transactions.
- Identify transactions requiring self-invoicing.
- Configure ERP workflows for RCMDOM and RCMIMP reporting.
- Introduce automated tracking of service receipt dates.
- Establish maker-checker controls for self-invoice generation.
- Align finance and procurement teams on the 30-day compliance timeline.
- Conduct periodic reviews to mitigate interest and litigation risk.

**Just to reiterate, we remain available over telecom or e-mail for any clarifications.**

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# TAX CALENDAR

| Date | Form/Return/Challan | Reporting Period | Descriptions |
|---|---|---|---|
| **7th November** | **Form No. 127** | **Oct-26** | Uploading of declarations received in Form No. 127 (Income-tax Rules, 2026) from the buyer in the month of October, 2026 |
| **7th November** | **Deposit of Tax deducted/collected** | **Oct-26** | Due date for deposit of Tax deducted/collected for the month of October 2026. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of challan |

# INCOME TAX

## NOTIFICATION

### RULE 189A INSERTED IN THE INCOME TAX RULES 2026 - CONDITIONS FOR THE MERGER OF REGISTERED NON-PROFIT ORGANISATION FOR THE PURPOSES OF SECTIONS 352(4) [TABLE: SL. NO. 8] AND 354A

**OUR COMMENT**: The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance issued Notification No. 139/2026 dated 30.10.2026 notified that in exercise of the powers conferred by section 533 read with sections 352(4) [Table: Sl. No. 8] and 354A of the Income-tax Act, 2025 (30 of 2025) (the Act), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 2026, namely:-

**1.** (1) These rules may be called the Income-tax (Eighth Amendment) Rules, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

**2.** In the Income-tax Rules, 2026 (hereinafter referred to as the said rules), after the rule 189, the following rule shall be inserted, namely: —

"**189A. Conditions for the merger of registered non-profit organisation for the purposes of sections 352(4) [Table: Sl. No. 8] and 354A.**— (1) For the purposes of sections 352(4) [Table: Sl. No. 8] and 354A of the Act, the conditions for the merger of registered non-profit organisation with any other registered non-profit organisation having same or similar objects shall be the following, namely: —

(a) the registered non-profit organisation registered under section 332 shall not be merged with the registered non-profit organisation provisionally registered under section 332;

(b) the registered non-profit organisation provisionally registered under section 332 shall not be merged with the registered non-profit organisation registered under section 332;

(c) there is no tax, interest, penalty, fine or any other sum (hereinafter referred to as the outstanding demand) payable in consequence of any order passed under the Act in respect of the merging registered non-profit organisation where such outstanding demand is not in appeal before any appellate authority;

(d) in a case where an appeal is pending, the outstanding demand for the merging registered non-profit organisation shall be paid by the merged registered non-profit organisation upon the said appeal attaining finality;

(e) the objects of the merged registered non-profit organisation shall not be amended within a period of five years from the end of the financial year in which the merger takes place;

(f) all the assets and liabilities of the merging registered non-profit organisation shall become the assets and liabilities of the merged registered non-profit organisation from the date of the merger;

(g) the merger shall not result in any direct or indirect benefit to any related person as referred to in section 337(1) [Table: Sl. No. 2] of the merging or the merged registered non-profit organisation;

(h) all the obligations of the merging registered non-profit organisation shall be the obligations of the merged registered non-profit organisation including the following: —

(i) application of the income of the merging registered non-profit organisation shall be given effect to by the merged registered non-profit organisation as per section 341;

(ii) application of the accumulated income of the merging registered non-profit organisation shall be given effect to by the merged registered non-profit organisation as per section 342;

(iii) the merged registered non-profit organisation shall be liable to pay tax under section 334 in respect of the specified income of the merging registered non-profit organisation;

(iv) the merged registered non-profit organisation shall ensure that the conditions mentioned in section 340 are not violated;

(v) investment of the funds by the merged registered non-profit organisation shall be made as per modes specified in section 350; and

(vi) payment of the additional income-tax as per the provisions of section 352 shall be made by the merged registered non-profit organisation whenever such liability arises;

(i) the merged registered non-profit organisation shall intimate the jurisdictional Principal Commissioner or Commissioner in Form No. 112A within one month from the end of the month in which such merger comes into effect;

(j) where there is merger, the assessment or reassessment or any other proceedings, made or initiated on the merging registered non-profit organisation, shall be deemed to have been made or initiated on the merged registered non-profit organisation and

all the provisions of the Act shall, so far as may be, apply accordingly;

(k) in a case other than the case mentioned in clause (j), the assessment or reassessment or any other proceedings in respect of the tax year in which the merger took place up to the date of merger and in respect of the tax years preceding that year shall be made on the merged registered non-profit organisation in like manner and to the same extent as it would have been made on the merging registered non-profit organisation, and all the provisions of the Act shall, so far as may be, apply accordingly; and

(l) the merging registered non-profit organisation and the merged registered non-profit organisation shall get the books of accounts audited by an accountant defined in section 515(3)(b) as on the date of merger.

(2) Form No. 112A referred to in sub-rule (1)(i) shall be furnished electronically either under digital signature or electronic verification code.

(3) For the purposes of this rule, the expressions —

(i) "electronic verification code" means a code generated for the purpose of electronic verification of the person furnishing the Form as per the data structure and standards specified by the Director General of Income-tax (Systems);

(ii) "merging registered non-profit organisation" means a registered non-profit organisation which merges with another registered non-profit organisation having same or similar objects;

(iii) "merged registered non-profit organisation" means a registered non-profit organisation in which the registered non-profit organisation having same or similar objects merges into.".

**3.** In the said rules, in Appendix III, after Form No. 112, the following Form shall be inserted, namely: -

**"FORM NO. 112A**

**[See rule 189A(1)(i)]**

**Intimation for merger of registered non-profit organisations**

| | | | |
|---|---|---|---|
| **Part A: Details of the merging registered non-profit organisations** | | | |
| **1.** | Name: | *(refer Note 1)* | |
| **2.** | Address: | *(refer Note 2)* | |
| **3.** | Permanent Account Number (PAN): | | |
| **4.** | E-mail Id: | | |
| **5.** | Contact Number: | Country Code | Number |
| | | | |
| **6.** | Date of merger: | | |
| **Part B: Details of the merged registered non-profit organisation** | | | |
| **7.** | Name: | *(refer Note 1)* | |
| **8.** | Address: | *(refer Note 2)* | |
| **9.** | PAN: | | |
| **10** | E-mail Id: | | |
| **11.** | Contact Number: | Country Code | Number |
| | | | |
| **12.** | Other details to be provided as separate enclosure: | *(refer Note 3)* | |

**Declaration**

I, _____ on behalf of _____ (merged registered non-profit organisation) having Permanent Account Number (PAN) hereby intimate that by way of a resolution passed by the trustees/governing body/management, on _____ (dd/mm/yyyy) the merger of the _____ (name of the merging registered non-profit organisation) with _____ (name of the merged registered non-profit organisation) has been decided upon. The details of the merging and merged entities are provided in Part A and Part B above.

I further undertake that, —

the objects of the merged registered non-profit organisation shall not be amended within a period of five years from the end of the financial year in which merger takes place;

application of the income of the merging registered non-profit organisation shall be given effect to by the merged registered non-profit organisation as per section 341;

application of the accumulated income of the merging registered non-profit organisation shall be given effect to by the merged registered non-profit organisation as per section 342;

the claim of depreciation where cost of acquisition has already been claimed as application by the merging registered non-profit organisation shall not be claimed by the merged registered non-profit organisation;

the merged registered non-profit organisation shall be liable to pay tax under section 334 in respect of the specified income of the merging registered non-profit organisation;

contribution made by any person to the merging registered non-profit organisation shall be taken into account for calculating the total contribution to the merged registered non-profit organisation for the purposes of section 355(h)(ii);

the merged registered non-profit organisation shall ensure that the conditions mentioned in section 340 are not violated, not even by the merging registered non-profit organisations;

investment of the funds by the merged registered non-profit organisation shall be made as per modes specified in section 350; and

payment of the additional income-tax as per the provisions of section 352 shall be made by the merged registered non-profit organisation whenever such liability arises.

Signature:

Name:

Designation:

Place:

Date:

**Notes:**

1. The name shall include full name of the merging or merged registered non-profit organisations.

2. The address shall include flat/door/building, road/street/block/sector, area/locality, post office, town/city/district, state, country/specified territory and pin code.

3. With respect to Part B (Sl. No. 12), following details shall be provided as annexures, namely: —

| Annexure | Particulars |
|---|---|
| A-1 | Provide the copy of the trust deeds of both the merging registered non-profit organisation and merged registered non-profit organisation. |
| A-2 | Provide the copy of the registration granted of both the merging registered non-profit organisation and merged registered non-profit organisation. |
| A-3 | A copy of the resolution passed by the trustees/governing body/management highlighting the details of the merger. |
| A-4 | Audited books of accounts of both the merging registered non-profit organisation and merged registered non-profit organisation as on the date of merger as well as for the financial year immediately preceding the tax year in which merger has taken place. |
| A-5 | Reasons for undertaking merger of the registered non-profit organisation. |

4. Some of the information in the form would be pre-filled to the extent possible.".

**[For further details please refer the Notification]**

## NOTIFICATION

### CENTRAL GOVERNMENT NOTIFIES THAT THE PROVISIONS OF CHAPTER XIX OF THE IT ACT 2025 SHALL NOT APPLY TO PAYMENTS RECEIVED BY INTERNATIONAL RICE RESEARCH INSTITUTE (IRRI)

**OUR COMMENT**: The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance issued Notification No. 138/2026 dated 28.10.2026 notified that in exercise of the powers conferred by sub-section (1) of section 400 of the Income-tax Act, 2025 (30 of 2025), the Central Government hereby notifies that the provisions of Chapter XIX of the said Act shall not apply to payments received by International Rice Research Institute (IRRI). The above notification is subject to the conditions specified in the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947) read with notification number S.O. 3230(E), dated the 3rd October, 2017, issued by the Ministry of External Affairs, Government of India.

2. This notification shall come into force on the date of its publication in the Official Gazette.

**[For further details please refer the Notification]**

# GST

## NOTIFICATION

### SEEKS TO NOTIFY A SPECIAL PROCEDURE UNDER SECTION 148 FOR PAYMENT OF TAX UNDER THE TOLL-OPERATE-TRANSFER MODEL.

**OUR COMMENT**: The Central Board of Indirect Taxes issued Notification no. 10/2026-Central Tax dated 27.10.2026 notified that in exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby notifies the following class of registered person, namely: -

(i) Concessionaire under a concession agreement, who supplies operation and maintenance services to the concessioning authority during the concession period,

as the registered persons, who shall pay central tax on the supply of such operation and maintenance services on the amount charged or debited from the Escrow Account, maintained in accordance with the concession agreement, towards operation and maintenance expenses incurred by such registered persons, in a tax period in which such expenditure is so charged or debited.

2. *Explanation*: - For the purpose of this notification, -

(i) "Concession Agreement" means an agreement entered into between a concessionaire and the concessioning authority under the Toll-Operate-Transfer model, whereby the concessionaire is granted the exclusive rights to demand, collect and appropriate toll in respect of a road or highway and is required to operate and maintain such road or highway during the concession period where the concessionaire is required to pay the concession fee upfront;

(ii) "Concessioning authority" means the Central Government, State Government, Union territory, local authority, Governmental Authority or Government Entity which enters into the Concession Agreement.

3. This notification shall come into force with effect from the 1st day of November, 2026.

**[For further details please refer the Notification]**

## NOTIFICATION

### SEEKS TO AMEND NOTIFICATION NO. 17/2017- CENTRAL TAX (RATE), DATED THE 28TH JUNE, 2017

**OUR COMMENT**: The Central Board of Indirect Taxes issued Notification no. 09/2026-Central Tax dated 27.10.2026 notified that in exercise of the powers conferred by sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), number 17/2017- Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 696(E) dated the 28th June, 2017, namely:-

In the said notification, for clause (v), the following clause shall be substituted, namely: –

"(v) Delivery services, other than postal and courier services, except where the person supplying such services through electronic commerce operator is liable for registration under sub-section (1) of section 22 of the Central Goods and Services Tax Act, 2017.".

2. This notification shall come into force with effect from 1st day of November, 2026.

**[For further details please refer the Notification]**

## NOTIFICATION

### SEEKS TO AMEND NOTIFICATION NO. 13/2017-CENTRAL TAX (RATE), DATED THE 28TH JUNE, 2017

**OUR COMMENT**: The Central Board of Indirect Taxes issued Notification no. 08/2026-Central Tax dated 27.10.2026 notified that in exercise of the powers conferred by sub-section (3) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), number 13/2017-Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 692(E), dated the 28th June, 2017, namely:-

In the said notification, in the Table, against serial number 15, in column (3), for the figure "6", the figure "9" shall be substituted.

2. This notification shall come into force with effect from the 1st day of November, 2026.

**[For further details please refer the Notification]**

## NOTIFICATION

### SEEKS TO AMEND NOTIFICATION NO. 50/2018-CENTRAL TAX, DATED THE 13TH SEPTEMBER, 2018

**OUR COMMENT**: The Central Board of Indirect Taxes issued Notification no. 07/2026-Central Tax dated 27.10.2026 notified that in exercise of the powers conferred by sub-section (3) of section 1 read with section 51 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 50/2018-Central Tax, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 868(E), dated the 13th September, 2018, namely: -

In the said notification, for clause (d), the following clause shall be substituted, namely: -

"(d) any registered person receiving supply of any of the following goods from another registered person, namely: -

(i) used cooking oil falling under heading 1518 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

(ii) waste and scrap of plastics falling under heading 3915 of the said First Schedule;

(iii) waste and scrap of tyres falling under heading 4004 of the said First Schedule;

(iv) metal scrap falling under Chapters 72 to 81 of the said First Schedule; or

(v) electrical and electronics waste and scrap falling under heading 8549 of the said First Schedule".

2. This notification shall come into force with effect from the 1st day of November, 2026.

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO AMEND NOTIFICATION NO. 5/2017-CENTRAL TAX, DATED THE 19TH JUNE, 2017**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Notification no. 06/2026-Central Tax dated 27.10.2026 notified that in exercise of the powers conferred by sub-section (2) of section 23 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 5/2017-Central Tax, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 607(E), dated the 19th June, 2017, namely: -

In the said notification, for the proviso, the following proviso shall be substituted, namely: -

"**Provided** that nothing contained in this notification shall apply to any person engaged in the supply of any of the following goods, namely: -

(i) used cooking oil falling under heading 1518 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

(ii) waste and scrap of plastics falling under heading 3915 of the said First Schedule;

(iii) waste and scrap of tyres falling under heading 4004 of the said First Schedule;

(iv) metal scrap falling under Chapters 72 to 81 of the said First Schedule; or

(v) electrical and electronics waste and scrap falling under heading 8549 of the said First Schedule.".

2. This notification shall come into force with effect from the 1st day of November, 2026.

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO AMEND NOTIFICATION NO. 26/2018-CENTRAL TAX (RATE), DATED THE 31ST DECEMBER, 2018 - EXEMPTION TO CENTRAL TAX ON SUPPLY OF GOLD, SILVER OR PLATINUM BY NOMINATED AGENCIES TO REGISTERED PERSONS**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Notification no. 05/2026-Central Tax dated 27.10.2026 notified that in exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 26/2018 -Central Tax (Rate), dated the 31st December, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub -section (i), *vide* number G.S.R. 1263(E), dated the 31st December, 2018, namely:-

In the said notification, in the Explanation, for clause (c), the following clause shall be substituted, namely: -

"(c) "Nominated Agency" means entities mentioned in Appendix 4B of Handbook of Procedures, a s amended by the Directorate General of Foreign Trade from time to time;".

2. This notification shall come into force on the 1st day of November, 2026.

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO AMEND NOTIFICATION NO. 4/2017-CENTRAL TAX (RATE), DATED THE 28TH JUNE, 2017 - REVERSE CHARGE ON CERTAIN SPECIFIED SUPPLIES OF GOODS U/S 9(3)**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Notification no. 04/2026-Central Tax dated 27.10.2026 notified that in exercise of the powers conferred by sub-section (3) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 4/2017-Central Tax (Rate), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 676(E), dated the 28th June, 2017, namely: -

In the said notification, in the Table, -

(i) after S. No. 2 and the entries relating thereto, the following serial number and entries shall be inserted, namely: -

| (1) | (2) | (3) | (4) | (5) |
|---|---|---|---|---|
| "2A. | 1518 | Used cooking oil | Any unregistered Person | Any registered person"; |

(ii) after S. No. 3A and the entries relating thereto, the following serial numbers and entries shall be inserted, namely: -

| (1) | (2) | (3) | (4) | (5) |
|---|---|---|---|---|
| "3B. | 3915 | Waste and scrap of plastics | Any unregistered Person | Any registered person |
| 3C. | 4004 | Waste and scrap of tyres | Any unregistered Person | Any registered person"; |

(iii) after S. No. 8 and the entries relating thereto, the following serial number and entries shall be inserted, namely: -

| (1) | (2) | (3) | (4) | (5) |
|---|---|---|---|---|
| "9. | 8549 | Electrical and electronics waste and scrap | Any unregistered Person | Any registered person". |

2. This notification shall come into force with effect from the 1st day of November, 2026.

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO AMEND NOTIFICATION NO. 10/2025- CENTRAL TAX (RATE), DATED THE 17TH SEPTEMBER, 2025 - EXEMPTION ON INTRA-STATE SUPPLIES OF GOODS FROM THE WHOLE OF THE CENTRAL TAX LEVIABLE U/S 9 OF CGST**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Notification no. 03/2026-Central Tax dated 27.10.2026 notified that in exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue), No. 10/2025-Central Tax (Rate), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 660(E), dated the 17th September, 2025, namely:-

In the said notification, in Schedule, after S. No. 87 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

| | | |
|---|---|---|
| "87A. | 1211 90 13 | Psyllium seeds (Isobgul/Isobgol)". |

2. This notification shall come into force with from 1st November, 2026.

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO AMEND NOTIFICATION NO. 9/2025- CENTRAL TAX (RATE), DATED THE 17TH SEPTEMBER, 2025 - CGST RATE SCHEDULES - 2.5%, 9%**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Notification no. 02/2026-Central Tax dated 27.10.2026 notified that in exercise of the powers conferred by sub-section (1) of section 9 and sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, Ministry of Finance (Department of

Revenue), No. 9/2025- Central Tax (Rate), published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 641(E), dated the 17th September, 2025, namely: -

In the said notification, -

(a) in Schedule I – 2.5%,

(i) against S.No. 237, for the entry in column (3), the following entry shall be substituted, namely: -

"All goods i.e. animal or vegetable fertilisers or organic fertilisers pre-packaged and labelled.

