The Institute of Chartered Accountants of India

GST & Indirect Taxes Committee

GOODS & SERVICES TAX UPDATE-278

Interim Implementation of certain 57th GST Council Recommendations Pending Legislative Amendments

The CBIC, vide *Instruction No. 02/2026-GST dated 30.10.2026*, has issued directions for immediate implementation of certain recommendations of the 57th GST Council Meeting as an interim trade-facilitation measure, pending corresponding amendments to the CGST Act, 2017, which are proposed to take effect from 01.04.2027.

1. No further Arrests under GST

The GST Council recommended omission of Section 69 of the CGST Act, 2017 dealing with power of arrest. Accordingly, CBIC has directed all field formations that no further arrests shall be carried out under GST.

2. Rationalisation of E-Way Bill Interception and Verification

CBIC has prescribed the safeguards governing the interception, inspection, detention and seizure of goods in transit, along with restricting confiscation proceedings under Section 130 of the CGST Act,2017. The field formations are hereby directed as follows:-

(a) Interception Only on Specific Intelligence

- A conveyance can be intercepted only on the basis of specific intelligence duly authorised by an officer not below the rank of Joint Commissioner.
- The authorising officer must record written reasons to believe that the goods are being transported in contravention of the CGST Act or Rules.

(b) Restriction on Inspection

- The intercepting officer can inspect the conveyance and goods only where the supplier or recipient is registered or located (in case of an unregistered person) within the State/UT under his jurisdiction.
- If the inspection reveals any contravention, the proper officer may detain or seize the goods in accordance with Section 129 of the CGST Act.

(c) Goods Outside the Jurisdiction – No Unnecessary Detention

- Where neither the supplier nor the recipient is registered or located within the jurisdiction of the authorising officer, the intercepting officer shall not detain the goods.

- If a prima facie contravention is noticed, the information shall be forwarded to the proper officer having jurisdiction over the supplier or recipient after allowing the conveyance and goods to pass through unhindered. The jurisdictional authority receiving such information shall examine information and take necessary action.

(d) Absence of E-Way Bill and Supporting Documents

Where no e-way bill has been generated and no document establishing the origin or destination of goods is produced, the goods or conveyance may be inspected, detained or seized irrespective of the jurisdiction of the supplier or recipient.

(e) No Detention or Seizure on Other Grounds - Goods and conveyances in transit shall not be detained or seized for any reason other than those specified in the instruction.

(f) No Confiscation under Section 130 - Goods or conveyances in transit shall not be confiscated under Section 130 of the CGST Act, 2017.

3. Minimum threshold for Issuance of Show Cause Notices

(a) Minimum threshold of Rs.10,000 recommended for issuance of show cause notices under Sections 73, 74 and 74A of the CGST Act, 2017. Accordingly, CBIC directed that no SCNs may be issued where amount involved is below Rs.10,000.

(b) Threshold shall be calculated by aggregating the amounts under CGST, SGST, IGST, UTGST and Compensation Cess.

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