

Recommendations of the 57th GST Council Meeting



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Agenda

1. Ease of Registration

2. Returns, Reconciliation and Compliance Simplification

3. Refunds

4. Input Tax Credit (ITC) Benefits

5. Litigation and Dispute Resolution Relief

6. Arrest and Prosecution

7. E-way Bill and Movement of Goods

8. Exports, Zero-rating and Cross-border Supplies

9. Clarifications through Circulars

10. Changes / Clarifications in GST Rates: Goods

11. Changes / Clarifications in GST Rates: Services

1. Ease of Registration

Para 1 to 4

1. Ease of Registration

A1. Registration related reforms

1. Streamlining registration process with clear guidelines on filing and processing

1.1 As per recommendations of GST Council made in 56th meeting, automatic registrations, without officer intervention, are being granted by the portal under rule 14A of the CGST Rules, 2017, in cases where the applicant does not intend to pass on ITC more than ₹2.5 lakh per month. To streamline processing of registration applications in remaining cases, the GST Council made the following recommendations in the 57th meeting:

1. issuance of a comprehensive circular specifying the documents and information required for GST registration, along with frequently asked questions (FAQs), to simplify the filing and processing of registration applications.

1. Ease of Registration (contd.)

A1. Registration related reforms

2. amendment in the registration application in FORM GST REG-01, to provide for drop boxes for selection of prescribed documents/information, so that both the taxpayer and the tax officer have clarity regarding the documents/information to be furnished.
3. The GST portal to provide user-friendly interface, for filing registration application with clear navigational paths, drop-down lists, tool-tips and contextual guidance to facilitate correct filing of such applications.

1.2 This will reduce rejections and queries raised in respect of registration applications on account of lack of correct information/details and will expedite processing of registration applications by the tax officers.

1. Ease of Registration (contd.)

A1. Registration related reforms

2. Rationalization of Procedure for Amendment in GST registration:

2.1 The GST Council recommended an amendment to rule 19 of the CGST Rules, 2017, as follows:

Taxpayer category	Amendments automatically accepted on portal	PPoB treatment
Other than rule 14A registrations	All registration particulars except PPoB	Excluded from automatic acceptance
Rule 14A registrations (automatic route)	All registration particulars, including PPoB	Automatically accepted

2.2 This will facilitate easy and almost real time updation of registration details on the portal in such cases, without interface with the tax officers.

Source: PIB Press Release dated 08.10.2026 | Para 2 to 2.2

1. Ease of Registration (contd.)

A1. Registration related reforms

3.1.1 Automatic cancellation of registration on the application of the taxpayer

Aspect	Phase 1	Phase 2
Automatic acceptance	Cancellation applications qualify where either: 1. ITC passed on has not exceeded ₹2.5 lakh in any month since registration. 2. ITC passed on exceeded ₹2.5 lakh in a month, but the taxpayer filed FORM GSTR-10 within the specified time period.	All applications for cancellation of registration qualify for automatic acceptance by the system.
Conditions	All pending returns filed and all dues paid.	All pending returns filed and all dues paid.
Application / return	Application for cancellation in FORM GST REG-16.	FORM GST REG-16 will be amended to include the details of FORM GSTR-10 in the application itself.

Source: PIB Press Release dated 08.10.2026 | Para 3 to 3.1.1

1. Ease of Registration (contd.)

A1. Registration related reforms

3.1.2 Suo-moto cancellation of registration

1. Amendment in rule 21 of the CGST Rules, 2017, to omit certain grounds of cancellation of registration by the tax officers.
2. Amendment in rule 21A and rule 22 of the CGST Rules, 2017 and insertion of rule 23A in CGST Rules, 2017, to provide for a mechanism of system based cancellation and revocation of registration based on non-compliance and subsequent compliance of the defaults of non-filing return or non-furnishing of the details of the bank account, within specified time period.