*Explanation*. – This entry includes, sea -weed extract-based bio-stimulants, as registered under Schedule VI to the Fertiliser (Inorganic, Organic or Mixed) (Control) Order, 1985.";

(ii) after S. No. 272 and the entries relating thereto, the following serial number and entries shall be inserted, namely: -

| | | |
|---|---|---|
| "272A. | 4012 | Retreaded tractor tyres"; |

(b) in Schedule II – 9%, against S. No. 138, for the entry in column (3), the following entry shall be substituted, namely: -

"Retreaded or used pneumatic tyres of rubber (other than retreaded tractor tyres); solid or cushion tyres, tyre treads and tyre flaps, of rubber".

2. This notification shall come into force on the 1st day of November, 2026.

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO AMEND NOTIFICATION NO. 13/2020 - CENTRAL TAX, DATED THE 21ST MARCH, 2020 - GST- E-INVOICE - REGISTERED PERSON REQUIRED TO ISSUE E-INVOICE WHERE AGGREGATE TURNOVER IN PRECEDING FINACIAL YEAR EXCEEDS THE THRESHOLD LIMIT - 04/2026 - CENTRAL GST (CGST)**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Notification no. 04/2026-Central Tax dated 26.10.2026 notified that in exercise of the powers conferred by sub-rule (4) of rule 48 of the Central Goods and Services Tax Rules, 2017, the Government, on the recommendations of the Council, hereby makes the further following amendments in notification of the Government of India in the Ministry of Finance, Department of Revenue, No. 13/2020 - Central Tax, dated the 21st March, 2020, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 196(E), dated the 21st March, 2020, namely: -

In the said notification, in the first paragraph, for the words "in respect of supply of goods or services or both to a registered person or for exports", the following shall be substituted, namely: -

"in respect of, -

(i) supply of goods or services or both to a registered person; or

(ii) supply of goods or services or both for exports;

(iii) supply of goods or services or both received from an unregistered person where the tax is payable on reverse charge basis by the recipient of such goods or services or both; or

(iv) import of services".

2. This notification shall come into force on the first day of January, 2027.

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO BRING IN FORCE PROVISIONS OF SECTIONS 153 TO 155 FINANCE ACT, 2026 - AMENDMENT OF SECTION 15, AMENDMENT OF SECTION 34, AMENDMENT OF SECTION 54. AND AMENDMENT OF SECTION 101A.**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Notification no. 03/2026-Central Tax dated 26.10.2026 notified that in exercise of the powers conferred by clause (b) of sub-section (2) of section 1 of the Finance Act, 2026 (4 of 2026), the Central Government hereby appoints the 1st day of November, 2026 as the date on which the provisions of sections 153 to 155 of the said Act shall come into force.

**[For further details please refer the Notification]**

## INSTRUCTION

**IMPLEMENTING CERTAIN RECOMMENDATIONS OF THE GST COUNCIL IN ITS 57TH MEETING HELD ON 08.10.26 AT NEW DELHI, PRIOR TO THE LEGISLATIVE AMENDMENTS**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Instruction no. 02/2026-GST dated 30.10.2026 notified that:

1. The GST Council, in its 57th meeting held on 08.10.26 at New Delhi, recommended a large number of reforms, which included reforms regarding omission of arrest provisions, rationalising the e-way bill related inspection and verification procedures,

and prescribing a minimum threshold of Rs. 10000/- for issuance of show cause notices under section 73, 74 and 74A of the CGST Act.

2. These measures are trade friendly and would help in ease of living and doing business for the taxpayers, by reducing hardships owing to arrests, random checks of conveyances in transit and issuance of show cause notices in cases involving small amounts, making the law more trust based and forward looking, as well as reducing the compliance cost arising out of low value litigations. However, all these changes would require amendment to the provisions of the CGST Act, 2017, and corresponding provisions of the respective State GST Acts.

3. The GST Council had recommended that the amended provisions may come into force w.e.f. 1st April, 2027. However, as an interim measure of trade facilitation, it has been decided by the Central Government that till these amendments in the Act are brought into effect, the aforesaid reforms shall be implemented by the field formations of the CBIC. Accordingly, the following instructions are being issued and shall remain in force till the amendments in CGST Act, 2017 as recommended by the GST Council in its 57th meeting come into force, namely: -

3.1. **Arrest Provisions**: The GST Council has recommended withdrawal of arrest powers under GST by omission of section 69 of CGST Act, 2017. All CGST field formations are accordingly directed that no further arrests may be carried out under GST.

3.2. **E-way bill verification**: The GST Council has recommended rationalisation of the e-way bill related interception and verification procedures by amendments in section 68, 129 and 130 of CGST Act, 2017. The field formations are hereby directed that –

(i) A conveyance should only be intercepted based on specific intelligence which is duly authorized by an officer not below the rank of Joint Commissioner, who must record, in writing, the reasons to believe that the goods being carried in the conveyance are being transported in contravention of the provisions of CGST Act, 2017 or the rules made thereunder.

(ii) The proper officer intercepting such conveyance, can inspect the conveyance and goods therein, only if the supplier or recipient are registered or located (in case where the supplier or recipient is not registered) in the State or the Union territory of his jurisdiction, and where after such inspection of goods and conveyance it is found that the goods being transported or stored while they are in transit, are in contravention of the provisions of CGST Act, 2017 or the rules made thereunder, the proper officer may detain or seize the goods in accordance with the provisions of section 129 of CGST Act, 2017.

(iii) Where, upon interception of a conveyance and verification of documents, it is found that neither the supplier nor the recipient is registered or located (in cases where the supplier or recipient is not registered) within the State or the Union territory of the jurisdiction of the authorising officer, and the intercepting officer is of the prima facie opinion that the goods are being transported in contravention of the CGST Act, 2017, he shall only transmit the information to the proper officer having jurisdiction over the supplier or recipient, as the case may be, after allowing the conveyance and goods to pass through unhindered. The jurisdictional authority receiving such information shall examine the information and take necessary action.

(iv) Where neither the e-way bill has been generated in respect of goods in the conveyance, nor any document to show the origin or destination of the goods is produced, the goods or conveyance can be inspected, detained or seized by the intercepting officer, irrespective of the jurisdiction of the supplier or the recipient.

(v) The goods and the conveyance in transit shall not be detained or seized for any reason other than as mentioned above.

(vi) The goods or conveyances in transit shall not be confiscated under section 130 of CGST Act, 2017.

3.3. **Minimum threshold for issuance of show cause notices:** To reduce the low value litigation and compliance burden for taxpayers, the Council recommended amendment in section 73, section 74 and section 74A of the CGST Act, 2017, to inter-alia provide a minimum threshold of Rs. 10,000/- (CGST + SGST + IGST + Compensation Cess) for issuance of show cause notices. Accordingly, it is directed that show cause notices may not be issued in cases where the amount involved is below Rs. 10,000/- (the sum of amounts under the Central Goods and Services Tax Act, 2017, the State Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 and cess levied under the Goods and Services Tax (Compensation to States) Act, 2017).

4. Principal Chief Commissioners/ Chief Commissioners are hereby requested to monitor the implementation of these instructions.

5. Difficulty, if any, in implementation of this instruction may please be brought to the notice of the Board.

**[For further details please refer the Instruction]**

## CIRCULAR

### CLARIFICATIONS REGARDING APPLICABILITY OF GST ON CERTAIN SERVICES

**OUR COMMENT**: The Central Board of Indirect Taxes issued Circular no. 266/12/2026-GST dated 28.10.2026 clarified that:

1. Based on the recommendations of the GST Council in its 57" meeting held on 8th October 2026, and in exercise of the powers conferred under section 168(1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act), the following clarifications are being issued to ensure uniformity in interpretation:

2. Clarification regarding the distinction between research & development and consultancy services based on a self-certification mechanism.

2.1. The GST Council, in its 54th meeting held on 09th September, 2024, recommended to exempt research and development services provided by Government Entities or research associations, universities, colleges or other institutions, notified under clauses (ii) or (iii) of sub- section (1) of section 35 of the Income Tax Act, 1961, against consideration received in the form of grants. The same has been exempted w.e.f. 10th October, 2024 vide Entry No. 44A of Notification 12/2017 - Central Tax (Rate). In the said meeting, the GST Council also recommended that the matter may be examined to clarify the definition of research & development to distinguish it from consultancy services.

2.2. The matter has been examined. The terms 'research', 'research and development (R&D)', 'consulting' or 'consultancy' are not defined under the CGST Act, 2017, rules or notifications issued thereunder. The said terms are also not defined in the explanatory notes to the scheme of classification of services under GST. It is observed that owing to the scientific and technical nature of such activities, there may be an overlap between research and development (R&D) services and consultancy services and accordingly, there may be a possibility that consultancy services are wrongly classified as R&D services or vice versa.

2.3. Accordingly, where an exemption is claimed under Entry 44A of Notification No. 12/2017- Central Tax (Rate) in respect of research and development services undertaken against consideration received in the form of grants, a certificate issued by the head of the concerned government entity, research association, university, college or other institution notified under clauses (ii) or (iii) of sub-section (1) of section 35 of the Income-tax Act, 1961, certifying that the activity undertaken is in the nature of research & development and not in the nature of consultancy, may suffice for the purpose of claiming the said exemption.

3. Regularizing payment of GST on import of services by an Indian establishment of a foreign shipping company from a related person or any of its establishment outside India, when made without consideration:

3.1 The GST Council in its 57th meeting has recommended to exempt import of services by an Indian establishment of a foreign shipping company from a related person or any of its establishment outside India, when made without consideration. Accordingly, this has been given effect from 01.11.2026 vide Notification No. 07/2026-Integrated Tax (Rate) dated 27.10.2026.

3.2 The Council further recommended to regularize the payment of GST on import of services by an Indian establishment of a foreign shipping company from a related person or any of its establishment outside India, when made without consideration, for the past period on 'as is where is' basis.

3.3 Therefore, on recommendations of the GST Council, the payment of GST on import of services by an Indian establishment of a foreign shipping company from a related person or any of its establishment outside India, when made without consideration, is hereby regularized for the period from 01.07.2017 to 31.10.2026 on 'as is where is' basis.

4. Clarification regarding GST treatment of statutory and ancillary recoveries made in addition to lease rent in motor vehicle leasing transactions

4.1 Representations have been received seeking clarification regarding the GST treatment of statutory and ancillary expenses recovered separately in addition to the lease rent by the lessor from the lessee in connection with leasing of motor vehicles. These expenses include registration charges (including road tax), insurance premium, FASTag charges and other incidental expenses relating to the leased vehicle.

4.2 In a motor vehicle leasing arrangement, the lessor purchases the vehicle in its own name and remains its legal owner during the lease period. The lessor undertakes registration, insurance and other statutory compliances relating to the vehicle and recovers such expenses from the lessee.

4.3 The matter has been examined. The above-mentioned expenses are incurred by the lessor for the vehicle owned by it and are incidental to the service of leasing the vehicle to the

lessee, such expenses are closely connected to the leasing service.

4.4 It is hereby clarified that recovery of such statutory and ancillary expenses form part of the value of the composite supply of the leasing service and shall be taxed at the rate applicable to the leasing service of motor vehicle.

5. Whether Telecom Regulatory Authority of India (TRAI) is "Government" under GST law?

5.1 Representation has been received from Telecom Regulatory Authority of India (TRAI) seeking clarification whether TRAI is covered within the meaning of "Government" under GST law on the grounds that TRAI is a statutory authority established under the Telecom Regulatory Authority of India Act, 1997 to perform certain statutory regulatory functions and is substantially funded through Government grants.

5.2 The matter has been examined. "Government" has been defined under section 2(53) of the CGST Act to mean the Central Government. It has also been clarified at Point No. 6 of CBIC's Sectoral FAQs on Government Services that a statutory body, corporation or authority created by the Parliament or a State Legislature is a juridical entity distinct from the Government and cannot be regarded as Government. The FAQs further clarify that regulatory bodies and other autonomous entities do not fall within the definition of "Government".

5.3 Thus, it is hereby clarified that TRAI, a statutory regulatory authority, is not "Government" within the meaning of section 2(53) of the CGST Act.

6. Clarification regarding GST treatment of Fund Transfer Pricing (FTP) mechanism in banks, i.e., whether GST is applicable on the notional interest recorded in the Books of Accounts by Head Office, when funds are notionally transferred from one branch to another, through the Head office.

6.1 Representation has been received seeking clarification regarding applicability of GST on the notional interest recorded in the Books of Accounts by the banks under the Fund Transfer Pricing (FTP) mechanism, wherein funds are notionally transferred between different branches of a bank through its Head Office. FTP is an internal funds allocation and performance measurement mechanism used by banks for evaluating the performance of different branches or business units.

6.2 It has been observed that in certain cases, demands have been raised on such notional amount/interest on the ground that FTP represents a financial service provided by the Head Office to its branches since the Head Office and its branches are distinct persons under section 25(4) of the CGST Act.

6.3 The matter has been examined. Under the FTP mechanism, the Head Office notionally pools funds from deposit-mobilising branches and allocates such funds to lending branches at an internally determined price linked to the relevant product or tenure. Such notional amount represents the cost of funds and is akin to interest. Further, the definition of "interest" in Notification No. 12/2017-Central Tax (Rate) covers interest payable in any manner in respect of moneys borrowed or debt incurred.

6.4 Therefore, on recommendations of the 57th meeting of GST Council, it is hereby clarified that the notional amount/interest recorded in the Books of Accounts against the activity of making a loan or an advance under the Fund Transfer Pricing mechanism is covered by the definition of "interest" for the purpose of exemption under Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017.

7. Clarification regarding taxability of services provided by NBFCs to banks in co- lending arrangements.

7.1 Representations have been received seeking clarification regarding the taxability of services provided by Non-Banking Financial Companies (NBFCs) to banks under co-lending arrangements.

7.2 The issue is examined and it is noticed that RBI has issued directions, viz., RBI (Commercial Banks - Transfer and Distribution of Credit Risk) Directions, 2025 (The Directions) which recognizes services provided by NBFCs to bank in co-lending arrangements. Under the co- lending model, banks and NBFCs jointly extend credit to borrowers in a pre-agreed proportion, with the objective of combining the lower cost of funds of banks with the wider reach of NBFCs. The borrower is generally charged a blended rate of interest based on the respective lending rates of the participating regulated entities. As per the Directions, NBFC provides 'lending services' to bank in a co-lending arrangement.

7.3 These services primarily involve undertaking activities such as customer sourcing, KYC, credit appraisal, underwriting, servicing, monitoring, collection of repayments and recovery. Since NBFC acts as primary interface with the borrower hence NBFCs are in the best position to provide such services. The Reserve Bank of India, in the Directions, also stated that the regulated entities in such co-lending arrangements shall decide the objective criteria for determining the fees or charges payable for such services.

7.4 Therefore, on recommendations of the 57th meeting of GST Council, it is hereby clarified that lending services, as mentioned above, provided by an NBFC to a bank under a co-lending arrangement are taxable under GST and the value of such services shall be the value specified in the contractual agreement entered into between the NBFC and the bank.

8. Field formations under your charge may be instructed accordingly.

9. Difficulties, if any, in the implementation of this circular may be brought to the notice of the Board.

**[For further details please refer the Circular]**

**CIRCULAR**

**CLARIFICATION REGARDING CLASSIFICATION AND APPLICABILITY OF GST ON THE SUPPLY OF CERTAIN GOODS BASED ON THE RECOMMENDATIONS OF THE GST COUNCIL IN ITS 57TH MEETING HELD ON 8TH OCTOBER 2026, AT NEW DELHI**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Circular no. 265/11/2026-GST dated 28.10.2026 clarified that:

Based on the recommendations of the GST Council in its 57th meeting held on 8th October 2026, in exercise of the powers conferred under section 168(1) of the Central Goods and Services Tax Act, 2017, the Central Board of Indirect Taxes and Customs (hereinafter referred to as the Board) hereby clarifies the following issues for the purpose of uniformity in the implementation:

1. Sublimation Paper

1.1 Representations were received seeking clarification whether sublimation paper is classified under heading 4809 or under sub heading 4810 22 of the Customs Tariff Act, 1975.

1.2 Based on the recommendations of the Council, it is clarified that sublimation paper is classifiable under heading 4809 attracting 18% GST (vide S.No. 176 of Schedule II of the notification No. 09/2025-C.T.R. dated 17.09.2025).

