

GST Updates

Recent Amendments in CGST Rules

The Central Board of Indirect Taxes and Customs (CBIC) has amended Central Goods and Services Tax Rules, 2017 ('CGST Rules') vide Notification No. 15/2021-Central Tax dated 18th May, 2021 in order to align certain rules to the statutory provisions and to take care of challenges faced by the industry.

Gist of such changes are as follows:

Refund related amendments

- **Facility to withdraw Refund Claim:**
 - Presently, refund claimant did not have an option to withdraw refund claim application;
 - CBIC has amended CGST Rules allowing a facility to withdraw refund claim application by filing an application in Form GST RFD-01W, subject to condition that withdrawal application can be made while refund application is under process (i.e. before issuance of provisional order in Form GST RFD-04 or final refund order in Form GST RFD-06 or payment advice in Form GST RFD-05 or refund withhold order or notice in Form GST RFD-08);
 - Effect of such a refund withdrawal application would be automatic credit in ledger (i.e. ITC or Cash) which was debited at the time of filing the refund claim application
- **Extension of time Limit for fresh refund claim to be filed pursuant to deficiency memo:**
 - Where deficiency memo was issued by authorities, revised / rectified refund application was required to be filed within prescribed time limit of 2 years (as originally applicable to original refund claim);
 - Now, CBIC has amended CGST Rules, allowing exclusion of time period between filing of original refund claim and issuance of deficiency memo while computing limitation period of 2 years;
 - Effectively, refund claimant, applying for fresh refund application pursuant to a deficiency memo, has been benefitted for additional time allowed beyond statutorily prescribed 2 years for filing refund claim.
- **Withholding and Release of Withheld Refund Claim:**
 - Changes have been made by notifying Part A of Form GST RFD-07 to be issued by authorities for withholding a refund amount. Similarly, while releasing the withheld amount, officer needs to issue Part B of Form GST RFD-07.

Eway bill related amendments

- **Relaxation in rule restricting generation of e-way bill by a registered person:**
 - CGST Rules provides for restriction in generation of e-way bill for both inward and outward movement of goods by a registered person who has failed to furnish return for two consecutive months/quarter;
 - The above restriction now has been amended to restrict generation of e-way bill only in case of outward movement of goods.

Cancellation of Registration related amendments

- **Extension of Time for revocation of Cancellation of Registration:**
 - CGST Rules has been amended to provide for extension of time limit for filing application for revocation of cancellation of registration subject to reasons recorded in writing by authorities (maximum of 60 days (30 days extension by Additional or Joint Commissioner and further 30 days by Commissioner) in addition to 30 days from issue of notice of cancellation).