Source: PIB Press Release dated 08.10.2026 | Para 3.1.1 to 3.1.2

Rule 21: Grounds for cancellation

Clause	Ground for cancellation
(a)	Does not conduct any business from the declared place of business.
(b)	Issues an invoice or bill without supply of goods or services or both, in violation of the Act or rules.
(c)	Violates section 171 of the Act or the rules made thereunder.
(d)	Violates rule 10A.
(e)	Avails input tax credit in violation of section 16 of the Act or the rules made thereunder.
(f)	Outward supplies in FORM GSTR-1 (as amended in FORM GSTR-1A, if any) under section 37 exceed outward supplies declared in the valid return under section 39 for the same one or more tax periods.
(g)	Violates rule 86B.
(ga)	Violates the third or fourth proviso to sub-rule (1) of rule 23.
(h)	A person required to file monthly returns under section 39(1) has not furnished returns for a continuous period of six months.
(i)	A person required to file quarterly returns under the proviso to section 39(1) has not furnished returns for a continuous period of two tax periods.

1. Ease of Registration (contd.)

A1. Registration related reforms

- 3.2 These measures will simplify and expedite the process of cancellation of registration and will reduce officer interface and bring more transparency to the cancellation process.

1. Ease of Registration (contd.)

A1. Registration related reforms

4. Simplified GST registration mechanism for small sellers on the Electronic Commerce Operators (ECO) platform:

- 4.1 The GST Council gave in-principle approval at its 56th meeting and recommended insertion of rule 14B in the CGST Rules, 2017, at its 57th meeting.

Aspect	Condition / mechanism
Eligible suppliers	Small suppliers making supplies of goods through ECOs.
Location	States/UTs where the supplier has no physical presence.
Monthly ITC limit	Intends to pass on ITC of not more than ₹2.5 lakh per month.
Exclusion from ITC limit	Stock transfers between distinct persons.
Principal Place of Business	Declare an ECO warehouse in that State/UT as the Principal Place of Business (PPoB).
Registration grant	The system grants registration automatically, subject to certain conditions.

Source: PIB Press Release dated 08.10.2026 | Para 4 to 4.1

1. Ease of Registration (contd.)

A1. Registration related reforms

4.2 This will enable small sellers to expand their business to other States through e-commerce platforms without having to set up a place of business in each State and will give a significant boost to ease of doing business.

Source: PIB Press Release dated 08.10.2026 | Para 4.2

2. Returns, Reconciliation and Compliance Simplification

Para 5, 15, 17 and 18

2. Returns, Reconciliation and Compliance Simplification

The GST Council recommended inter-alia the following measures to streamline return filing process, so as to minimize mismatches in liability and input tax credit (ITC) in returns:

Measure	Proposed change / Facility	Purpose
1. Return reconciliation	Enhance FORM GSTR-1/1A/IFF.	Enable better reconciliation of details furnished in these forms with details reported in FORM GSTR-3B.
2. Reverse charge reporting	Insert rule 86D in the CGST Rules, 2017 to provide the portal facility “Electronic Statement of tax paid on Reverse charge basis and input tax credit claimed”.	Facilitate correct reporting of tax liability and ITC on supplies liable to RCM in returns.
3. ITC reversal and reclaim	Insert rule 86C in the CGST Rules, 2017 to provide the portal facility “Electronic Credit Reversal and Reclaim Statement”.	Facilitate correct reporting of ITC reversed and reclaimed in FORM GSTR-3B.

Source: PIB Press Release dated 08.10.2026 | Para 5 to 5.1

2. Returns, Reconciliation and Compliance Simplification (contd.)

A2. Return related reforms

Area	Proposed amendment	Purpose / Key requirement
Liability reporting	Insert rule 61(1A) of the CGST Rules, 2017.	Provide correct reporting and correction/rectification of liability in the return so that liability in FORM GSTR-3B aligns with liability furnished in FORM GSTR-1/1A/IFF.
ITC reporting	Insert rule 61(1B) of the CGST Rules, 2017.	Provide correct reporting and correction/rectification of ITC in the return so that ITC availed in FORM GSTR-3B aligns with ITC made available in FORM GSTR-2B.
Payment details	Amend FORM GST DRC-03.	Declare details of the underlying invoice for which payment has been made.
Invoice Management System (IMS)	Insert rule 60(6A) of the CGST Rules, 2017.	Allow recipients to accept, reject or keep pending inward-supply documents received on the portal for generation of the ITC statement in FORM GSTR-2B. Subject to conditions, including the period for keeping a credit note pending on IMS.