1.3 Further, in order to resolve the past disputes regarding the classification and the applicability of GST rate on sublimation paper, the GST Council has recommended to regularise the past period on “as is where is” basis.

2. Toys

2.1 Representations have been received seeking clarification whether all toys classifiable under heading 9503 of the Customs Tariff Act, 1975 are covered under S. No. 497 of Schedule I and S.No. 616 of Schedule II of the notification No. 09/2025-C.T.R. dated 17.09.2025 or the scope of the said entries is restricted only to toys like the ones enumerated therein like tricycles, scooters, and pedal cars.

2.2 The relevant entries in the notification No.09/2025-C.T.R, dated 17.09.2025 are as under:

(a) S.No. 497 of Schedule I: Toys like tricycles, scooters, pedal cars etc. (including parts and accessories thereof) [other than electronic toys] (GST Rate of 5%).

(b) S.No.616 of Schedule II: Electronic Toys like tricycles, scooters, pedal cars etc. (including parts and accessories thereof) (GST Rate of 18%).

2.3 It was brought to the notice that the wordings in the notification No.09/2025-C.T.R, dated 17.09.2025 were being interpreted in a restrictive manner by certain field formations, leading to exclusion of certain category of toys that are not expressly enumerated therein, thereby resulting in ambiguity and inconsistent tax treatment.

2.4 Based on the recommendations of the GST Council, it is clarified that the scope of S. No. 497 of Schedule I and S. No. 616 of Schedule II of notification No. 09/2025-C.T.R. dated 17.09.2025 is not only restricted to toys like tricycles, scooters, pedal cars, and similar wheeled toys; rather the term “etc.” refers to all other category of toys in the corresponding heading 9503 of the Customs Tariff Act, 1975 such as dolls’ carriages, dolls, other toys, reduced-size (“scale”) models and similar recreational models, working or not, and puzzles of all kinds.

3. Margin Scheme

3.1 Representations were received to clarify whether the condition of non-availment of Input Tax Credit (ITC) for seeking concessional GST and Compensation Cess rate on supply of old and used motor vehicles under the margin scheme notifications i.e. notification No. 08/2018-C.T.R., notification No. 09/2018-I.T.R., and notification No. 01/2018-Compensation Cess (Rate) dated 25.01.2018, is restricted only to the old and used motor vehicles or is applicable to all input goods and input services used in the course of the business in dealing with the said second-hand motor vehicles such as spares, repairs and maintenance services, technology services, rent, marketing and advertisement services, etc.

3.2 Based on the recommendations of the GST Council, it is clarified that the restriction on availment of ITC for availing benefit of concessional GST and Compensation Cess rate under the above-mentioned margin scheme notifications is not applicable in respect of ITC on inputs (other than the said old and used motor vehicles) and inputs services. Accordingly, suppliers of old and used motor vehicles, under the said GST margin scheme notifications, are allowed to avail ITC on various inputs (other than the said old and used motor vehicles) or input services such as spares, repair and maintenance services, technology services, rent, marketing and advertisement services, etc., subject to the provisions of CGST Act, 2017. The restriction on availment of ITC under the said scheme notifications applies only on the tax paid on the procured second-hand vehicles.

4. Sea-weed Extract Based Bio-stimulants

4.1 Representations have been received seeking clarification regarding the classification of sea-weed extract based bio-stimulants, that whether such products are classifiable as fertilisers under heading 3101 or as plant-growth regulators under heading 3808.

4.2 Based on the recommendations of the GST Council, it is hereby clarified that sea-weed extract based bio-stimulants, registered under Schedule VI to the Fertiliser (Inorganic, Organic or Mixed) (Control) Order, 1985, are classifiable under heading 3101 (vide S. No. 237 of Schedule I of notification No. 9/2025-C.T.R dated 17.09.2025). The said recommendations have been implemented by inserting an explanation in the said entry at S. No. 237 of Schedule I of notification No. 09/2025-C.T.R dated 17.09.2025.

4.3 Further, in order to resolve the past disputes regarding the classification of sea-weed extract based bio-stimulants, the GST Council has recommended to regularise the past period on "as is where is" basis.

5. Field formations under your charge may be instructed accordingly.

6. Difficulty, if any, in the implementation of this circular may be brought to the notice of the Board.

**[For further details please refer the Circular]**

**CIRCULAR**

**CLARIFICATION IN RESPECT OF THE OMISSION OF RULE 96 (10) OF THE CENTRAL GOODS AND SERVICES TAX RULES, 2017**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Circular no. 264/10/2026-GST dated 26.10.2026 clarified that:

1. Attention is invited to the decisions of various Courts on the issue of retrospective applicability of omission of rule 96(10) of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as "the CGST Rules"). Doubts are being raised by the tax officers as well as taxpayers on the issue as to whether in view of these judgements the omission of sub-rule (10) of rule 96 of the CGST Rules, made w.e.f. 08.10.2024 vide notification No. 20/2024-Central Tax, dated 8.10.2024, is applicable retrospectively from 23.10.2017 (date from which it was brought into effect), as ruled by the Courts.

2. The matter has been examined. In order to ensure uniformity in the implementation of the law across the field formations, the Board, in exercise of its powers conferred under sub-section (1) of section 168 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the CGST Act") clarifies the issues as under.

3. Rule 96(10) was introduced in the CGST Rules w.e.f. 23.10.2017, with the intention to prevent the double benefit to exporters, so that exporters who benefited from IGST exemption on procurement under specified notifications could not also claim IGST refunds on export of those goods. In the 54th meeting of the GST Council, held on 09.09.2024, in view of difficulty being faced by the exporters in respect of refund on exports due to restriction, imposed vide rule 96(10), in cases where benefit of the specified concessional / exemption notifications is availed on the inputs, rule 96(10) of the CGST Rules was omitted prospectively w.e.f. 08.10.2024 vide the CGST (Second Amendment) Rules, 2024 (notified vide notification No. 20/2024-GST dated 08.10.2024).

4. Kind attention is drawn to the judgment dated 06.08.2026 passed by the Hon'ble Supreme Court in Special Leave Petition (Civil) No. 24550 of 2025, in the matter of M/s Goodluck India Limited & Anr. v. Union of India & Ors. = [2026 (8) TMI 719 - Supreme Court], along with other connected matters. The Hon'ble Supreme Court vide the said order, has held that in the absence of any saving clause or sunset clause accompanying the omission of rule 96(10) of the CGST Rules, the said omission applies to all proceedings pending as on the date of omission.

5. In the matter of M/s Goodluck India Limited, Hon'ble Supreme Court has relied upon the Constitution Bench judgment in Kolhapur Canesugar Works Ltd. v. Union of India [(2000) 2 SCC 536] = 2000 (2) TMI 823 - Supreme Court, wherein it was held that section 6 of the General Clauses Act, 1897 does not apply to the omission of a rule. The Hon'ble Court reiterated that, where a rule is omitted, pending proceedings can continue

only where there is an express provision for their continuance, or a legal device has been incorporated in the statute/rules to preserve such proceedings.

6. In view of this decision of the Hon'ble Supreme Court, it is hereby clarified that the said omission of rule 96(10) of the CGST Rules will be effective retrospectively from 23.10.2017. Accordingly, the field formations are advised to deal with pending proceedings concerning rule 96(10) in accordance with the said judgment. It may also be noted that such a treatment shall apply, mutatis mutandis, in respect of omission of rules 89(4A) and 89(4B) as well.

7. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

8. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board.

**[For further details please refer the Circular]**

**CIRCULAR**

**CLARIFICATION IN RESPECT OF RECEIPT OF PAYMENT FOR EXPORT OF GOODS OR SERVICES**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Circular no. 263/09/2026-GST dated 26.10.2026 clarified that:

1. References have been received from the field formations seeking clarification on various issues relating to GST refunds. In order to clarify these issues and to ensure uniformity in the implementation of the provisions of law in this regard across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act"), hereby clarifies the issues detailed hereunder:

2. Receipt of foreign remittance in respect of export of services in Nostro and Special Non-Resident Rupee (SNRR) accounts: Various requests have also been received for clarification regarding admissibility of export remittances received in repatriable rupee (INR) accounts such as Special Non-Resident Rupee (SNRR) Account or Nostro account and treatment of set-off of export receivables against import payables, wherever permitted by the Reserve Bank of India (RBI) for the purposes of consideration of supply of services as per the provisions of condition (iv) of clause (6) of section 2 of the Integrated Goods & Services Tax Act, 2017 (herein after referred to as the 'IGST Act").

2.1 In this regard, reference is drawn to circular No. 202/14/2023-GST dated 27.10.2023, wherein it was clarified that when the Indian exporters, undertaking export of services, are paid the export proceeds in INR from the Special Rupee Vostro Accounts of correspondent bank(s) of the partner trading country, opened by Authorised Dealer (AD) banks, the same shall be considered to be fulfilling the conditions of sub-clause (iv) of clause (6) of section 2 of IGST Act, 2017, subject to the conditions/ restrictions mentioned in Foreign Trade Policy, 2023 and extant RBI Circulars and without prejudice to the permissions/ approvals, if any, required under any other law.

2.2 As per the provisions of Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023 (FEMA 14R/2023), receipt/payment for export to countries other than Nepal, Bhutan and members of Asian Clearing Union (ACU), may be done in Indian Rupees (INR) or in any foreign currency. Such payment in INR may be facilitated either through INR Nostro (Rupee Vostro) of correspondent banks or repatriable INR accounts such as Special Rupee Vostro Account (SRVA), Special Non-Resident Rupee (SNRR) etc. Since, payments in INR are a valid mode of settlement as per FEMA regulations and Rupee Vostro and SNRR are permissible accounts for receipt of export proceeds.

2.3. Therefore, it is hereby clarified that wherever the payment for export of service made by the Indian exporters is received in convertible foreign exchange or in repatriable rupee (INR) accounts, such as SNRR Account or INR Nostro account, or any other similar account for repatriation of foreign exchange, the same shall be considered to be fulfilling the conditions of sub-clause (iv) of clause (6) of section 2 of IGST Act, 2017. Further, stock brokers provide services to their overseas clients (FPIs, NRIs and OCIs) and get paid for the services in INR. It is clarified that payment to brokers through repatriable INR accounts (SNRR, NRE) may be considered to be fulfilling the conditions of sub-clause (iv) of clause (6) of section 2 of IGST Act, 2017. In case of payments through NRO accounts, as per RBI guidelines, the same should be routed through repatriable INR accounts (SNRR, NRE) for it to be considered to satisfy the conditions stipulated under sub-clause (iv) of clause (6) of section 2 of the IGST Act, 2017.

2.4 It may also be noted that set-off transactions are a valid method of settlement under FEMA regulations. In terms of extant guidelines of RBI, set-off are allowed with certain conditions. Such set-off are allowed for goods against goods and services against services. However, with the coming into effect of the new guidelines viz. Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, from October 01, 2026, these conditions would not be applicable for such transactions. Thus, as set-offs are valid mode of settlement as per FEMA regulations, it is further clarified that wherever export receivables are set-off against import payables, then as long as such set-off is in accordance with the

directions issued by the RBI, the said condition of sub-clause (iv) of clause (6) of section 2 of IGST Act, shall be considered to be fulfilled.

2.5. Further, in respect of receipt of remittance by reinsurance brokers through the net retention mechanism, it may be noted that the commission charged by an Indian reinsurance broker for providing broking services to the foreign reinsurers is settled by net settlement rather than by a separate inward remittance in foreign exchange. In this scenario, as per FEMA regulations, the foreign reinsurer/broker is treated as having paid the commission/brokerage by authorizing the Indian broker to retain it out of funds prior to remittance of the net premium outside India. Under FEMA regulations, the obligation of the service exporter to realise and repatriate export proceeds is extinguished through this net retention mechanism. Thus, it may be treated as having satisfied sub-clause (iv) of clause (6) of section 2 of the IGST Act.

3. Realisation of export proceeds in case of export of goods: Attention is invited to Rule 96B of the CGST Rules, which provides that where sale proceeds of export goods are not realized, wholly or partly, within the period prescribed under the Foreign Exchange Management Act (FEMA), 1999, including any extension granted thereunder, the refund amount paid shall be liable to be deposited/ recovered, to the extent of such non-realization, along with applicable interest, within thirty days from the expiry of the said period or extended period, if any. Rule 96B further provides that no such recovery shall be affected where the requirement of realization has been written off, either wholly or partly, by the Reserve Bank of India on merits.

3.1. It is clarified that as the time limit for realization of export proceeds in India and the amount to be realized are governed under the provisions of FEMA, 1999, regarding which provisions are formulated and implemented by the RBI, therefore, the time limit for realization of export proceeds for export of goods under the IGST Act, 2017, shall be such period, or such extended period, which has been prescribed in FED Master Direction No. 16/2015-16 dated 01.01.2016 (last amended on 05.06.2026) issued by the RBI and as amended from time-to-time. It is also clarified that wherever the requirement of realization has been written off, either wholly or partly, by the AD Bank, recovery of refund amount under rule 96B shall not be done.

4. It is requested that suitable trade notices may be issued to publicize the contents of this circular. Difficulty, if any, in the implementation of the above circular may please be brought to the notice of the Board.

**[For further details please refer the Circular]**

## CIRCULAR

## CLARIFICATION ON INPUT TAX CREDIT ADMISSIBILITY TO AUTHORISED AGENTS APPOINTED BY MANUFACTURERS FOR SALE OF MOTOR VEHICLES, PURSUANT TO THE CIRCULAR NO. 231/25/2024-GST DATED 10.09.2024

**OUR COMMENT**: The Central Board of Indirect Taxes issued Circular no. 262/08/2026-GST dated 26.10.2026 clarified that:

1. Attention is invited to circular No. 231/25/2024-GST dated 10.09.2024, wherein certain issues regarding availability of input tax credit in respect of demo vehicles were clarified.

2. Representations have been received from trade and industry seeking clarification with regard to the admissibility of input tax credit (ITC) on demo vehicles to authorized agents appointed by vehicle manufacturers for sale of motor vehicles, in light of para 4.6 of circular No. 231/25/2024-GST dated 10.09.2024 (hereinafter referred to as "the said circular"). In order to ensure uniformity in the implementation of the provisions of law in this regard across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the CGST Act"), hereby clarifies the issue as under:

3. Vide para 4.6 of the said circular, it was clarified that in case where an authorized dealer merely acts as an agent or service provider to the vehicle manufacturer (hereinafter referred to as the "dealer-agency model"), input tax credit in respect of a demo vehicle purchased by such authorized dealer for providing facility of vehicle test drive would be blocked in terms of sub-clause (A) of clause (a) of section 17(5) of the CGST Act, 2017, as such an agent is not making the supply of motor vehicles on his own account and is merely providing marketing or facilitation services to the vehicle manufacturer. The relevant extract is reproduced as under:

*4.6 …In such a case, the authorized dealer is merely providing marketing and/or facilitation services to the vehicle manufacturer and is not making the supply of motor vehicles on his own account. Therefore, the said demo vehicle cannot be said to be used by the dealer for making further supply of such motor vehicles. Accordingly, in such cases, input tax credit in respect of such demo vehicle would not be excluded from blockage in terms of sub-clause (A) of clause (a) of section 17(5) of CGST Act and therefore, input tax credit on the same would not be available to the said dealer.*

4. Clause (a) of sub-section (5) of section 17 of the CGST Act, provides for the restriction on the availability of ITC in respect of motor vehicles for transportation of persons having approved

seating capacity of not more than 13 persons (including the driver). The said clause reads as under:

*"(5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely: -*

*(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely: -*

*(A) further supply of such motor vehicles; or*

*(B) transportation of passengers; or*

*(C) imparting training on driving such motor vehicles*

5. The matter has been examined. As per the prevailing practice in respect of vehicle sales, it is seen that primarily there are two kinds of models of sale in this sector, i.e., the dealeragency model and the traditional dealership-based model. In the dealer-agency model, the dealer purchases new vehicles from the Original Equipment Manufacturer (OEM) as are required for demo or test drive purposes. New vehicle sales are done directly by the OEM to the customer. In the traditional dealership-based model, the dealer purchases a fleet of new vehicles and designates a few of these as demo vehicles for test drive purposes to promote vehicle sales.

5.1. The basic difference between the two models is that in the traditional model, the sale of vehicles is done by the dealer on its own account while in the dealer-agency model, the sale of vehicle to customers is done directly by the OEM and the dealer only keeps demo vehicles for the purpose of demonstration and for demo test drive purposes. However, in both the cases, the demo vehicles serve the same purpose of allowing the customer to have the driving experience before actually buying the car. In both the models, these demo vehicles are purchased by the authorized dealers from the vehicle manufacturers against tax invoices and are typically reflected as capital assets in books of account of such authorized dealers. These vehicles are required to be held by authorized dealers as demo vehicles for certain mandatory period and are thereafter, generally, sold by the dealer at a written down value and applicable tax on the same is payable at that point of time. Also, such vehicles are treated at par under the Central Motor Vehicle Rules, 1989. Thus, there is no practical difference in the treatment of these vehicles, and denial of ITC to one business model creates a discriminatory effect on the availability of ITC on such vehicles.

6. Further, the use of the phrase "such motor vehicles" rather than "said motor vehicle" in section 17(5)(a)(A) of the CGST Act, 2017, indicates that ITC is permitted not only on the specific vehicle sold, but also on vehicles used for further supply of similar motor vehicles. Thus, since demo vehicles in both the above types of business model serve the same purpose of furthering the supply of similar vehicles, ITC should be allowed on such demo vehicles in both type of business models, including the dealer-agency model.

