



ICAI Suggestions Accepted in the 57th GST Council Recommendations

No.	ICAI Suggestion	Press Release - 57th GST Council Meeting
1	GST Registration It was pointed out that officers continue to raise subjective queries and demand documents beyond the standard list, despite Instruction No. 03/2025-GST. It was recommended that an exhaustive list of documents for registration be specified, that officer queries be restricted to a structured framework with standardized drop-down menus on the GSTN portal, and that a standardized checklist of documents be followed.	The GST Council, in its 57th meeting, recommended issuing a comprehensive circular specifying the documents and information required for registration, along with FAQs. It also recommended amending FORM GST REG-01 to provide drop boxes for selecting prescribed documents, and a user-friendly portal interface with drop-down lists and contextual guidance. This will reduce rejections and queries and speed up processing.
2	Amendment of GST Registration It was pointed out that the restriction on filing a second amendment application before the first one is approved creates unnecessary delays in updating registration details. It was recommended that the system be updated to allow multiple amendment applications to be submitted simultaneously or in quick succession.	The GST Council has recommended an amendment to Rule 19 of the CGST Rules, 2017, under which: • Amendments to all registration particulars, except those relating to the Principal Place of Business (PPOB), will be accepted automatically on the portal. • For taxpayers registered under Rule 14A (automatic route), amendments to all particulars, including PPOB, will also be accepted automatically.



3	Cancellation of GST Registration It was pointed out that applications for cancellation in FORM GST REG-16 remain pending for months beyond the thirty-day period under Rule 22(3). During this time, taxpayers must keep filing NIL returns and bear late fees, and officers raise queries on stock statements and ITC reconciliation even where no stock exists. It was recommended that the thirty-day timeline be enforced on the portal, with deemed cancellation from the requested date if no order or query is issued, and that the return-filing obligation and late fee be suspended from the date REG-16 is filed.	The GST Council has recommended that applications for cancellation in FORM GST REG-16 be accepted automatically by the system once all pending returns are filed and all dues are paid. In Phase 1, this applies where ITC passed on has not exceeded ₹2.5 lakh in any month, or where the final return in FORM GSTR-10 has been filed within the specified time. In Phase 2, all such applications will be accepted automatically, and REG-16 will be amended so that GSTR-10 details can be furnished in the application itself. This removes officer interface and the delay in cancellation.
4	Refunds - Excess Balance in Electronic Cash Ledger It was pointed out that refund of excess balance in the electronic cash ledger, refund of TDS/TCS credit, and refund of tax paid under a wrong head are essentially arithmetical and involve no eligibility question. Yet they go through the full RFD-01 to RFD-06 cycle and are often kept pending or queried for unrelated reasons. It was recommended that refund of excess cash ledger balance be auto-sanctioned where no demand is outstanding.	The GST Council has recommended that full refund claims of excess balance in the electronic cash ledger be sanctioned automatically by the system, without officer intervention.
5	Refunds - Accumulated ITC on account of Input Services and Capital Good	The GST Council has recommended amending clause (ii) of the proviso to Section 54(3) of the CGST Act, 2017, and the CGST Rules, 2017, to provide



	It was pointed out that under Section 54(3) of the CGST Act read with Rule 89(5) of the CGST Rules, refund of unutilised ITC under the inverted duty structure is restricted to input goods. Input services and capital goods are excluded from the refund formula, leading to partial credit accumulation and working-capital blockage. It was suggested that Rule 89(5) be amended to include input services and capital goods within the scope of inverted duty refunds.	for refund of accumulated ITC on input services and capital goods in case of inverted duty structure refunds. It also recommended refund of accumulated ITC on capital goods for zero-rated supplies. Input services: refund will be available for ITC availed on or after 1 November 2026. Capital goods: refund will be spread over 60 months, for ITC availed on or after 1 April 2027.
6	Refunds - Time-Bound Refund Framework It was pointed out that refund claims, particularly for zero-rated exports and the inverted duty structure, are often delayed beyond the 60-day limit, and provisional refunds are frequently not issued. It was also pointed out that Deficiency Memos (FORM GST RFD-03) are issued repeatedly, even for minor issues, restarting the refund cycle until the two-year limit expires. It was recommended that provisional refunds be sanctioned automatically within 7 days in low-risk cases through back-end automation, that acknowledgement in RFD-02 be generated automatically on submission of a complete application and the process be made faceless.	The GST Council has recommended that the time limit for issuing an acknowledgement or deficiency memo be reduced from 15 days to 10 days. Where neither is issued within 10 days, the system will treat the application as deemed acknowledged. It also recommended that for refund claims on account of zero-rated supplies and the inverted duty structure, 90% of the amount claimed be sanctioned provisionally and automatically by the system, without officer intervention, on the basis of system-based risk identification and evaluation.