The Institute of Chartered Accountants of India

GST & Indirect Taxes Committee

GOODS & SERVICES TAX UPDATE-275

1. Date notified for applicability of certain provisions of the Finance Act, 2026

The Central Government vide ***Notification No.03/2026 - CT dated 26.10.2026*** has appointed 1 November 2026 as the date on which Sections 153 to 155 of the Finance Act, 2026, shall come into force, thereby giving effect to the following amendments:

a) Post-Supply Discounts –Section 15(3)(b) substituted to remove the earlier pre-supply agreements & specific invoice-linkage conditions.

b) Credit Notes for Discounts –Section 34(1) amended to expressly add a ground for issuing credit notes where post-supply discount u/s 15(3)(b) is given.

c) Inverted-Duty Refunds – Section 54(6) amended to extend 90% provisional refunds framework to eligible unutilised ITC u/s 54(3), first proviso, clause (ii).

d) Small Export-Tax Refunds – Section 54(14) amended to remove restriction of Rs.1,000 minimum refund from export of goods with payment of tax.

2. Amendment in applicability of supplies for E-Invoicing

Notification No.13/2020- CT dated 21.03.2020 has been amended vide ***Notification No .04/2026 CT dated 26.10.2026*** to extend the scope of applicability of E-Invoicing to Reverse Charge Supplies received from unregistered persons and Import of services. The said amendment shall become effective from 01 January, 2027:

The words "in respect of supply of goods or services or both to a registered person or for exports" shall be substituted with namely:

"In respect of, -

- supply of goods or services or both to a registered person; or
- supply of goods or services or both for exports;
- supply of goods or services or both received from unregistered persons where tax payable on reverse charge basis by recipient of such goods or services or both; or

- import of services".

3. Amendment in CGST Rules, 2017

Notification No. 05/2026 - CT dated 26.10.2026 has notified CGST (Amendment) Rules, 2026. These Rules have become effective from **1st November 2026,** unless otherwise notified.

a) New Rule 14B inserted - Registration through ECO warehouses

A person registered in home State may obtain registration on the same PAN in another State where there is no physical presence, by declaring ECO's warehouse as PPoB subject to following conditions: -

- Supplies of goods to be made through an ECO liable to collect TCS under Section 52.
- Seller must already hold a valid, regular GST registration in their home State where they have physical presence.
- Output tax liability on supplies to registered persons (other than same PAN persons) does not exceed Rs.2.5 lakhs per month.
- ECO consents for declaring warehouse as PPoB within 7 working days.
- Aadhar authentication is mandatory.
- One registration is allowed per State per PAN.

Deemed approval of application if physical verification in the home State is not completed within 30 days.

Biometric-based Aadhar authentication and document verification undertaken by jurisdictional officer of the home State, if not done earlier.

Physical verification of principal place of business in the home State by officer shall be undertaken only if not done earlier.

Additional place of business – Any other warehouse of the ECO in the same State where registration intended to be obtained shall be shown as Additional place of business.

Maintenance of books – Books of account, records or other information shall be kept and maintained at his principal place of business in home State for each registration obtained under this Rule.

Where on Physical verification, it is found that the applicant does not conduct any business in the home State, the application shall be deemed to be rejected and rejection be intimated electronically in **FORM GST REG-05A.**

New **FORM GST REG-38** for deemed cancellation of registration granted under this Rule:

- Where ECO withdraws the permission granted to supply of goods from declared warehouse or its registration (including TCS registration u/s 52) is cancelled and registered person fails to amend its registration within 30 days from date of withdrawal of permission or cancellation of registration.

- Where the registration obtained in the Home State, on the basis of which registration under this rule was granted, is cancelled.

- Where the e-commerce operator's application for change of the declared Principal Place of Business address is approved but the registered person fails to amend its registration within 30 days of such approval.

Persons already registered under Rule 14A in the home State and intend to obtain registration under Rule 14B shall submit an application in FORM GST REG-32 to withdraw from option availed under 14A.

b) Rule 19 Substituted - Amendment of Registration

- Rule 19 has been substituted to revise procedure for amending registration particulars and scope has been extended for other categories: UIN (REG-13), NRTP/OIDAR(REG-09/10) and GSTP enrolment (PCT-01).

- Applications relating to Principal Place of business (PPoB) will be examined by PO, with prescribed timelines for approval, seeking clarification & rejection.