7. Accordingly, the clarification issued vide para 4.6 of circular No. 231/25/2024-GST dated 10.09.2024 is hereby withdrawn and it is clarified that the input tax credit on the demo vehicles is not blocked under clause (a) of section 17(5) of the CGST Act, to the dealer in the dealer-agency model.

8. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

9. Difficulty, if any, in the implementation of this circular may be brought to the notice of the Board.

**[For further details please refer the Circular]**

**CIRCULAR**

**CLARIFICATION ON ISSUES RELATED TO PROVISIONS OF SECTION 17(4) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Circular no. 261/07/2026-GST dated 26.10.2026 clarified that:

1. Representations have been received regarding varying practices being followed by the banking companies or financial institutions, including non-banking financial companies, engaged in supplying services by way of accepting deposits, extending loans or advances, in respect of apportionment of credit toward taxable supplies including zero-rated supplies, where such a registered person opts to comply with the provisions of section 17(4) of Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act"), with a request to clarify the same.

2. The matter has been examined. In order to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the CGST Act, hereby clarifies the issues raised as follows:

| S. No. | Issue | Clarification |
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| 1. | Whether all registrations of a banking company or a financial institution including a non-banking financial company, even those which are not engaged in **supplying services by way of accepting deposits, extending loans and advances**, can opt or are required to opt to comply with the provisions of section 17(4) of CGST Act? | Section 17(4) of CGST Act provides an option to **a banking company or a financial institution including a non-banking financial company engaged in supplying services by way of accepting deposits, extending loans and advances**, to avail of fifty percent of eligible input tax credit, for the purpose of apportionment of credit towards taxable supplies, including zero-rated supplies rather than for the proportionate availment in terms of section 17(2) of CGST Act. Accordingly, it is clarified that:<br><br>a. registrant ("distinct person") of a banking company or a financial institution including a non-banking financial company, **who is not engaged in supplying services by way of accepting deposits, extending loans and advances**, such as one engaged exclusively in "Bullion trading" etc., neither has the option nor is required to comply with the provisions of section 17(4) of CGST Act.<br><br>b. registrant ("distinct person") of a banking company or a financial institution including a non-banking financial company, **who is engaged in supplying services by way of accepting deposits, extending loans and advances**, and who may also be engaged in supplying services other than the said services has the option to comply with the provisions of section 17(4) of CGST Act.<br><br>c. Further, if one registrant ("distinct person") of a banking company or a financial institution including a non-banking financial company, **who is engaged in supplying services by way of accepting deposits, extending loans and advances**, and who may also be engaged in supplying services other than the said services, opts to comply with the provisions of section 17(4) of CGST Act, all registrants of the said banking company or a financial institution including a non-banking financial company, **who are engaged in supplying services by way of accepting deposits, extending loans and advances**, and who may also be engaged in supplying services other than the said services, will have to necessarily comply with the provisions of section 17(4) of CGST Act. |
| 2. | Whether the provisions of the second proviso to section 17(4) of CGST Act applicable to the tax paid on supplies made by a registered person having same PAN as the banking company or a financial institution including a non-banking financial company, where such a registered person does not opt to comply with the provisions of section 17(4) of CGST Act? | Second proviso to section 17(4) of CGST Act provides a relaxation to the person who has opted to comply with the provisions of section 17(4) of CGST Act, from the restriction of availment of only fifty percent of the eligible input tax credit on inputs, input services and capital goods.<br><br>The said proviso needs to be read within the context of applicability of section 17(4) of CGST Act to those registrant(s) of a banking company or a financial institution including a non-banking financial company, which are engaged in supplying services by way of accepting deposits, extending loans and advances, and have opted to comply with the |

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| | | provisions of section 17(4) of CGST Act.<br><br>**Accordingly, it is clarified that such relaxation under the second proviso to** section 17(4) **of** CGST Act **is available only in respect of supplies received from another registered person with the same PAN who has also opted to comply with the provisions of** section 17(4) **of** CGST Act**.** | | | FORM GSTR-2B (other than ITC on inward supplies liable to reverse charge) and, (ii) claimed on inward supplies liable to reverse charge, in the said FORM GSTR-3B, needs to be ascertained.<br><br>b. The amount of ITC, which is ascertained to be eligible under section 16, shall be availed by the taxpayer in FORM GSTR-3B of the said tax period, by the following procedure:<br><br>i. the credit of tax paid on inputs and input services that are used for non-business purposes and the credit attributable to the supplies specified in sub-section (5) of section 17 shall be permanently reversed in Table 4(B)(1) of the said FORM GSTR-3B;<br><br>ii. the credit of tax paid on inputs and input services referred to in the second proviso to sub-section (4) of section 17 shall be availed; and<br><br>iii. fifty per cent of the remaining amount of ITC shall be the input tax credit admissible to the taxpayer and shall be availed. The balance amount shall be permanently reversed in Table 4(B)(1) of FORM GSTR-3B of the same tax period, as per provisions of section 17(4) of CGST Act.<br><br>c. The amount of ITC which cannot be ascertained to be eligible due to non-fulfillment of conditions under section 16 of CGST Act but which may become eligible in the future |
| 3. | What is the correct manner for reporting of availment and reversal of input tax credit (ITC) in FORM GSTR-3B, to be followed by a banking company or financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances, which opts to comply with the provisions of section 17(4) of CGST Act? | 1. It is to mention that Circular No. 170/02/2022-GST dated 06.07.2022 was issued to clarify the correct manner of furnishing information regarding ITC availment and reversal in FORM GSTR-3B. Further, Invoice Management System (IMS) facility has been introduced from October, 2024 onwards, wherein a facility has been provided to the registered person to accept, reject or keep pending on IMS, invoice or other documents pertaining to inward supplies, for the purpose of correct auto-population of ITC in FORM GSTR-3B.<br><br>2. Accordingly, it is clarified that the correct manner of reporting of availment and reversal of ITC in FORM GSTR-3B, to be followed by the registered person under section 17(4) of CGST Act read with rule 38 of Central Goods and Services Tax Rules, 2017 (CGST Rules), is as follows:<br><br>A. **In cases where IMS was not used:**<br><br>a. The eligibility of ITC from the amount which is (i) auto-populated in FORM GSTR-3B from the available ITC in | | | |

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| | | on fulfillment of such conditions should be temporarily reversed in FORM GSTR-3B of the same tax period, in Table 4(B)(2) of the said FORM GSTR-3B.<br><br>d. Such ITC may, on fulfilment of the requisite conditions, be reclaimed in the return in Table 4(A)(5) of FORM GSTR-3B for a subsequent tax period, subject to the time limit under section 16(4) of CGST Act and should also be subjected to the procedure provided for in para. b above. Further, all such reclaimed ITC shall also be shown in Table 4(D)(1) of the said subsequent tax period FORM GSTR-3B.<br><br>B. **After amendment in** CGST Rules, 2017**, related to IMS are notified, including cases where IMS has been used even before such amendment:**<br><br>a. The taxpayer has an option to accept, to reject, or to keep pending the invoices or other documents pertaining to inward supplies received on IMS.<br><br>b. The registrant is required to keep pending on IMS, invoice or other documents pertaining to inward supplies, the ITC on which is not eligible to the taxpayer at present, due to non-fulfillment of any of the conditions under section 16 of CGST Act but which may become eligible in the future on fulfillment of such conditions. Such ITC would not be made available in FORM GSTR-2B and | | | therefore would not get auto-populated in FORM GSTR-3B.<br><br>c. Thereafter, the amount of ITC in respect of invoices or other documents pertaining to inward supplies, accepted and deemed accepted on IMS, shall be made available in FORM GSTR-2B, and will get auto-populated in FORM GSTR-3B.<br><br>d. In respect of the sum of, (i) such auto-populated amount of ITC (other than ITC on inward supplies liable to reverse charge), and (ii) the amount of ITC claimed on inward supplies liable to reverse charge in the said FORM GSTR-3B, the availment and reversal of ITC is required to be done following the same procedure as has been delineated in para (b) of part A above.<br><br>3. It may be noted that various practices regarding availment and reversal of ITC in FORM GSTR-3B, may have been followed by the taxpayers opting to comply with the provisions of section 17(4) of CGST Act, in various periods. Field formations are advised not to take an adverse view of a different methodology of reporting of availment and reversal of ITC for the past period, as long as the amount of ITC availed under the provisions of section 17(4) of CGST Act is in congruence with the principles enunciated above. |

3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in implementation of this Circular may be brought to the notice of the Board.

**[For further details please refer the Circular]**

**CIRCULAR**

**CLARIFICATION ON ISSUES PERTAINING TO INPUT SERVICE DISTRIBUTOR**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Circular no. 260/06/2026-GST dated 26.10.2026 clarified that:

1. Representations have been received from trade and industry seeking clarity on certain issues regarding provisions of section 2(61) and section 20 of Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act, 2017") as well as rule 39 and rule 54(1A) of Central Goods and Services Tax Rules, 2017 (hereinafter referred to as "CGST Rules, 2017") related to Input Service Distributor (hereinafter referred to as "ISD").

2. The matter has been examined. In order to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the CGST Act, hereby clarifies the issues raised as follows:

**Table**

| S. No. | Issue | Clarification |
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| 1. | Whether ISD registration is required for each business vertical/ place of business within the same State/UT? | a) ISD has been defined under section 2(61) of CGST Act, 2017, to mean an office of supplier of goods or services or both, which receives input service invoices, including invoices in respect of services liable to tax under reverse charge, for or on behalf of distinct persons referred in section 25 of CGST Act, 2017, and liable to distribute input tax credit in respect of such invoices in the manner provided in section 20 of CGST Act, 2017.<br><br>b) As per provisions of section 25(2) and section 25(4) of CGST Act, 2017, if separate registrations have been obtained for separate business verticals or places of business within a State or UT, before or after 01.02.2019 respectively, then each such registrant is to be treated as a distinct person under the Act.<br><br>c) A plain reading of the above-mentioned provisions indicates that there is no bar on obtaining more than one ISD registration for each business vertical or each place of business, as the case may be, within a State or UT.<br><br>d) Accordingly, it is clarified that:<br><br>i. Each such registrant who receives input services invoices for or on behalf of distinct persons, which is liable to be distributed in the manner provided in section 20 of CGST Act, 2017, is required to obtain an ISD registration.<br><br>ii. However, it is to note that in terms of provisions of rule 39(1) of CGST Rules, 2017, the ISD shall distribute the credit only to the distinct person to whom the credit is attributable to. |
| 2. | In case of distribution of input tax credit by ISD, whether ISD or the recipient of credit is liable to comply with the conditions for availment of input tax credit under section 16 of CGST Act, 2017? | a) As per the definition of ISD under section 2(61) of CGST Act, 2017, ISD is an office of supplier of goods or services or both, which receives input service invoices, including invoices in respect of services liable to tax under reverse charge, for or on behalf of distinct persons referred in section 25 of CGST Act, 2017, and |

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| | | liable to distribute input tax credit in respect of such invoices in the manner provided in section 20 of CGST Act, 2017.<br><br>b) As per provisions under section 21 of CGST Act, 2017, where an ISD distributes credit in contravention of the provisions of section 20, resulting in excess distribution of credit to one or more recipients of credit, the excess credit so distributed shall be recovered from the recipients of credit along with interest, and the provisions of section 73 or section 74 or section 74A, as the case may be, shall apply for determining the amount to be recovered.<br><br>c) Further, as per clause (ix) of section 122(1) of CGST Act, 2017, in case a taxable person takes or distributes input tax credit in contravention of section 20 of CGST Act, 2017, or the rules made thereunder, he shall be liable to pay a penalty of ten thousand rupees or an amount equivalent to the tax evaded or input tax credit distributed irregularly, whichever is higher.<br><br>d) Based on the above it is clarified that:<br><br>i. The ISD is required to distribute the credit to its distinct persons (recipients of credit), for or on whose behalf, it receives input service invoices, in the manner provided for in | | | section 20 of CGST Act, 2017.<br><br>ii. It is the recipients of credit, who are liable to comply with the conditions for being eligible to the input tax credit, including the conditions stipulated in section 16 or section 17 of CGST Act, 2017 and rules made thereunder.<br><br>iii. In case credit is distributed by the ISD, in contravention of provisions of section 20 of CGST Act, 2017, the ISD is liable to penalty under clause (ix) of section 122(1) of CGST Act, 2017, and if such contravention results in excess distribution of credit to one or more recipients of credit, the excess credit so distributed is liable to be recovered from such recipients of credit, in terms of the provisions under section 21 of CGST Act, 2017. |
| | | | 3. | What does the condition of "input tax credit available for distribution in a month" being required to be distributed in the same month as per rule 39(1)(a) of CGST Rules, 2017 mean? | a) In terms of section 20(2) of CGST Act, 2017 read with rule 39(1)(a) of CGST Rules, 2017, the input tax credit available for distribution in a month, is required to be distributed by the ISD, in the same month and the details thereof are required to be included in FORM GSTR-6.<br><br>b) As per rule 65 of CGST Rules, 2017, ISD is required to furnish FORM GSTR-6, on the basis of details contained in FORM GSTR-6A and where required, after adding, correcting or deleting the details, furnish FORM GSTR-6 containing the details of tax invoices on |

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| | | which credit has been received and the invoices issued under section 20 of CGST Act, 2017.<br><br>c) Further, section 16(2) of CGST Act, 2017 enlists the conditions for eligibility which are required to be fulfilled for availment of input tax credit.<br><br>d) As clarified in Sr. No. 2 above, it is the recipients of credit, who are liable to comply with the conditions for being eligible to the input tax credit, including the conditions stipulated in section 16 or section 17 of CGST Act, 2017 and rules made thereunder.<br><br>e) Further, as per rule 39(1)(g) of CGST Rules, 2017, the ISD is required to separately distribute input tax credit which is eligible and which is ineligible in terms of section 17(5) of CGST Act or otherwise.<br><br>f) Therefore, even though ISD is not required to avail input tax credit itself, but in case of distribution of credit through ISD mechanism, as the procurement of services is being made centrally, only ISD, which receives the input services invoices, is in the best position to determine whether input tax credit in respect of such invoices is eligible to be availed.<br><br>g) Accordingly, it is clarified that once the details of the input services invoices are received by the ISD on behalf of its distinct persons | | | in its FORM GSTR-6A, the input tax credit in respect of the said invoices can be said to be available to the ISD for distribution only when it is ascertained by the ISD to be prima facie eligible for availment. Therefore, in terms of rule 39(1)(a) of CGST Rules, 2017, the ISD is required to distribute the said input tax credit in the month in which he makes such ascertainment, and distribute it separately as eligible and ineligible credit in accordance with the provisions of rule 39(1)(g) of CGST Rules, 2017. The details thereof are to be included in FORM GSTR-6. |
| | | | 4. | In respect of the input tax credit distributed by the ISD, whether the ISD or the recipient of credit is required to make reversals of input tax credit under section 17(1) or section 17(2) or section 17(4) of CGST Act, 2017? | a) As already discussed in S. No. 2 above, the ISD is required to distribute the credit in the manner provided in section 20 of CGST Act, 2017 and it is the recipients of credit, who are liable to comply with the conditions for being eligible to the input tax credit under section 16 or section 17 of CGST Act, 2017.<br><br>b) Accordingly, it is clarified that ISD should distribute the entire input tax credit available to it for distribution to the recipients of credit to whom it is attributable to, and it is such recipients of credit who are required to make reversals of input tax credit under section 17(1) or section 17(2) of CGST Act, 2017 read with rule 42 and rule 43 of CGST Rules, 2017 or under section 17(4) of CGST Act, 2017 read with rule 38 of CGST Rules, 2017, as the case may be. |

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| 5. | Whether the amount declared in an invoice, credit or debit note, issued by a registered person having same PAN and State code as the ISD, to an ISD, under rule 54(1A) of CGST Rules, 2017, should be included in computation of "turnover in State" or "turnover in Union territory" under section 2(112) of CGST Act, 2017? | a) Rule 54(1A) of CGST Rules, 2017 provides for issuance of an invoice, credit note, debit note by a regular registrant, having same PAN and registered in the same state as the ISD, to the ISD, to transfer input tax credit in respect of credit pertaining to input services attributable to one or more distinct persons and then such input tax credit could be further distributed by the ISD to other distinct persons to whom the service is attributable to, in the manner provided in rule 39(1) of CGST Rules, 2017.<br><br>b) Further, clause (b) of rule 54(1A) of CGST Rules, 2017 provides that the taxable value in the invoice issued under clause (a) shall be the same as the value of the services whose credit is sought to be transferred to the Input Service Distributor.<br><br>c) The said provisions were brought prima facie to allow for payment of tax on reverse charge transactions by the regular registration having same PAN and State code as the ISD, to ensure that tax in respect of such transactions is discharged before the credit is transferred to the ISD, for further distribution to the other distinct person, who will then avail the credit.<br><br>d) Therefore, rule 54(1A) of CGST Rules, 2017 is merely a credit transferring mechanism.<br><br>e) Based on the above, it is hereby clarified that:<br><br>i. The invoice, credit note, debit note issued by a registered person, having same PAN and registered in the same state as the ISD under rule 54(1A) of CGST Rules, 2017 is not in respect of the outward supply of the said person and therefore the amount reflected on such invoice or debit note or credit note does not qualify as "turnover in State "or "turnover in Union territory" under section 2(112) of CGST Act, 2017, of the said person, even though the same may be required to be declared in his FORM GSTR-1, to transmit the same to the ISD for further distribution.<br><br>ii. Accordingly, the amount reflected on such invoice or debit note or credit note should not be included for the computation of "turnover in a State" or "turnover of Union territory" of the said person, issuing the said invoice, credit or debit note, to ascertain the amount of input tax credit required to be distributed to a 'recipient of credit' under section 20 of CGST Act, 2017 read with rule 39 of CGST Rules, 2017 and "Adjusted total turnover" under section 54(3) read with rule 89 of CGST Rules, 2017, for ascertaining the maximum refund amount permissible to the registered person. |
| 6. | Whether the credit pertaining to input services attributable to | As already discussed in Sr. No. 5 above, rule 54(1A) of CGST Rules, 2017 is merely a |