Source: PIB Press Release dated 08.10.2026 | Para 5.1

2. Returns, Reconciliation and Compliance Simplification (contd.)

A2. Return related reforms

- 5.2** The Council recommended that the provisions regarding alternate mechanism for amendment of liability and ITC in the GST return, may be brought into force from the return of April, 2027. These measures will considerably reduce mismatches in liability and ITC in returns, thus not only reducing demand notices and system generated intimations on account of such mismatches, but also improving the integrity of ITC across the supply chain, thereby facilitating taxpayers.
- 5.3** Further, the Council recommended placing the proposed revised mechanism in the public domain for a time-bound consultation. Union Finance Minister was authorized to approve requisite changes/modifications, as may be necessary, based on feedback received from the stakeholders.

Source: PIB Press Release dated 08.10.2026 | Para 5.2 to 5.3

2. Returns, Reconciliation and Compliance Simplification (contd.)

B3. Ease of living and doing business

Measure	Eligible taxpayers	Council recommendation / condition
15. Late-fee relief for small taxpayers	Annual turnover up to Rs. 5 crore in the preceding financial year.	The GST Council recommended waiver of late fee for delayed filing of a return under section 39(1) of the CGST Act, 2017. Condition: File the delayed return by the end of the month in which it was due.
17. Annual Return Quarterly Payment (ARQP)	Aggregate turnover of Rs. 5 crore or less in the preceding financial year, with supplies exclusively to unregistered persons (B2C supplies).	The GST Council approved in-principle a concept note for an optional Annual Return Quarterly Payment (ARQP) scheme.

Source: PIB Press Release dated 08.10.2026 | Para 15 to 18

2. Returns, Reconciliation and Compliance Simplification (contd.)

B3. Ease of living and doing business

Item / provision	Recommendation
1. Sections 16, 37 and 39 CGST Act, 2017	Amend these sections to align provisions for furnishing the outward supply statement under section 37 and the return under section 39 with the time limit for availment of input tax credit under section 16(4).
2. Section 9(5) CGST Act, 2017	Amend section 9(5) to clarify the ECO's liability to pay tax on notified services, irrespective of the business model followed.
4. Extension of e-invoicing	Extend e-invoicing to domestic supplies received from an unregistered person where tax is payable under reverse charge, and to imports of services, for taxpayers with aggregate annual turnover of Rs. 5 crore and above.

Source: PIB Press Release dated 08.10.2026 | Para 18

3. Refunds

Para 6

3. Refunds

A3. Refunds related reforms

6. Faster, system-based automated processing of refunds

- 6.1.** The GST Council recommended amendments in section 54 of the CGST Act, 2017 and the relevant CGST Rules, 2017, to provide for system-based processing and sanctioning of refund claims, pertaining to excess balance in electronic cash ledger, zero-rated supplies, and inverted duty structure, in the following two phases.

Source: PIB Press Release dated 08.10.2026 | Para 6 to 6.1

3. Refunds: Phase 1 and Phase 2

A3. Recommended system-based processing under section 54 and relevant CGST Rules

Aspect	Phase 1	Phase 2
Acknowledgement	Acknowledgement / deficiency memo deadline reduced from 15 to 10 days. Deemed system acknowledgement if the officer issues neither within 10 days of application.	Automated acknowledgement after the system duly verifies the refund application, without officer intervention.
Electronic cash ledger	Automatic sanction of the full refund of excess balance, without officer intervention.	No separate Phase 2 change
Zero-rated supplies	Automatic provisional sanction of 90% of the claim, without officer intervention, based on system identification and evaluation of risk.	Automatic full refund for acknowledged claims, after adjusting pending dues, if any. No officer intervention. Based on system identification and evaluation of risk.
Inverted duty structure	Automatic provisional sanction of 90% of the claim, without officer intervention, based on system identification and evaluation of risk.	No separate Phase 2 change

Source: PIB Press Release dated 08.10.2026 | Para 6.1 | Summary of slides 21-23

3. Refunds (contd.)

A3. Refunds related reforms

6.2 For expediting and streamlining the refund process, the Council further recommended amendments in the CGST Act, 2017 and the CGST Rules, 2017, to inter-alia provide for:

1. Amendment in refund application in FORM GST RFD-01, to capture the details in the said application in a system-readable format and dispense with the requirement of uploading scanned documents in case of refund claims pertaining to zero rated supply and inverted duty structure.
2. Amendment in rule 89(4)(C) of the CGST Rules, 2017, to remove the restriction for maximum amount of turnover of zero-rated supply of goods, as 1.5 times the value of like goods domestically supplied.