- Deemed amendment of certificate of Registration where PO fails to take any action within 15 days of submission of application or 7 working days from receipt of clarification.

- Sub-rule 19(3), effective from 1st December 2026 – For persons registered under Rule 14A, who has not opted to withdraw from under Rule 14A (5), changes relating to legal name of business, partners/directors and including PPoB can be amended electronically through online validation, without requirement of officer approval.

- For registered persons other than those registered under Rule 14A, changes relating to legal name of business, partners/directors (except for PPoB) can be amended electronically through online validation, without requirement of officer approval.

- Changes relating to legal name of business and addition, deletion or retirement of partners or directors, Karta, Managing Committee, Board of Trustees, Chief

Executive Officer or equivalent, responsible for day to day affairs of the business, in any State or Union territory, shall be applicable for all registrations of the registered person obtained on the same Permanent Account Number.

c) Rule 20 Substituted - Cancellation of Registration on Taxpayer's Request

- System–based Cancellation – Cancellation on request is now system-based, with the registration cancelled electronically in FORM GST REG-38, without officer intervention.
  - Category 1: Where all returns are furnished and dues are paid and the output tax liability on supplies made to registered persons does not exceed ₹ 2.5 lakh in any month from the date of registration till the date of the cancellation application.
  - Category 2: Persons not covered in Category 1 must, in addition to furnishing all returns and paying dues, file the final return in FORM GSTR-10 within three days from the due date of furnishing the returns under sub-rule (3). The registration is then cancelled electronically in FORM GST REG-38.
- New Procedure prescribed for changing effective date of cancellation – After cancellation, where PO has reasons to believe to change effective date of cancellation to earlier date in terms of provisions of Sec 29(3), PO may issue SCN in **FORM GST REG-34.** Reply to SCN within 30 days in **FORM GST REG-35**, Proceedings may be dropped on satisfaction of reply through **FORM GST REG-36** or **Order in FORM GST REG-37** where reply not satisfactory within 30 days.
- If no reply furnished within 30 days of notice, order in FORM GST REG-37 be issued within 60 days, changing effective date of cancellation of registration.
- Failure to issue an order within 60 days of notice, proceedings for changing effective date of cancellation shall be deemed to be dropped through FORM GST REG-36
- Effective date of cancellation once changed under this Rule shall not be subject to further change.

d) Rule 21 Substituted - Registration to be cancelled in certain cases

- Rule 21 is scaled down to objective, system-verifiable defaults.
- Following grounds for cancellation of registration have been listed:-
  - Composition taxpayer not filing annual return beyond 3 months of due date of furnishing such return; or
  - Violates provisions of third proviso to sub-rule (1) of rule 23 or fourth proviso to sub-rule (1) of rule 23; or

- monthly filer not filing returns for 6 continuous months; or
- quarterly filer not filing returns for 2 continuous tax periods; or
- violates the provisions of rule 10A.

e) Rules 21A, 22 and 23A (effective from 1 April 2027)

- **Rule 21A Substituted - Suspension other than on taxpayer request**
  - Automatic suspension by portal for Rule 21 return defaults and Rule 10A violations, intimated through FORM GST REG-31, requiring taxpayers to furnish returns or comply with Rule 10 within 30 days of intimation.
  - Suspension of registration on data mismatches between returns under Sec 39 with details of outward supplies in GSTR-1/1A ground removed.
- **Rule 22 Substituted - Cancellation of registration**
  - Deemed Cancellation through FORM GST REG-38 – Where a person whose registration is suspended under 21A (2) does not furnish all pending returns or does not comply with Rule 10A within 30 days from suspension date, registration shall be deemed to be cancelled electronically by portal and same intimated through FORM GST REG-38.
- **New Rule 23A Inserted – Revocation of cancellation of registration by the system**
  - Applicability – For registered person, whose registration deemed to cancelled electronically under Rule 22(5).
  - Revocation of Application Submission – Application in FORM GST REG-21 may be submitted within a period of 180 days from the date of cancellation.
  - No application for revocation be filed where pending returns not furnished, amount of tax due and bank account details under Rule 10A not furnished.
  - All pending returns for the period between cancellation and revocation of registration shall be furnished within 30 days from the date of the revocation order.
  - Revocation shall be deemed approved and order in FORM GST REG-22 communicated where all pending returns or compliance with Rule 10A done.

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