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| | one or more distinct persons, which is transferred by the registered person having same PAN and State code as the ISD in terms of rule 54(1A) of CGST Rules, 2017, is to be treated as input tax credit of the said person having same PAN and same State code as ISD, and whether it can be included as "NET ITC" for the computation of refund amount under rule 89(4) and rule 89(5) of CGST Rules, 2017? | credit transferring mechanism. Accordingly it is clarified that credit pertaining to input services attributable to one or more distinct persons, which is transferred by the registered person, having same PAN and State code as the ISD, in terms of rule 54(1A), does not constitute input tax credit in respect of inward supply of such person and is merely required to be transferred to the ISD, as such, and therefore, the same does not qualify as "NET ITC" for the computation of refund amount under rule 89(4) and rule 89(5) of CGST Rules, 2017. |
| 7. | Whether in respect of the credit pertaining to input services attributable to one or more distinct persons, which is transferred by the registered person having same PAN and State code as the ISD in terms of rule 54(1A) of CGST Rules, 2017, is the said person having same PAN and same State code as ISD, required to make reversals of input tax credit under section 17(1) or section 17(2) or section 17(4) of the CGST Act, 2017? | a) As already discussed in Sr. No. 5 and Sr. No 6 above, rule 54(1A) of CGST Rules, 2017 is merely a credit transferring mechanism, and that credit pertaining to input services attributable to one or more distinct persons, which is transferred by the registered person having same PAN and State code as the ISD in terms of rule 54(1A), is not input tax credit in respect of inward supply of such registered person.<br><br>b) Accordingly, in respect of the credit pertaining to input services attributable to one or more distinct persons, which is transferred by the registered person having same PAN and State code as the ISD, in terms of rule 54(1A), it is clarified that: |
| | | i. The said person having same PAN and same State code as ISD, is not required to make reversals of input tax credit under section 17(1) or section 17(2) or section 17(4) of CGST Act, 2017 and the said person is required to transfer the entire input tax credit available on account of payment of tax by it under reverse charge to the ISD for its further distribution to the recipients of credit.<br><br>ii. It is such recipients of credit who are required to make reversals of input tax credit under section 17(1) or section 17(2) or section 17(4) of CGST Act, 2017, as the case may be, as already clarified in Sr. No. 4 above. Further, such recipients of credit may also include the said registered person having the same PAN and same state Code as the ISD, who had transferred the input tax credit to the ISD in the first place. |

3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Board.

**[For further details please refer the Circular]**

## CIRCULAR

## CLARIFICATION ON VARIOUS ISSUES PERTAINING TO THE AMOUNT PAID AS PRE-DEPOSIT AS PER SUB-SECTION (6) OF SECTION 107 OR SUB-SECTION (8) OF SECTION 112 OF THE CGST ACT

**OUR COMMENT**: The Central Board of Indirect Taxes issued Circular no. 259/05/2026-GST dated 26.10.2026 clarified that:

1. Representations have been received from trade and industry seeking clarification on various issues pertaining to the amount

required to be paid as pre-deposit for admission of appeal under sub-section (6) of section 107 or sub-section (8) of section 112 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as 'the CGST Act'), at the time of filing of an appeal. It has been represented that varying interpretations are being taken regarding pre-deposit payment under the CGST Act. This inconsistency has caused confusion among stakeholders and has led to an increase in litigation, thereby creating uncertainty about the correct procedural and compliance requirements for making pre-deposits.

2. In order to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by sub-section (1) of section 168 of the CGST Act, hereby clarifies the issues as below: -

| S.No. | Issue | Clarification |
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| 1. | What is "Admitted Amount" and "tax in dispute" as provided under sections 107 and 112 of the CGST Act? | (i) Sub-section (6) of section 107 of the CGST Act provides for the full payment of the admitted amount of tax, interest, fine, fee, and penalty along with 10% deposit of tax in dispute for filing appeal with the Appellate Authority. Similarly, sub-section (8) of section 112 of the CGST Act provides for the full payment of the admitted amount of tax, interest, fine, fee, and penalty along with 10% deposit of tax in dispute for filing appeal with the Appellate Tribunal, in addition to the amount earlier paid for filing appeal with the Appellate Authority.<br><br>(ii) It is clarified that the term "Admitted amount" refers to the portion of the tax, interest, fine, fee, penalty arising from the impugned order, which the taxpayer acknowledges as payable and represents the portion, the taxpayer does not intend to challenge by way of appeal. This amount must be paid in full before filing an appeal, in accordance with the statutory requirement under sections 107 and 112 of the CGST Act.<br><br>(iii) The remaining portion of the liability which is contested by the taxpayer, and in respect of which an appeal is intended to be filed, shall be treated as "tax in dispute" and the *"sum equal to ten percent of the remaining amount of tax in dispute"*, as mandated under the provisions of sub-section (6) of section 107 and sub-section (8) of section 112, which is referred as the "*pre-deposit*", is calculated with reference to this disputed tax component.<br><br>(iv) Thus, the decision whether to treat an amount as admitted or in dispute is to be made by the taxpayer at the time of filing the appeal and is captured in Table-14 of APL-01 and Table 20 of APL-05. |
| 2. | What would be the quantum of pre-deposit required to be paid for admission of appeal before the Appellate Tribunal under section 112 of the CGST Act, if the tax liability is modified by the Appellate Authority? | (i) Sub-section (8) of section 112 of the CGST Act mandates that, for the admission of appeal before the Appellate Tribunal, the appellant must pay in full, the admitted part of the amount of tax, interest, fine, fee, and penalty, arising from the impugned order, along with a sum equal to 10% of the remaining amount of tax in dispute, in addition to the amount paid for the admission of appeal with the Appellate Authority.<br><br>(ii) It is, therefore, clarified that in the event of preferring an appeal before the Appellate Tribunal, 10% of the remaining amount of tax in dispute is to be computed |

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| | | with reference to the liability confirmed by the Appellate Authority, which is disputed by the appellant. |
| 3. | When the Appellate Authority or Appellate Tribunal issues an order, should it be required to explicitly state that the pre-deposit paid by the appellant must be refunded? | When an amount paid by the appellant under sub-section (6) of section 107 or sub-section (8) of section 112 is required to be refunded consequent to any order of the Appellate Authority or Appellate Tribunal, it is clarified that such an order does not require to explicit mention that pre-deposit is to be refunded. Further, it is also clarified that, upon receipt of the order, the refund claim in respect of pre-deposit needs to be filed under S. No. 7 of FORM GST RFD-01 i.e., 'on account of order'. |
| 4. | Is a taxpayer eligible for refund of pre-deposit, when the taxpayer obtains a favourable decision from the Appellate Authority or the Appellate Tribunal, but the Department is contemplating further appeal against the order? | (i) It is observed that in all cases where the Appellate Authority or the Appellate Tribunal renders a decision in favour of the appellant, and the appellant files an application for refund, the appellant becomes entitled to receive the refund of the amount paid as pre-deposit.<br><br>(ii) If the Department contemplates appeal against the order of the Appellate Authority, which is in favour of the appellant, refund of pre-deposit would still be payable unless such order is stayed by the Appellate Tribunal or Court.<br><br>(iii) Therefore, refund of the pre-deposit amount should not be denied merely on the ground that the Department intends to or has filed an appeal against the order of the Appellate Authority. |
| 5. | What date would be considered as the date of payment of pre-deposit for refund purposes subsequent to a favourable decision by the Appellate Tribunal, where refund of the amount deposited for the admission of appeal with the Appellate Authority and Appellate Tribunal? | (i) Pre-deposit is required to be paid for the admission of appeal at the stage of Appellate Authority and Appellate Tribunal, separately. Section 115 of the CGST Act provides for payment of interest from the date of payment of the amount where such an amount is required to be refunded.<br><br>(ii) Thus, it is clarified that where pre-deposit is made at both levels of appeal namely, before the Appellate Authority under sub-section (6) of section 107 and before the Appellate Tribunal under sub-section (8) of section 112, the date of payment for interest computation shall be determined separately for each level, corresponding to the actual date on which the respective payment was made. |
| 6. | What is the procedure for refund of the pre-deposit amount paid for filing an appeal when the matter is remanded by the Appellate Tribunal? | (i) In cases where the Appellate Tribunal remands the matter to the original Adjudicating Authority, the appellant would be eligible for refund of the pre-deposit amount, which shall be granted within the prescribed time limit.<br><br>(ii) In cases of partial remand, where a portion of the tax demand is upheld, the refund of pre-deposit shall be released only after ensuring that the amount corresponding to the tax demand confirmed in favour of the Revenue is recovered or adjusted against the pre-deposit, along with applicable interest, before refunding the balance amount to the taxpayer. |

3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board.

**[For further details please refer the Circular]**

**CIRCULAR**

**GUIDELINES FOR THE HANDLING APPLICATIONS FOR GST REGISTRATION**

**OUR COMMENT**: The Central Board of Indirect Taxes issued Circular no. 257/03/2026-GST dated 26.10.2026 clarified that it is a bona fide expectation of every person, who applies for GST registration, that his registration application is quickly processed and GST registration is granted to him without any delay or hassles. However, grievances have been received regarding the difficulties faced by the applicants in some cases in getting GST registration, either due to rejection of the application for registration on various grounds, or due to the delay in processing of the registration application on account of queries being raised/ clarifications or additional documents being sought by the tax officers with respect to information submitted by the applicant in his application in FORM GST REG-01. While there is a need to exercise due diligence in processing registration application to prevent GST registration of being obtained by unscrupulous and fraudulent elements for passing on input tax credit (ITC) without any underlying supply, at the same time, it is also important to ensure that genuine applicants seeking registration are able to complete the process without undue inconvenience.

1.2 An analysis of GST registration applications, including the reasons for rejection and the nature of queries raised during processing, indicates that delays or rejections are often attributable to certain deficiencies in the applications which may include non-furnishing of requisite information or documents; submission of incorrect, incomplete, or inconsistent details, or uploading of documents that are not clearly legible. Such issues are commonly observed in respect of identity details of the applicant, proof of principal place of business, details relating to the constitution of the business, and identity details of the authorized signatory.

1.3 It may be relevant to emphasize that proper scrutiny of registration application by the proper officers plays a critical role in ensuring the integrity of the registration process and in preventing misuse of the system. Instances have come to notice where some unscrupulous elements have been found to be mis-utilizing the facility of GST registration by obtaining fake registrations using identity of other persons, either with or without their knowledge, to fraudulently pass on ineligible input tax credit. Such a malpractice not only results in huge revenue loss for the Government, but is also against the interest of genuine and honest taxpayers, making them uncompetitive. To protect the interests of genuine and honest taxpayers, and to curtail the probability of fake registrations by such unscrupulous elements, the registration process has been streamlined over a period of time, by amendment in the provisions of CGST Rules, 2017.

1.4 While guidelines for processing of the application for registration have been issued by the Board for the tax officers vide instruction No. 03/2025-GST dated 17th April 2025, it is felt that similar guidelines may also be required for the applicants to facilitate them in furnishing proper and correct information and documents in the application for registration in FORM GST REG-01, so as to reduce requirement of seeking clarification or additional documents by the tax officers from the applicants during the processing of the registration applications, and thus expediting the processing of registration applications for genuine applicants.

2. Accordingly, to ensure uniformity in the implementation of the provisions of the law across field formations and to further streamline the process of GST registration, the Board, in exercise of its powers conferred by section 168(1) of the CGST Act, 2017, hereby issues the following guidelines for the applicants filing application for GST registration.

**3. Registration application**

3.1 The application for GST registration (in cases other than by a non-resident taxable person, a person required to deduct tax at source under section 51 of CGST Act, 2017 and a person required to collect tax under section 52 of CGST Act, 2017 and a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient in India) is to be filed by the applicant in FORM GST REG-01 online on the GST portal www.gst.gov.in.

3.1.1 The person required to deduct tax at source under section 51 of CGST Act, 2017 and the person required to collect tax at source under section 52 of CGST Act, 2017 may apply for GST registration in FORM GST REG-07 and the non-resident taxable persons need to apply for registration in FORM GST REG-09. Besides, a person supplying online money gaming from a place outside India to a person in India or a person supplying online information and database access or retrieval services from a place outside India to a nontaxable online recipient in India may apply for GST registration in FORM GST REG-10.

3.1.2 In addition to the guidelines provided in the subsequent paragraphs, a set of Frequently Asked Questions (FAQs) has also been prepared and annexed herewith as **Annexure-I** to provide further practical guidance on commonly encountered issues relating to the filing and processing of registration applications, including procedural timelines and specific taxpayer scenarios. These FAQs are intended to minimise ambiguities and facilitate smooth compliance by taxpayers, thereby reducing the need for repeated references to field officers. Further, a checklist of information and documents required to be furnished along with the registration application is annexed to this Circular as **Annexure-II.**

3.2 **Filing the application for registration**

The applicant may access the registration application on the portal by clicking Services>Registration>New Registration on the home page of GST portal. The detailed manual for step-by-step guidance of the applicants for filing the registration application has been provided on the GST portal and can be accessed by clicking Help and Taxpayer Facilities> GST Knowledge Portal> Register with GST from the home page of the GST portal.

3.2.1. FORM GST REG-01 comprises Part A for generation of Temporary Reference Number (TRN) and Part B for submission of detailed application, capturing essential fields such as business constitution, reasons for registration, existing registration details, nature of premises and business activity, promoter/director/Karta/supply details, bank account particulars, principal place of business, state-specific information, goods/services classification (HSN/SAC codes), and authorised signatory details. Taxpayers may fill and submit this format directly on the GST Portal, ensuring complete and accurate reporting of all mandatory fields to prevent processing delays

3.2.2 **Details pertaining to Part A of** FORM GST REG-01**:**

The applicant needs to provide correct details of PAN and the Legal name while filing Part A of FORM GST REG-01. The Legal Name of the business should be the same as mentioned in PAN issued by Income Tax Department, and that mentioned in Incorporation Certificate issued by Ministry of Corporate Affairs (MCA) in case of incorporated companies. In case of proprietorship concern, the name of the proprietor should be mentioned against the Legal Name. Besides, the applicant also needs to ensure that correct details of State/ Union Territory and District of his principal place of business are provided in Part A. The applicant is also advised that in case where the e-mail address and mobile number are linked to his PAN, the details of the same Email Address and mobile number may be provided in Part A of FORM GST REG-01

3.3 **Details pertaining to Part B of** FORM GST REG-01**:**

3.3.1 **Business Details:**

In Part B of FORM GST REG-01, the applicant needs to select the correct constitution of the business, viz. Proprietorship, Partnership, Hindu Undivided Family (HUF), Private Limited Company, Public Limited Company, Limited Liability Partnership (LLP), Trust, Association of persons, Local Authority, PSU, etc. Besides, the applicant also needs to upload the copy of Partnership Deed in case of Partnership firm; Registration Certificate/ Proof of Constitution in case of Society, Trust, Club, Government Department, Association of Persons or Body of individuals, Local Authorities, Statutory bodies, etc.; and Karta document in case of HUF as mentioned in **Annexure-II**.

3.3.2 The applicant applying for registration as SEZ Unit or as a SEZ Developer, need to clearly exercise the option of "Yes" in the correct category and provide the correct name of the said SEZ unit or the SEZ Developer, as the case may be, and the details of the relevant Approval Order (Letter of Approval/ Letter of Permission) Number and date of such Approval Order, period of validity and the designation of the approving authority. Besides, in such cases, the applicant is also required to upload the copy of such Approval Order.

3.3.3 In cases where the applicant wants to opt for composition scheme at the time for filing application of registration, he should clearly exercise the option of "Yes" in the option for composition and also select the correct category for eligibility for composition scheme under the heading "Category of Registered Parson". Similarly, in cases where the applicant wants to opt for Casual Taxable Person and/or Rule 14A, he should clearly exercise the option of "Yes" against the respective fields.

3.3.4 The applicant is also advised to select the correct reason for obtaining registration from the drop-down list provided on the portal, such as crossing the threshold; voluntary registration; change in constitution of business; inter-State supply; liability to pay tax as recipient of goods or services under section 9(3) or 9(4) of CGST Act, 2017 etc.

3.4. **Details of the Promoters/ Partners:**

3.4.1 The applicant needs to provide the details of the proprietor in case of proprietorship concern, including his/her name, name of the father, date of birth, mobile number, e-mail address, gender, PAN, Adhaar Number (if available), Director

Identification Number (if any), Residential address, designation/ status in the firm/company etc. In case of partnership firms/ LLP, the details of Managing Partner as well as all other partners need to be provided. In case of HUF, the details of Karta are to be provided. In case of a company, the details of Managing Director and all the whole-time directors are to be provided, while in case of Association, the details of all Members of Managing Committee and in case of Trusts, details of all Members of Board of Trustee are required to be provided by the applicant. In case of directors of a Company and in case of Designated Partners in a LLP, Director Identification Number (DIN) is mandatorily required to be provided. These details are required to be furnished in respect of such persons under each relevant category, as specified in **Annexure-II**.