Source: PIB Press Release dated 08.10.2026 | Para 6.1 to 6.2

3. Refunds (contd.)

A3. Refunds related reforms

3. Amendment in section 54(14) of the CGST Act, 2017, to add an explanation that the threshold of Rs. 1000 shall be applicable in respect of total refund amount, i.e. the amount under CGST, SGST/UTGST and IGST taken together.

6.3 With a view to ensuring greater clarity and certainty on the interest payable on refund of pre-deposit paid for filing appeals, the Council recommended, -

1. amendment in section 115 of the CGST Act, 2017, to make it a standalone provision in respect of the rate of interest applicable for the refund of such pre-deposit amount, and
2. issuance of a circular to clarify issues regarding rate of interest on refund of pre-deposit.

Source: PIB Press Release dated 08.10.2026 | Para 6.2 to 6.3

3. Refunds (contd.)

A3. Refunds related reforms

6.4. These measures will streamline and expedite refund processing through greater automation and reduced manual intervention, thereby facilitating timely sanction of eligible refunds and reducing compliance burden for taxpayers as well as interface with the department. Introduction of automation will ensure transparency, certainty, and uniformity and will also improve cash flows for taxpayers.

Source: PIB Press Release dated 08.10.2026 | Para 6.4

4. Input Tax Credit (ITC) Benefits

Para 8 and 9; Part C1 No. 4; Part C2 No. 4

Refund of ITC: Capital goods and input services

Council recommendation: Amend clause (ii) of the proviso to section 54(3) and the CGST Rules, 2017

Aspect	Input services	Capital goods
Refund category	Accumulated ITC in refunds pertaining to inverted duty structure.	Accumulated ITC in refunds pertaining to zero-rated supplies and inverted duty structure.
Eligible ITC	ITC availed on input services on or after 1 November 2026.	ITC availed on capital goods on or after 1 April 2027.
Refund period	No spread period.	Refund of ITC on capital goods spread over 60 months.

Expected benefit: Ease working capital constraints and remove blockage of ITC on input services and capital goods in these cases.

Source: PIB Press Release dated 08.10.2026 | Para 8 to 8.4 | Summary of slides 27-28

4. Input Tax Credit (ITC) Benefits (contd.)

B1. Reforms for improving seamless flow of Input Tax Credit (ITC)

9. **Rationalization of blocked ITC by amendment in section 17(5) of the CGST Act, 2017:** The Council recommended amendment in section 17(5) of the CGST Act, 2017 to remove the restrictions on availment of ITC inter-alia on the supplies of outdoor catering, health and life insurance, telecommunication towers, pipelines laid outside factory premises, free samples, goods destroyed or written off on expiry of shelf life as required by law. This will reduce the cascading of taxes and ensure a smoother flow of ITC across the supply chain.

4. Input Tax Credit (ITC) Benefits (contd.)

C1. Recommendations relating to goods

4. To clarify that the suppliers of second-hand vehicles, under the GST margin scheme, are allowed to avail Input Tax Credit (ITC) on various inputs (other than second-hand vehicles) or input services such as spares, repair and maintenance services, technology services, rent, marketing and advertisement services, etc. The restriction on availment of ITC under the said scheme applies only on the tax paid on the procured second-hand vehicles. [notification No. 8/2018-Central Tax (Rate), notification No. 9/2018-Integrated Tax (Rate) and notification No. 1/2018-Compensation Cess (Rate)].

4. Input Tax Credit (ITC) Benefits (contd.)

C2. Recommendations relating to services

4. Input Tax Credit in the same line of business

To allow limited input tax credit in the same line of business, for the supply of restaurant/outdoor catering services, hotel accommodation services for value up to Rs. 7500 per unit per day, and gym/fitness services in the same manner as is currently available for passenger transportation services, tour operator services and renting of motor vehicles services.