3.4.2 The applicant is required to upload recent photograph(s) of the following persons, as applicable, along with the application for registration:

(i) Proprietor, in case of proprietorship concern;

(ii) Managing/ Authorized/ Designated Partners (All partners, including Managing Partner, but limited to ten (if the total number of partners in the firm is more than ten), in case of Partnership Firm/ LLP;

(iii) Karta, in case of HUF;

(iv) Managing Director or the Authorised Person, in case of a company;

(v) Managing Trustee, in case of Trust;

(vi) Members of Managing Committee, including the Chairman, but limited to ten (if the number of Members exceeds ten), in case of Association of Persons or the Body of Individuals;

(vii) CEO or his equivalent, in case of Local Authority or Statutory Body; and

(viii) Person in charge, in case of Others.

3.4.3 While submitting photographs, the applicant needs to ensure that the photograph is of the person concerned individual and is not part of a group photograph. The photograph should show the full front face of the concerned person and should be a recent colour photograph of proper resolution and clarity. Such uploaded photograph should not be a copy of any identity document, such as PAN, Adhaar Number, Driving License, Passport, etc., either as such or in cropped form. Due care should be taken while uploading the photographs to ensure that the photograph of the concerned applicant/ person only is uploaded, as uploading of wrong photograph may lead to either a query being raised by the tax officer, or the rejection of the registration application.

3.5. **Details of Authorized Signatory:**

3.5.1 The applicant is required to provide the details of the primary authorized signatory and other authorized signatories, if any, including the name, name of the father, date of birth, mobile number, e-mail address, gender, PAN, Adhaar Number, if available, Director Identification Number (DIN), (where applicable), residential address, designation/ status, etc. The details of maximum ten (10) authorized signatories can be furnished in the application of the registration. The photographs of such authorized signatories also need to be uploaded along with the application.

3.5.2 Besides, an authorization letter issued by the proprietor/ Partners/ Board/ Trust/ Management Committee, etc, appointing the said person as authorised signatory of the entity, must be uploaded as proof of appointment of the said authorized signatory.

3.5.3 The guidelines regarding the details to be furnished and photographs and documents to be submitted mentioned in Para 3.4 above are equally applicable in respect of authorized signatories

3.6 **Details of Authorized Representative:**

3.6.1 The applicant may provide the details of an authorized representative, if any, in the registration application. Where such authorized representative is a GST Tax Practitioner enrolled under the provisions of section 48 of CGST Act, 2017, the Enrolment ID of such GST Tax Practitioner needs to be provided. In case of an authorised representative, other than GST Tax Practitioner, the details such as name, designation, mobile number, e-mail address, PAN, etc, of such representative need to be provided.

3.7 **Details of Principal Place of Business:**

3.7.1 Principal Place of Business (PPoB) is the primary location of business within the State where registration is applied for. The applicants are advised to be very careful while furnishing the details of the PPoB in the application for registration, as providing wrong or insufficient or inadequate details/ documents regarding the PPoB is one of the major reasons for either rejection of the application for registration, or raising of queries by the tax officers.

3.7.2 The applicant must provide the complete and specific address of PPoB, including but not limited to, the Building/ Flat/ Shop/ Plot No.; Khasra/ Khata Number, where applicable; Road/ Street; Locality/ Sub-locality; Village/ Town/ City; Taluka/ Block, where applicable; District; PIN Code; and nearby landmarks, if any. Due care should be taken to ensure that the correct PIN Code is mentioned in the said details, and as far as possible, latitude and longitude of the PPoB may also be provided. It is mentioned that the correct longitude and latitude of the PPoB can also be selected by the applicant on the portal while filing the details in the said application by dragging the marker on the map on the portal to the correct address of the PPoB. It is again reiterated that the address provided should be very specific and accurate for the said PPoB, to the extent of the particular shop/ house/ premises/ Flat, etc. and should not be left open, such as mentioning only the details of Khasra Number/ road/ locality/ colony/ village/ town, etc. Not providing the specific and accurate address of PPoB may result in issuance of queries by the tax officers or negative report in physical verification report of the PPoB by the field officer, wherever applicable. The address furnished in the application form should match the address mentioned in the document detailed in para 3.8 furnished and uploaded with the application, as proof of Principal Place of Business.

3.7.3 **Jurisdiction Details:**

The applicant also needs to select the correct State as well as Centre jurisdiction from the drop-down menu shown on the portal as per the PIN Code details provided by the applicant. This will avoid any delay in processing of application of registration due to the requirement of transferring the application of registration or reassigning the ARN for physical verification to the correct jurisdictional tax authorities. Besides, correct contact details in form of e-mail address and mobile number need to be provided. Nature of the business to be carried out from the said premises, such as manufacturing/ wholesale business/ retail business/ supplier of services/ warehouse/ Depot, etc. should also be mentioned by the applicant from the drop-down menu provided on the portal.

3.8 **Documents to be furnished in respect of Principal Place of Business (PPOB):**

3.8.1 A list of requisite documents to be uploaded as proof of the Principal Place of Business while filing the registration application has been appended with FORM GST REG-01 on the portal and is also annexed to this Circular as **Annexure-III.** The documentary requirements in respect of different types of possession of the said premises are explained in detail in the subsequent paragraphs:

3.8.2 **Own premises:**

3.8.2.1 The premises will be considered as owned by the applicant, if he himself, is the owner of the said premises. If the premises is not in the name of the applicant, but is in the name of some of the family members like parents/ spouse/ siblings, etc. or in the name of one of the partners/ directors, etc., then the said premises cannot be considered to be owned by the said entity/ applicant. In such cases, the applicant should not select "own" as the option under the "Nature of Premises", and instead, should select "Consent" or "rented/leased" or "shared", as the case may be, in respect of the nature of the said premises.

3.8.2.2 In cases where the premises for PPoB is in name of the applicant and is owned by the applicant himself, the applicant needs to upload a clear and legible copy of the document as proof of the premises owned by him. In this regard, the applicant may submit the copy of latest Property Tax receipt or **copy of Municipal Khata or copy of document certifying Property Identification or latest copy of Electricity Bill or latest copy of Water Bill for the said premises in the name of the applicant and showing full and complete address of the said premises, which should be same as mentioned by the applicant in the application of registration.**

3.8.2.3 In case the premises is **owned by the deceased ancestor of the applicant and no document is available in the name of the applicant, then an affidavit in the requisite format annexed as Annexure – IV** needs to be uploaded by the applicant to this effect alongwith a clear and legible copy of death certificate of deceased ancestor and any one of the documents mentioned above in **Para 3.8.2.2** in the name of the deceased ancestor or in the applicant's name for the premises corresponding to the address to be declared as PPoB/APoB.

3.8.3 **Rented or leased premises:**

**(a) Where lease/ rent agreement is available:**

i. In respect of **premises which are taken on rent or lease by the applicant** and registered rent/lease agreement is available, the applicant is required to upload a clear and legible copy of the valid registered Rent/Lease agreement. In case **where the rent/ lease deed is required** to be mandatorily registered as per provision of laws/regulations of some States/Region concerned, either based on usage of the rented/ leased property or where the rent/ lease is for a period exceeding the specified period, and therefore, the applicant needs to upload a clear and legible copy of valid registered rent/ lease agreement in such cases.

ii. In cases, where **rent / lease agreement is not required to be registered**, in such cases, the applicant will have to upload a clear and legible copy of rent/lease agreement alongwith any one of the documents, as mentioned in **Para 3.8.2** above in the name of the landlord/lessor corresponding to the address to be declared as PPoB.

iii. In cases **where the electricity or water connection for the said rented/ leased premises is in the name of the applicant tenant**, the applicant will have to furnish a clear and legible copy of the latest electricity bill or water bill issued in his name, clearly indicating the complete address of the said premises, along with a valid rent agreement. Such documents may be accepted in lieu of the proof of premises required from the lessor.

(b) **Where lease/ rent agreement is not available:**

In respect of rented/ leased premises, where the rent/ lease agreement is not available, an undertaking in the requisite format annexed as Annexure V needs to be uploaded by the applicant to this effect, along with the document showing the possession of the said premises by the tenant applicant, such as the a clear and legible copy of the latest electricity or water bill for the said premises containing the name of the tenant and showing full and complete address of the said premises.

3.8.4 **Premises on consent basis:**

3.8.4.1 Where the ownership of the premises is with a family member like spouse, parents, sibling, etc. or with a partner/ director, etc. and premises is made available to the applicant on consent basis, the applicant needs to upload consent letter in the requisite format annexed as **Annexure VI** issued in plain paper by the concerned owner of the premises duly signed by him and a clear and legible copy of any one of the documents as mentioned in **Para 3.8.2** above in the name of the consenter corresponding to the address to be declared as PPoB. The consent letter should clearly mention the details of the consenter and the applicant, the details of the property/ premises in respect of which consent is being given and the relationship between the consenter and the applicant. In cases, where the premises is co-owned by more than one owner, consent of all such co-owners needs to be provided.

3.8.5 **Co-working Spaces:**

In case where the applicant has declared co-working space as PPoB, the applicant needs to upload a clear and legible copy of the membership agreement with the co-working space provider, specifically providing details of the period of the agreement, specific suite/ cabin/ desk number allocated to the applicant, details as to whether the said premises is owned by the co-working space provider or whether the said premises has been taken on rent/ lease by the co-working space provider from the property owner. In case the said premises is owned by the co-working space provider, the applicant needs to also upload the copy of a document as mentioned in Para 3.8.2.2 above in the name of the co-working space provider corresponding to the address to be declared as PPoB. In case where the said premises has been taken on rent/ lease by the co-working space provider from the property owner, the applicant needs to upload the copy of the valid registered lease/ rent agreement entered between the co-working space provider and the property owner in addition to the membership agreement with the co-working space provider

3.8.6 **SEZ/ SEZ Developer:**

If the principal place of business is located in the Special Economic Zone or the applicant is a Special Economic Zone developer, a clear and legible copy of approval letter (Letter of Approval/ Letter of Permission), with due validity, issued by the Development Commissioner of the SEZ is required to be uploaded.

3.8.7 It is reiterated that while uploading any such documents on the portal as a part of application for registration, due care must be exercised by the applicant to ensure that such uploaded documents are clear, complete and fully legible

3.9 **Details of Additional Place of Business:**

In cases where the applicant needs to provide details of any additional place of business, the details of all such additional places of business in the said State of registration may be provided. It is further clarified that the documentary requirements for amending details of the Principal Place of Business or Additional Place of Business remain same as those specified for the Principal Place of Business in the preceding paragraphs and as detailed in the appended list **(Annexure III).** It is also clarified that telecommunication towers, bank Automated Teller Machine (ATM), which are unmanned installations are not required to be declared as the PPOB or as an APOB in the GST registration application.

3.10 **State Specific Information:**

In some States, the applicant is also required to provide some State specific information in the application for registration. For example, in respect of application for registration applied in the State of Maharashtra, Rajasthan, Odisha, Andhra Pradesh, Assam and Madhya Pradesh, furnishing of information of electricity connection in respect of the premises for principal

place of business, viz. Name of Electricity Board or Unit and Consumer Account Number/ Electricity Consumer Number is mandatory. The applicant may ensure that such details required specifically for the State concerned, where registration is applied for, may be provided correctly, along with supporting documents, if any.

3.11 **Details of the Bank Account:**

As per rule 10A of CGST Rules, 2017, a registered person is required to furnish the details of the bank accounts, which are in the name of the applicant/ registered person and have been obtained on the PAN of the applicant/ registered person, within a period of 30 days from the date of grant of registration, or before furnishing of details of outward supplies in FORM GSTR-1/ Invoice Furnishing Facility, whichever is earlier. Accordingly, whereas furnishing of the details of the bank account is not mandatory at the time of filing application for registration, the applicant is advised to furnish the details of his Bank Account, where available at the time of applying for registration, in his application for registration. Such details include the Account Number, type of account, Bank Name, IFSC Code, Branch Address. The said Bank account should invariably be in the name of the applicant and should be obtained on the PAN of the applicant. The applicant can give details of more than one account in the application for registration. The applicant is also required to upload the documents related to the said bank account(s) in form of scanned copy of first page of the bank passbook, or the relevant page of the Bank Statement, or the scanned copy of the cancelled cheque containing the name of the Proprietor/ Business entity, Bank Account No., IFSC and Bank Branch details, etc.

4. In cases, where the application for registration is being filed by a person whose previous registration, obtained on the same PAN, had been suspended as per the provisions of sub-rule (2) or sub-rule (2A) of rule 21A of CGST Rules, 2017, or had been cancelled as per the provisions of rule 22 of CGST Rules, 2017, the applicant needs to ensure that all his due returns for such suo-moto suspended or cancelled registration, including final return in FORM GSTR-10, as applicable, have been filed and no liability is pending against the said suo-moto suspended/ cancelled registration.

5. **Processing of registration application:**

5.1 As per provisions of rule 9 of CGST Rules, 2017 in cases, where the applicant has opted for authentication of Adhaar number, as specified in sub-rule (4A) of rule 8 of CGST Rules, 2017, while filing the application for registration, and has successfully got the Adhaar authenticated, the registration application is required to be processed by the proper officer within a period of seven working days from the date of submission of the application. In cases, where the applicant has either not opted for authentication of Adhaar number or fails to undergo such authentication of Adhaar number; or where the applicant is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business; or where the proper officer, with the approval of competent authority, deems it fit to carry out physical verification of places of business, the registration application is to be processed within thirty days of the submission of the application for registration, after physical verification of the place of business according to the provisions of rule 25 of CGST Rules. It is, therefore, in the interest of the applicant that he opts for and undergoes authentication of Adhaar number, as specified in sub-rule (4A) of rule 8 of CGST Rules, 2017, to get his application for registration processed at the earliest.

5.2 It is also added that as per first and second provisos to sub-rule (4A) of rule 8 of CGST Rules, 2017, in cases where the applicant has opted for authentication of Adhaar number, the applicant may be identified on the common portal, based on data analysis and risk parameters, for biometric based Adhaar authentication, for taking photograph of the applicant, and for verification of original copies of the documents uploaded by the applicant in the application for registration, at one of the Facilitation Centres notified for the said purpose. In cases, where the applicant has not opted for authentication of Adhaar number, he will be required to visit the Facilitation Centre for the purpose of taking the photograph and for verification of original copies of the documents uploaded by him in the application for registration. In such cases, application for registration shall be deemed to be complete only on successful verification as per the said provisions. Therefore, it is in the interest of the applicant to undergo the above said authentication/ verification at the Facilitation Centres in timely manner in such cases.

5.3 Small taxpayers who mainly supply to unregistered persons, or issue tax invoices in respect of supplies made to registered persons for passing on ITC on a monthly basis below Rs. 2.5 lakh, may take the benefit of simplified registration under Rule 14A of the CGST Rules, 2017. They can opt to pass on ITC below Rs. 2.5 lakh per month while applying for GST registration under FORM GST REG-01. Under Rule 14A, registration is granted automatically by the system within 3 working days. Similarly, applicants identified by the system based on risk-based parameters and data analytics for electronic grant of registration under Rule 9A are also given registration automatically by the system within 3 working days from the date of submission of the application.

5.4 Where the application is found to be deficient, either because of incomplete or contradictory details or information or documents furnished by the applicant; or due to the documents being illegible, not clear or not providing complete details, such as identity of the person/ complete address, etc., the proper officer may seek a clarification or information or documents through a notice in FORM GST REG-03, within seven working days from the date of submission of application only in the following cases:

i. Where any document is incomplete or not legible, the proper officer may seek complete or legible copy of the same.

ii. Where the address of place of business does not match with the document uploaded by the applicant, or where such uploaded document does not appear to be a valid proof of the address of the said place of business, the proper officer may seek additional documents as per the list of documents in **Annexure-IV** to confirm the address details.

iii. Where the address of place of business is incomplete or vague, the proper officer may seek complete and unambiguous details of the address along with the corresponding documentary proof.

5.4.1 It has also been observed that sometimes unwarranted documents are sought by raising queries such as residential address of the applicant/Managing Director/Authorized Signatory not being in the same city or the State where the registration has been sought; Udyam Certificate; raising objections that the kind of activities mentioned in the registration application cannot be conducted from the particular premises etc. While raising queries/seeking additional documents, officers handling registration applications should not seek unwarranted documents or raise any presumptive query which is not relevant for processing of registration application.

5.4.2 The proper officer may issue a notice electronically to the applicant in FORM GST REG-03, as referred to in para 5.4 above, in cases where the application has not been identified by the system for physical verification of the place of business. In cases where the application has been identified by the system for physical verification, or where the proper officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, considers physical verification of the place of business necessary, such notice shall be issued within thirty days from the date of submission of the application.

5.5 The applicant is required to submit the said clarification, information or the documents in FORM GST REG-04 within a period of seven working days from the date of receipt of such notice. The proper officer is, thereafter, required to take a decision of the application of registration within seven working days of the receipt of the clarification, information or the documents from the applicant in FORM GST REG-04. The proper officer shall carefully examine the clarification, information or documents furnished by the applicant in FORM GST REG-04. Where the proper officer is satisfied with the reply furnished by the applicant in FORM GST REG-04, he shall approve the application for registration within seven working days from the date of receipt of such reply. However, where the proper officer is not satisfied with the clarification, information or documents furnished by the applicant, he may, for reasons to be recorded in writing, reject such application and inform the applicant electronically in FORM GST REG-05 within 07 working days from the date of receipt of reply.

5.6. Where applications have been identified by the system for physical verification of the place of business is to be carried out, the proper officer shall immediately initiate the process for physical verification of the place of business in accordance with provisions of rule 9 of CGST Rules read with rule 25 thereof. Thus, the officer must ensure that the physical verification report along with the other documents, including photographs, is uploaded on the system in FORM GST REG-30 at least five days prior to the expiry of the time period thirty days from the date of submission of application. The officer carrying out physical verification shall ensure the following:

a. Give a specific report regarding existence/non-existence of principal place of business declared by the applicant.

b. In case entity is found non-existing, efforts made in respect of locating the said premises, need to be recorded in the physical verification report.

c. Upload on the portal, GPS enabled site photograph and other documents, if any, during physical verification visit.

d. In case the ARN assigned for physical verification belongs to a different jurisdiction, the same should immediately be reassigned by the concerned officer to its correct jurisdiction through the portal.

5.7 The registration shall be deemed to have been approved if no action is taken by the proper officer within the time period specified in rule 9 of CGST Rules, 2017, as also mentioned above.

6. In view of above, the proper officer shall process registration applications submitted in FORM GST REG-01 by adhering strictly to the prescribed list of required documents, ensuring that no additional or unnecessary papers are sought from applicants to

facilitate a smooth and taxpayer-friendly process. Where documents are found incorrect, incomplete, or mismatch, for instance, due to discrepancies in details, the officer shall issue a notice solely through FORM GST REG-03, providing applicants a clear opportunity to rectify without alternative communication or outright rejection. The primary objective remains to onboard genuine businesses efficiently into the GST system, so the proper officer shall refrain from personal or subjective assessments, such as classifying electricity connections as domestic or commercial, scrutinizing bill amounts, or deeming residential premises unfit for business. Further, verification of utility bills (like electricity or water) or property tax receipts shall be limited to confirming the applicant's name and address. In examining rental or lease agreements, the officer shall verify mainly document's validity, inclusion of both the applicant's and lessor's names and the exact property address.

6.1 Further, it is clarified that, in terms of Rule 14A of the Central Goods and Services Tax Rules, 2017, a registered person opting to exit from the simplified registration scheme shall follow the procedure prescribed for regular registration. Such person shall submit the withdrawal application in FORM GST REG-32 alongwith the documents as specified in FORM GST REG-01, and the standard process for normal registrations shall apply mutatis mutandis.

7. The applicant is advised that all the requisite information/ details, along with all the required documents, legible and complete in all sorts, may be provided in the application for registration. It is also informed that the process of registration in GST is totally online and faceless, without need for physical interface, except in respect of the process of physical verification of the premises of the applicant, where such physical verification is required to be undertaken as per the provisions of rule 9 and rule 25 of CGST Rules, 2017, or where the biometric authentication of Adhaar, verification of the original copy of documents and taking of photographs has to be undergone at one of the Facilitation Centres. Besides, all the communications with the applicant related to registration process, either by the system or by the proper officer, has to be made through the common portal only. The applicant should be vigilant about the communications/ notices sent to him through the common portal, so that he can take timely action in respect of any communication sent through the common portal.

8. Where the applicant feels aggrieved, either due to delay in processing of the application for registration, or due to unwarranted queries being raised by the proper officer, he may file a complaint/ grievance with the jurisdictional Chief Commissioner of Central Tax/ Commissioner of State Tax, on the special e-mail identified by the Zones/ States for the said purpose.

9. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

10. Difficulties, if any, in implementation of these instructions may be informed to the Board.

**[For further details please refer the Circular]**

# FEMA

## CIRCULAR

## DELEGATION OF COMPOUNDING OF CERTAIN CONTRAVENTIONS UNDER FEMA, 1999 TO REGIONAL OFFICES OF THE RESERVE BANK

**OUR COMMENTS:** The (Foreign Exchange Department), Reserve Bank of India, issued Circular No. 28/2026-27 dated 23.10.2026 clarified that:

1. Attention of Authorised Dealer (AD) Category - I bank and other Authorised Persons is invited to

i. A.P. (DIR Series) Circular No. 17/2024-25 dated October 1, 2024 and

ii. Master Directions on Compounding of Contraventions under FEMA, 1999, dated April 22, 2025

2. As laid down in the above directions, the applications for compounding of contraventions pertaining to transactions related to Overseas Investments and Borrowing and Lending, and Guarantees are currently being received at Central Office of the Reserve Bank. The compounding of contraventions related to certain categories of transactions related to foreign direct investment were being carried out by the Regional Offices of the Reserve Bank.

3. As a measure for promoting customer service, the powers to compound contraventions related to Overseas Investments and Borrowing and Lending, and Guarantees transactions have also been delegated to the select Regional Offices of the Reserve Bank as follows:

**A. Overseas Investment transactions**

*Compounding applications related to contraventions of provisions under*

*(i)* Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2000 *dated May 03, 2000, notified vide* Notification No FEMA 19/RB-2000*, as amended from time to time, or*

*(ii)* Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 *dated July 07, 2004, notified vide* Notification No FEMA 120/RB-2004*, as amended from time to time, or*

*(iii)* Foreign Exchange Management (Overseas Investments) Rules, 2022 *dated August 22, 2022, or*

*(iv)* Foreign Exchange Management (Overseas Investments) Regulations, 2022*, dated August 22, 2022, notified vide* notification No. FEMA 400/2022-RB

*(v) Any other provisions of the Act, rules and regulations issued thereunder, as far as the contraventions are related to underlying overseas investments transactions*

*shall be submitted to the following Regional Offices depending on the Unique Identification Number (UIN) assigned to the foreign entity, overseas Joint venture or overseas Wholly Owned subsidiary, as the case maybe, as mentioned below:*

| Sr. No | Regional Office | Prefix of the UIN |
|---|---|---|
| 1 | Ahmedabad | AH |
| 2 | Bengaluru | BG |
| 3 | Mumbai | BL or BY or PJ |
| 4 | Kolkata | BN or CA or GA or GH |
| 5 | New Delhi | CG or JM or JR or KA or ND or PT or WR |
| 6 | Hyderabad | HY |
| 7 | Chennai | KO or MA |

*vi. The compounding applications in respect of contraventions where no UIN was allotted, shall be submitted at Cell for Effective implementation of FEMA (CEFA),* Foreign Exchange Department, Central Office, Reserve Bank of India, 11th floor, Central Office Building, Shahid Bhagat Singh Road, Fort, Mumbai - 400001.

**B. Borrowing and Lending, and Guaranatee transactions**

Compounding applications related to contraventions of provisions under

*(i)* Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000*, dated May 03, 2000, and notified vide* Notification No. FEMA 3/2000-RB*, as amended from time to time, or*

*(ii)* Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000*, dated May 03, 2000, and notified vide* Notification No. FEMA.4/2000-RB*, as amended from time to time, or*

*(iii)* Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 *dated December 17, 2018, and notified vide* Notification No FEMA 3(R)/RB-2018, *as amended from time to time, or*

*(iv)* Foreign Exchange Management (Guarantees) Regulations, 2000*, dated May 03, 2000, and notified vide* Notification No FEMA 8/RB-2000*, as amended from time to time, or*

*(v)* Foreign Exchange Management (Guarantees) Regulations, 2026 *dated January 06, 2026, and notified vide* Notification No FEMA 8(R)/RB-2026*, as amended from time to time.*

*(vi) shall be submitted by the applicants to the Regional Offices having jurisdiction over the registered office of the Indian company/ entity concerned, or place of domicile, as the case maybe. The details of the Regional Offices and their respective jurisdictions are brought out in Part C of Annexure I to the Master Directions on Compounding of Contraventions under FEMA, 1999, dated April 22, 2025.*

*Note: In case the contraventions pertain to Lending or Guarantees transactions undertaken by the applicant, towards the foreign entity in which the applicant has made ODI, the compounding applications shall be submitted as per 'A' above.*

**C**. Compounding applications involving contraventions of multiple categories of transactions governed by different sets of rules and/or regulations (for which powers to compound have been delegated to different offices) may be submitted at Cell for *Effective implementation of FEMA (CEFA), Foreign Exchange Department, Central Office, Reserve Bank of India, 11th floor, Central Office Building, Shahid Bhagat Singh Road, Fort, Mumbai - 400001*

3. The aforesaid Master Directions shall accordingly be updated to reflect the above changes.

4. All AD Category-I banks and other Authorised Persons may bring the guidelines contained in this circular to the notice of their constituents.

5. The Directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and/or without prejudice to permissions/approval, if any, required under any other law.

**[For further details please refer the Circular]**

# CUSTOMS

## NOTIFICATION

### FIXATION OF TARIFF VALUE OF EDIBLE OILS, BRASS SCRAP, ARECA NUT, GOLD AND SILVER

**OUR COMMENTS:** The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Notification No. 89/2026-Customs (N.T) dated 30.10.2026 notified that in exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient to do so, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted, namely: -

**"TABLE-1**

| Sl. No. | Chapter/ heading/sub-heading /tariff item | Description of goods | Tariff value (US $Per Metric Tonne) |
|---|---|---|---|
| (1) | (2) | (3) | (4) |
| 1 | 1511 10 00 | Crude Palm Oil | 1174 |
| 2 | 1511 90 10 | RBD Palm Oil | 1200 |
| 3 | 1511 90 90 | Others – Palm Oil | 1187 |
| 4 | 1511 10 00 | Crude Palmolein | 1204 |
| 5 | 1511 90 20 | RBD Palmolein | 1207 |
| 6 | 1511 90 90 | Others – Palmolein | 1206 |
| 7 | 1507 10 00 | Crude Soya bean Oil | 1291 |
| 8 | 7404 00 22 | Brass Scrap (all grades) | 8242 |

**TABLE-2**

| Sl. No. | Chapter/ heading/ sub-heading/ tariff item | Description of goods | Tariff value (US $) |
|---|---|---|---|
| (1) | (2) | (3) | (4) |
| 1. | 71 or 98 | Gold, in any form, in respect of which the benefit of entries at serial number 194 of the Notification No. 45/2025-Customs dated 24.10.2025 is availed | 1295 per 10 grams |
| 2. | 71 or 98 | Silver, in any form, in respect of which the benefit of entries at serial number 195 of the Notification No. 45/2025-Customs dated 24.10.2025 is availed | 1711 per kilogram |
| 3. | 71 | (i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92;<br><br>(ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage.<br><br>**Explanation.** - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver. | 1711 per kilogram |
| 4. | 71 | (i) Gold bars, other than tola bars, bearing manufacturers or refiner's engraved serial number and weight expressed in metric units;<br><br>(ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage.<br><br>**Explanation.** - For the purposes of this entry, "gold findings" means a small component such as hook, | 1295 per 10 grams |

| | | | |
|---|---|---|---|
| | | clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place. | |

**TABLE-3**

| Sl. No. | Chapter/ heading/ sub-heading/tariff item | Description of goods | Tariff value (US $ Per Metric Ton) |
|---|---|---|---|
| (1) | (2) | (3) | (4) |
| 1 | 080280 | Areca nuts | 10433 (ie. no change)" |

2. This notification shall come into force with effect from the 31st day of October, 2026.

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO AMEND NOTIFICATION NO. 19/2026-CUSTOMS, DATED THE 30TH MAY, 2026**

**OUR COMMENTS:** The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Notification No. 35/2026-Customs dated 30.10.2026 notified that in exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) read with section 124 of the Finance Act, 2021 (13 of 2021), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 19/2026-Customs, dated the 30th May, 2026, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 420(E), dated the 30th May, 2026, namely: -

In the said notification, in paragraph 2, for the figures and words "31st day of October, 2026", the figures and words "31st day of December, 2026" shall be substituted.

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO AMEND NOTIFICATION NO. 12/97-CUSTOMS (N.T.) DATED THE 2ND APRIL, 1997 - INLAND CONTAINER DEPOTS FOR LOADING AND UNLOADING OF GOODS**

**OUR COMMENTS:** The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Notification No. 88/2026-Customs (N.T) dated 28.10.2026 notified that in exercise of the powers conferred by clause (aa) of sub-section (1) read with sub-section (2) of section 7 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 12/97-Customs (N.T.) dated the 2nd April, 1997, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 193 (E), dated the 2nd April, 1997, namely:-

In the said notification, in the Table, against serial number 11, relating to the State of Tamil Nadu, in column (3) and (4), after item (xiii) in column (3) and the entries relating thereto in column (4), the following item and entries shall be inserted, namely: -

| (1) | (2) | (3) | (4) |
|---|---|---|---|
| | | "(xiv) Anekollu, Krishnagiri District | Unloading of imported goods and the loading of export goods or any class of such goods." |

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO AMEND NOTIFICATION NO. 45/2025-CUSTOMS, DATED THE 24TH OCTOBER, 2025 - EFFECTIVE RATES OF CUSTOMS DUTY, IGST AND COMPENSATION CESS FOR GOODS IMPORTED INTO INDIA**

**OUR COMMENTS:** The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Notification No. 34/2026-Customs dated 27.10.2026 notified that in exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue) No. 45/2025-Customs, dated the 24th October, 2025, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 781(E), dated the 24th October, 2025, namely: -

In the said notification,

(a) in TABLE I, S. No. 198 and the entries relating thereto shall be omitted;

(b) in the LISTS appended to TABLE I, lists 13, 14 and 15 shall be omitted;

(c) in TABLE II, -

(i) against S. No. 36, for the entry in column (2), the entry "8906" shall be substituted;

(ii) against S. No. 60, for the entry in column (3), the following entry shall be substituted, namely: -

"Parts, sub-assemblies, spares, accessories, tools, testing equipment, literature for goods like artillery weapons, rifles, aircrafts, and missiles, except for 12.7mm SRCG, 155mm/45 Cal. Dhanush, L-70 Gun, 84mm RL Mk-III, AK-630 Naval Guns, Light Machine Gun, MAG Gun:

**Provided** that nothing contained in this S. No. shall have effect on or after the 1st July, 2029".

2. This notification shall come into force on the 1st day of November, 2026.

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO AMEND NOTIFICATION NO. 45/2025-CUSTOMS, DATED THE 24TH OCTOBER, 2025 - EFFECTIVE RATES OF CUSTOMS DUTY, IGST AND COMPENSATION CESS FOR GOODS IMPORTED INTO INDIA**

**OUR COMMENTS:** The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Notification No. 26/2026-Customs (ADD) dated 24.10.2026 notified that in the matter of "Titanium Dioxide" (hereinafter referred to as the subject goods) falling under tariff items 2823 00 10, 3206 11 10 and 3206 11 90 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in, or exported from China PR (hereinafter referred to as the subject country) and imported into India, the designated authority, pursuant to the judgment of the Hon'ble High Court of Calcutta in Indian Paint Association v. Union of India & Ors. - 2025 (9) TMI 1477 - CALCUTTA HIGH COURT (WPO No. 148 of 2025) in the remand proceedings, dated the 22nd September, 2025, in its final findings vide F. No. 6/03/2024-DGTR, dated the 3rd August, 2026, published in the Gazette of India, Extraordinary, Part I, section 1, dated the 3rd August, 2026 has come to the conclusion that-

(i) the subject goods have been exported to India from the subject country at dumped prices and the dumping margin is above de-minimis level and significant;

(ii) the domestic industry has suffered material injury and is facing threat of injury on account of subject imports from the subject country;

(iii) the material injury has been caused by the dumped imports of the subject goods from the subject country,

and has recommended imposition of an anti-dumping duty on the imports of subject goods, originating in, or exported from the subject country and imported into India, in order to remove injury to the domestic industry.

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under tariff items of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), exported from the countries as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), and imported into India, an anti-dumping duty equal to the amount as specified in the corresponding entry in column (7), in the currency as specified in the corresponding entry in column (9) and as per unit of measurement as specified in the corresponding entry in column (8) of the following Table, namely:-

| Sl. No. | Tariff Item | Description | Country of origin | Country of export | Producer | Amount | Unit of measurement | Currency |
|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1. | 2823 0010, 3206 1110, and 3206 1190 * | Titanium Dioxide** | China PR | Any country including China PR | Anhui Gold Star Titanium Dioxide (Grou | 609 | MT | USD |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | p) Co., Ltd. | | | |
| | | | | | Anhui Gold Star Titanium Dioxide Trading Co., Ltd. | | | |
| 2. | -do- | -do- | China PR | Any country including China PR | Shandong Jinhai Titanium Resources Technology Co., Ltd. | 563 | MT | USD |
| | | | | | Shandong Xianghai Titanium Co., Ltd. | | | |
| 3. | -do- | -do- | China PR | Any country including China PR | LB Xiangyang Titanium Industry Co Ltd., and | 460 | MT | USD |
| | | | | | LB Sichuan Titanium Industry Co., Ltd. | | | |
| | | | | | LB Lufeng Titanium Industry Co., Ltd. | | | |
| | | | | | LB Group Co., Ltd. | | | |
| | | | | | Henan Billions Advanced Material Co., Ltd. | | | |
| 4. | -do- | -do- | China PR | Any country including China PR | **** Non-Sampled Cooperative Producers | 510 | MT | USD |
| 5. | -do- | -do- | China PR | Any country other than subject country | Any producer other than Sl no. 1, 2, 3, and 4 | 681 | MT | USD |
| 6. | -do- | -do- | Any country other than subject country | China PR | Any | 681 | MT | USD |

# CUSTOMS

***Note 1-** Customs classification is only indicative, and the determination of anti-dumping duty shall be made as per the description of the product under consideration.