5. Litigation and Dispute Resolution Relief

Para 7, 14, 18 and 19

5. Litigation and Dispute Resolution Relief

A4. Reforms related to dispute resolution

The GST Council recommended issuance of a circular to provide comprehensive guidelines to the tax officers to streamline the issuance of demand notices, adjudication orders and appeal orders, covering the following issues:

1. Quality of demand notices and adjudication/appeal orders.
2. Timely issuance of such notices and orders.
3. Proper invocation of grounds of fraud, wilful misstatement or suppression of facts, based only on the merits of each case.
4. Adherence to the principles of natural justice, including the conduct of personal hearings.

Source: PIB Press Release dated 08.10.2026 | Para 7.1 to 7.2

Recommended amendment in section 73, section 74 and section 74A of the CGST Act, 2017,

Reform	Recommendation and conditions
Show cause notice threshold	No notice where tax involved is below ₹10,000 (CGST + SGST + IGST + Cess). Pending notices and appeals below ₹10,000 on the commencement date to be decided as if this threshold applied when the notice was issued.
Penalty treated as a charge	Deem penalty a “charge” where the full tax, interest and penalty are voluntarily paid within the specified time limit.
Reduced non-fraud penalty	5% penalty where tax and interest are paid within 30 days under section 73 or 60 days under section 74A of the adjudication order.
Minimum non-fraud penalty	Remove the minimum penalty of ₹10,000 in non-fraud cases.
Maximum general penalty	Reduce the maximum penalty under section 125 of the CGST Act, 2017 from ₹25,000 to ₹10,000.
Pre-deposit for penalty-only appeals	Cap at ₹40 crore: ₹20 crore CGST + ₹20 crore SGST/UTGST. Amend sections 107(6) and 112(8) for appeals to the Appellate Authority and Appellate Tribunal, respectively, where no tax is demanded. Eases the financial burden and access to appellate remedies.

5. Litigation and Dispute Resolution Relief (contd.)

B3. Ease of living and doing business

14. **Amendment in rule 86A of the CGST Rules, 2017 to provide for opportunity of being heard to the taxpayer:** The GST Council recommended amendment in rule 86A of the CGST Rules, 2017 to provide a mechanism for enabling a taxpayer to file an objection against blocking of any amount in electronic credit ledger and to avail a personal hearing before the proper officer takes a decision on such objection.
18. The Council also made the following recommendations to streamline compliances in GST:
 3. introduction of a validation clause in CGST Act, 2017, for validation of notices which have been held invalid by various courts on the ground of having been issued for multiple financial years.

5. Litigation and Dispute Resolution Relief (contd.)

B3. Ease of living and doing business

19. The Council approved various amendments to the CGST Act, 2017 and the GSTAT (Appointment and Conditions of Service of President and Members) Rules, 2023 to align the provisions in respect of the GST Appellate Tribunal with the relevant provisions of the Tribunals Reforms Act, 2026 and the National Tribunals Commission and Qualification, Selection and Conditions of Service of Chairpersons and Members of Tribunals Rules, 2026.

6. Arrest and Prosecution

Para 11

6. Arrest and Prosecution

B3. Ease of living and doing business

11. Rationalization of provisions relating to arrest and prosecution

- 11.1 The Council has recommended complete withdrawal of arrest powers under GST by omission of section 69 of CGST Act, 2017.
- 11.2 With a view to further strengthening a progressive and trust-based tax regime, while retaining effective deterrence against fraud and evasion, the Council recommended the following measures:
 - 1. The monetary threshold for prosecution to be raised from ₹1 crore to ₹5 crore.
 - 2. Omission of clause (i) of section 132(1) of the CGST Act, 2017, deletion of the words "evades tax" in clause (e) of section 132(1) and deletion of words "or in any other manner deals with" in clause (h) of section 132(1) of the CGST Act, 2017.

Source: PIB Press Release dated 08.10.2026 | Para 11 to 11.2

6. Arrest and Prosecution (contd.)

B3. Ease of living and doing business

3. Amendment in clause (c) of section 132(1) of the CGST Act, 2017, to cover only offence of fraudulent availment of ITC without receipt of goods or services or without invoice or bill.
4. Rationalizing the amount of punishment for various offences under section 132 of the CGST Act, 2017.