***Note 2-** The application of the individual duty rates specified for the producers mentioned in the Table above shall be conditional upon presentation to the customs authorities of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows:

"I, the undersigned, certify that the (volume) of (product concerned) sold for export to India covered by this invoice was manufactured by (producer name and address) in [subject country]. I declare that the information provided in this invoice is complete and correct."

If no such invoice is presented, the duty applicable to all other producers shall apply. This requirement is without prejudice to the verification procedures independently undertaken by the Customs authorities under the applicable customs law and regulations.

****Excluding the following:**

| *S.No.* | *Product excluded* | *Description of the excluded product and details* |
|---|---|---|
| *1* | *Food* | *TiO2 used in food additives like food colouring* |
| *2* | *Pharma* | *TiO2 used as ingredient in tablet film coatings* |
| *3* | *Skin-care* | *TiO2 is used in cosmetics and sunscreen lotions for UV-absorbing and photocatalyst applications* |
| *4* | *Textile* | *TiO2 used in production of textile/fibre. TiO2 which is used in the production of textiles and fibres largely because of its photo-catalytic self-cleaning, UV-protection and delustering abilities, etc. is excluded from the scope of product under consideration. However, such exclusion does not extend to the TiO2 that is used as a pigment for printing over the textile/garment/cloth/fabric.* |
| *5* | *Fibre* | *TiO2 is used for delustering the artificial fibre and this fibre is used to produce the textiles. Fibre grade materials are used to blend with fibre threads to make the cloth itself. TiO2 Rutile grade for making décor paper (used at fibre/pulp stage).* |
| *6* | *Nano or ultrafine* | *Nano or ultrafine titanium dioxide having particle size below 100 nm used in textile/paint industry to offer characteristics such as dust free textile/paint.* |

*****Non-Sampled Cooperative Producers*

*(1) Yibin Tianyuan Haifeng Hetai - Co, Ltd.*

*(2) Chongqing Titanium Industry Co. Ltd. of Pangang Group*

*(3) Pangang Group Titanium Industry Co. Ltd.*

*(4) Jiangxi Tikon Titanium Products Co. Ltd. (A Tronox Company)*

*(5) Kunming Donghao Titanium Co. Ltd.*

*(6) Inter-China Chemical Co. Ltd.*

*(7) Anhui Annada Titanium Industry Co. Ltd.*

*(8) Shandong Doguide Group Co. Ltd.*

*(9) Qiangjiang Fangyuan Titanium Industry Co. Ltd.*

*(10) Jinan Yuxing Chemical Co. Ltd.*

*(11) Ningbo Xinfu Titanium Dioxide Co. Ltd.*

*(12) Shandong Dawn Titanium Industry Co. Ltd.*

2. The anti-dumping duty imposed under this notification shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be payable in Indian currency.

3. The landed value of imports for the purpose of this notification shall be assessable value as determined by the Customs under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties under sections 3, 8B, 9 and 9A of the said Act.

**Explanation.** - For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India in the Ministry of Finance (Department of Revenue), issued from time to time in exercise of the powers conferred by section 14 of the Customs

Act, 1962 (52 of 1962) and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Act.

**[For further details please refer the Notification]**

## NOTIFICATION

**SEEKS TO RESCINDS THE NOTIFICATION NO. 12/2025-CUSTOMS (ADD), DATED THE 10TH MAY, 2025 - TO IMPOSE ANTI-DUMPING DUTY ON IMPORTS OF 'TITANIUM DIOXIDE' ORIGINATING IN OR EXPORTED FROM CHINA PR**

**OUR COMMENTS:** The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Notification No. 25/2026-Customs (ADD) dated 24.10.2026 notified that in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975), the Central Government hereby rescinds the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 12/2025-Customs (ADD), dated the 10th May, 2025, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 305(E), dated 10th May, 2025, except as respects things done or omitted to be done before such rescission.

**[For further details please refer the Notification]**

## PUBLIC NOTICE

**IMPLEMENTATION OF INDIA-NEW ZEALAND FREE TRADE AGREEMENT (FTA) IN CUSTOMS EDI SYSTEM FOR EXPORTS**

**OUR COMMENTS:** The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Public Notice No. 137/2026 dated 29.10.2026 notified that:

1. Attention of all Exporters, Customs Brokers, Shipping Lines, and other stakeholders concerned is invited to the India-New Zealand Free Trade Agreement (FTA) and CBIC Notification No. 82/2026-Customs (N.T.) dated 12.10.2026, which entered into force on 20.10.2026.

2. In this regard, reference is also invited to Directorate General of Systems and Data Management, CBIC, Advisory No. 44/2026 dated 26.10.2026, regarding implementation of the India-New Zealand FTA in the Customs EDI System for exports. The facility for capturing Certificate of Origin (CoO) details at the item level in the Shipping Bill for exports to New Zealand has been enabled in the system with effect from 20.10.2026.

3. For claiming preferential tariff treatment in New Zealand under the India-New Zealand FTA, the Exporter or Customs Broker needs to declare the following details at item level in the Shipping Bill in the following format:

| Info Type | Info Qfr | Info CD | Remarks |
|---|---|---|---|
| ORC<br><br>(mandatory for all items) | EPT | FTANZD | This declaration will be mandatory for all the items. Wherever exports are not under any PTA, Info_CD should be declared as NCPTI.<br><br>If this declaration is not made, the Shipping Bill will not be filed. |

4. The Exporters/Customs Brokers shall ensure that the Certificate of Origin (CoO) number and date declared in the Shipping Bill correspond exactly with the details appearing on the Certificate of Origin issued by the designated issuing authority under the Agreement.

5. All Exporters, Customs Brokers and other stakeholders concerned are advised to take due note of the above instructions and ensure strict compliance while filing Shipping Bills for exports to New Zealand, so as to avoid any difficulty in the filing and processing of Shipping Bills.

6. Trade stakeholders facing any difficulties or issues in implementation of the above instructions may contact the ICEGATE Helpdesk at icegatehelpdesk@icegate.gov.in. Officers facing any system-related difficulties may communicate the same to saksham.seva@icegate.gov.in.

**[For further details please refer the Public Notice]**

## CIRCULAR

**ANTI-DUMPING DUTY ON IMPORTS OF "TITANIUM DIOXIDE" ORIGINATING IN OR EXPORTED FROM CHINA PR - IMPLEMENTATION**

**OUR COMMENTS:** The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Circular No. 46/2026-Customs dated 27.10.2026 clarified that:

Attention is invited to Notification No. 26/2026-Customs (ADD) dated 24.10.2026 imposing Anti-Dumping Duty (ADD) on imports of "Titanium Dioxide", falling under tariff items 2823 00 10, 3206 11 10 and 3206 11 90 of the First Schedule to the Customs Tariff Act, 1975, originating in or exported from China

PR. (Notification No. 12/2025-Customs (ADD) dated 10.05.2025 has been rescinded vide Notification No. 25/2026-Customs- (ADD) of even date)

2. The Notification No. 26/2026-Customs (ADD) has prescribed that ADD is leviable on imports of "Titanium Dioxide" meant for specified end-uses only and imports of Titanium Dioxide for use in food, pharma, skin-care, textile and fibre applications, as well as nano or ultrafine titanium dioxide having a particle size below 100 nm, are excluded from the scope of the ADD, as described in the said notification

3. To ensure that ADD is not levied on imports of such excluded products and that their clearance is not delayed, it has been decided that the facility of electronic declaration in the Bill of Entry shall continue, with the declaration modified to read as under:

*"I/We declare that the goods imported are for use in products of description excluded in terms of Notification No. 26/2026-Customs (ADD) dated 24.10.2026 relating to food, pharma, skin-care, textile, fibre, nano or ultrafine titanium dioxide. Without prejudice to any other action taken under the Customs Act or under the Customs Tariff Act, I/we undertake to pay applicable Anti-Dumping Duty along with interest, if any, in case the goods are supplied for use in products not excluded in terms of Notification No. 26/2026-Customs (ADD) dated 24.10.2026."*

4. Where it is found that the goods have been used or supplied other than the declared end use, the ADD along with the consequential differential duty and interest shall be recovered from the importer, without prejudice to any other action under the Customs Act, 1962.

5. DG (Systems) shall modify the existing declaration in the System accordingly and issue a suitable advisory relating to system implementation.

6. The Circular No. 16/2025-Customs dated 11.05.2025 stands superseded. The officers under your jurisdiction may be sensitised and suitable Public Notice/ Standing Order may be issued. Difficulty, if any, in implementation of this Circular may be brought to the notice of the Board.

**[For further details please refer the Circular]**

# DGFT

## NOTIFICATION

### AMENDMENT IN EXPORT POLICY OF AGARWOOD UNDER CHAPTER 12, SCHEDULE - 2 ITC (HS) EXPORT POLICY, 2022

**OUR COMMENTS:** The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Notification No. 46/2026-27 dated 30.10.2026 notified that in exercise of powers conferred by Section 3 read with section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), as amended, read with Para 1.02 and 2.01 of the Foreign Trade Policy, 2023, the Central Government hereby makes following amendments in Note - 3 of Export Licensing Notes of Chapter 12, Schedule - 2 ITC (HS) Export Policy, 2022:

| Export Licensing Notes | Existing Entry | Revised Entry |
|---|---|---|
| Note - 3 | i. However, in respect of CITES species, a CITES permit of export shall be required.<br><br>ii. Exports allowed only through the Ports of Mumbai, Nhava Sheva, Kolkata, Cochin, Delhi, Chennai, Tuticorin, Amritsar, Calicut, Thiruvananthapuram, Kandla and Mundra.<br><br>iii. Except for the documents prescribed above, no additional informations/ NOC/ documents shall be required to be furnished by the Exporter to any authority of State or Central Government. | i. However, in respect of CITES species, a CITES permit of export shall be required.<br><br>ii. Exports allowed only through the Ports of Mumbai, Nhava Sheva, Kolkata, Cochin, Delhi, Chennai, Tuticorin, Amritsar, Calicut, Thiruvananthapuram, Kandla and Mundra. However, in respect of Agarwood oil and Agarwood chips (and allied products) export will also be allowed from Lokpriya Gopinath Bordoloi International Airport, Guwahati, subject to all applicable statutory and regulatory requirements.<br><br>iii. Except for the documents prescribed above, no additional informations/ NOC/ documents shall be required to be furnished by the Exporter to any authority of State or Central Government. |

Effect of this Notification: The Export of Agarwood oil and Agarwood chips (and allied products) has been permitted from LGBI (Lokpriya Gopinath Bordoloi International) Airport, Guwahati, subject to all applicable statutory and regulatory requirements.

**[For further details please refer the Notification]**

## TRADE NOTICE

### CONSTITUTION OF SUB-COMMITTEE FOR RESILIENCE & LOGISTICS INTERVENTION FOR EXPORT FACILITATION (RELIEF) UNDER EXPORT PROMOTION MISSION

**OUR COMMENTS:** The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Trade Notice No. 33/2026-27 dated 30.10.2026 notified that in continuation of Notification No. 65/2025-26 dated 19th March 2026, whereby the time-limited Support for Indian Exporters, Resilience & Logistics Intervention for Export Facilitation (RELIEF) was notified under the EXPORT PROMOTION MISSION, a Sub-Committee for RELIEF is hereby constituted with immediate effect, to facilitate better utilisation of funds and improved uptake of the intervention.

**2. Composition of the Sub-Committee**

a. The Sub-Committee for RELIEF (hereafter referred to as the 'Sub-Committee') shall be constituted for better utilisation of funds and improved uptake of the intervention. The composition of the Sub-Committee shall be as follows:

| S.N. | Officer Concerned | Position |
|---|---|---|
| 1. | Additional Director General of Foreign Trade, Logistics Division, DGFT | Co-Chair |
| 2. | Additional Director General of Foreign Trade EPM Division, DGFT | Co-Chair |
| 3. | Director, Trade Finance Division, Department of Commerce | Member |
| 4. | Functional Director, Export Credit Guarantee Corporation of India (ECGC) | Member |
| 5. | Representative of the Department of Financial Services (DFS), Ministry of Finance | Member |
| 6. | Joint DGFT, EPM Section, DGFT | Convenor |

b. The Sub-Committee may co-opt members or invite any other stakeholders as and when required.

**3. Functions of the Sub-Committee**

The Sub-Committee shall:

i. review the progress of implementation of the three components of RELIEF, including the claims processed and the balance funds available as reported by ECGC;

ii. examine the factors affecting the uptake of the intervention and the utilisation of the approved funds; and

iii. recommend measures for better utilisation of funds and uptake of the intervention.

The recommendations of the Sub-Committee shall be placed before the EPM Steering Committee, which may take decisions on the review of RELIEF in terms of paragraph 10 of the Annexure to Notification No. 65/2025-26.

**4.** The Export Promotion Mission (EPM) Section of the Directorate General of Foreign Trade shall be the secretariat of the Sub-Committee.

This Trade Notice is issued with the approval of the Competent Authority.

**[For further details please refer the Trade Notice]**

**TRADE NOTICE**

**AMENDMENTS AND CLARIFICATIONS TO THE GUIDELINES FOR SUPPORT FOR ALTERNATIVE TRADE INSTRUMENTS UNDER EXPORT PROMOTION MISSION (EPM) – NIRYAT PROTSAHAN.**

**OUR COMMENTS:** The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Trade Notice No. 32/2026-27 dated 26.10.2026 notified that in continuation of Trade Notice No. 25/2025-26 dated 20th February, 2026, vide which the Support for Alternative Trade Instruments intervention under EPM – Niryat Protsahan was notified, the following amendment is made and clarifications are issued with respect to the Operational and Procedural Guidelines (Annexure-II) and the Application Procedure (Annexure-IV) of the said Trade Notice:

**a. Discontinuation of UIN:** The requirement of submitting a declaration of intent and obtaining a Unique Identification Number (UIN) prior to availing the factoring facility is discontinued. Exporters shall henceforth be identified through their Importer Exporter Code (IEC) at all stages of application, claim, and disbursal.

**b. Eligible factoring modalities and data filing triggers:** The export factoring modalities and the corresponding data filing triggers are specified at Annexure-I to this Trade Notice.

**c. Claim and disbursal procedure:** The step-wise procedure for data upload by the Factor and claim filing by the exporter is elaborated at Annexure-I to this Trade Notice.

**d. Eligibility – Date of export as the relevant event:** For the purposes of para 4(i) of Annexure-II to Trade Notice No. 25/2025-26, the relevant event for determining eligibility shall be the date of export as evidenced by the date of filing of the EGM containing the said shipping bill. All eligible claims in respect of export factoring transactions on or after February 20, 2026 may be filed from the date of operationalization of the portal for this intervention.

**e. Concurrent availability with Interest Subvention:** For the avoidance of doubt, an eligible MSME exporter availing Interest Subvention for Pre- and Post-Shipment Export Credit (Trade Notice No. 20/2025-26 dated January 02, 2026) may concurrently avail support under this intervention, and vice versa, subject to the conditions specified at Annexure-I to this Trade Notice.

2. The amendment at item (a) and the clarifications at items (b) to (e) above are detailed in Annexure-I to this Trade Notice. All other operational and procedural guidelines of Trade Notice No. 25/2025-26 shall remain unchanged.

3. This is issued with the approval of the Competent Authority.

**[For further details please refer the Trade Notice]**

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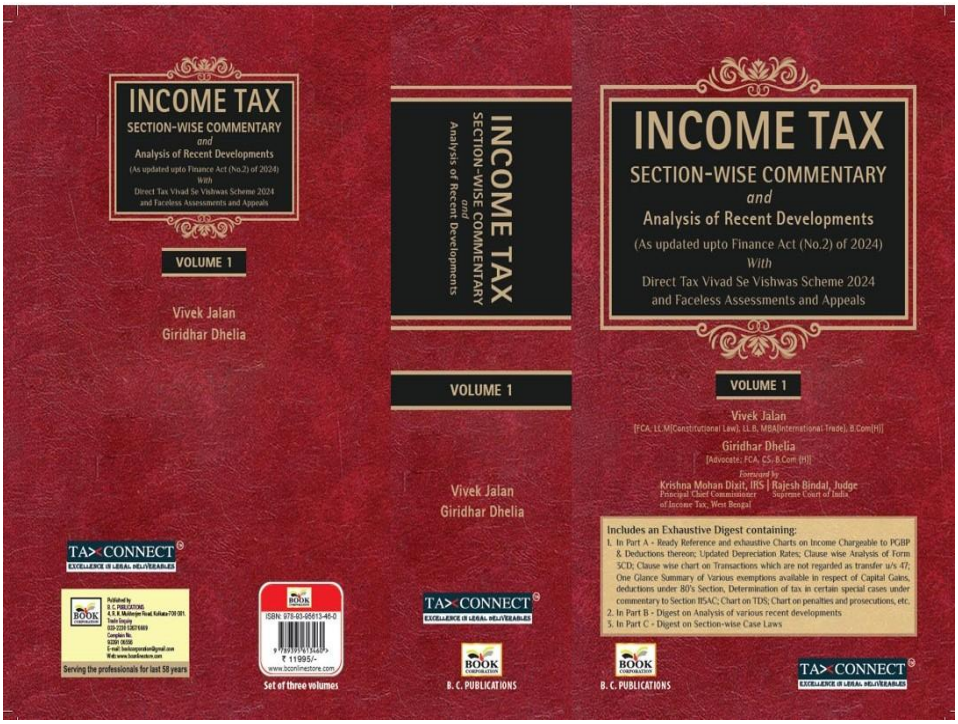
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