7. E-way Bill and Movement of Goods

Para 12

E-way Bill: Interception and enforcement reforms

Council recommendations: Sections 68, 129 and 130 of the CGST Act, 2017

Point / Issue	Recommended provision
1. Interception	Intercept a conveyance carrying goods only on specific intelligence and with authorisation from an officer of Joint Commissioner rank or above.
2. State jurisdiction	Inspect, detain or seize only where the supplier or recipient is located or registered in the intercepting State. No interception in transit States.
3. Missing documents	If no e-way bill has been generated, or the conveyance carries no document showing the origin or destination of the goods, inspect, detain or seize irrespective of jurisdiction.
4. Confiscation	Section 130 confiscation provisions do not apply to goods or conveyances in transit.

Source: PIB Press Release dated 08.10.2026 | Para 12.1 | Points 1-4 from slides 40-41

8. Exports, Zero-rating and Cross-border Supplies

Para 10 and 13

Exports and zero-rating: Summary of recommended reforms

GST Council recommendations: Amendments to the IGST Act, 2017

Point / Area	Section	Relevant text and benefit
1. Export of services	Omit section 2(6)(v)	Remove the condition that supplier and recipient must not be establishments of a distinct person under Explanation 1 to section 8. This facilitates refunds for Indian service providers supplying services to/through their foreign offices or branches and promotes service exports.
3. Services on physically available goods	Omit section 13(3)(a)	Where the recipient makes goods physically available to the service supplier, determine place of supply under section 13(2), at the recipient's location. This facilitates GST export benefits for Indian providers serving foreign recipients.
4. Overseas buyer: delivery in SEZ/FTWZ	Insert an explanation to section 16(1)	Deem goods supplied to an overseas buyer and delivered to that buyer in an SEZ/FTWZ to be supplied to an SEZ/FTWZ, if payment is in convertible foreign exchange or Indian rupees where RBI permits. This gives Indian manufacturers certainty on zero-rating for deliveries for warehousing or further processing.

8. Exports, Zero-rating and Cross-border Supplies (contd.)

B3. Ease of living and doing business

- 13. Treatment of transfer of title in Intellectual Property Rights (IPR):** The Council recommended amendment in Schedule-II of CGST Act, 2017 to provide that transfer of title in IPRs, whether temporary or permanent, will be uniformly treated as supply of services. This will ease GST compliances and will facilitate smoother cross border transactions involving IPR.

9. Clarifications through Circulars

Para 16

Clarifications through circulars

Point / Topic	Scope of clarification
1. Input Service Distributor	Issues relating to the ISD mechanism for distribution of input service credit.
2. Banks, financial institutions and NBFCs	Availment of input tax credit by banking companies and financial institutions, including NBFCs, that opt for section 17(4) of the CGST Act, 2017.
3. Pre-deposits	Various issues relating to payment of pre-deposits.
4. Demonstration vehicles	Admissibility of input tax credit on demonstration vehicles in certain situations.
5. Rule 96(10)	Omission of rule 96(10) of the CGST Rules, 2017 to take effect from 23.10.2017, in accordance with the Hon'ble Supreme Court decision.
6. ITC reporting and reversal	Issuance of a circular to clarify the manner of furnishing correct and proper information of ITC and reversal thereof in return in FORM GSTR-3B, in the context of IMS, Electronic Credit Reversal and Reclaim Statement and Electronic Statement of tax paid on Reverse charge basis and input tax credit
7. Export receipts	Issuance of a circular to clarify various issues related to receipt of payment in foreign exchange or Indian rupees as permissible, for export of goods and services.

10. Changes / Clarifications in GST Rates: Goods

Part C1

10. Changes / Clarifications in GST Rates: Goods

No.	Recommendations relating to goods
1	To clarify that sublimation paper is classified under heading 4809. It has also been decided to regularise the past cases on “as is where is” basis.
2	To clarify that the notification entries related to toys in the GST Rate Schedules also covers all other categories of toys (such as dolls, puzzles and other toys) mentioned in heading 9503 in the Customs Tariff Act, 1975 and is not restricted to tricycles, scooters, pedal cars only (Sr. No. 497 of Schedule I and Sr. No. 616 of Schedule II of notification No. 09/2025-CTR dated 17.09.2025).
3	To provide clarity that sea-weed extract based bio-stimulants, which are registered under Schedule VI to the Fertiliser (Inorganic, Organic or Mixed) (Control) Order, 1985, are classifiable under heading 3101 as fertilisers. Further, it has been decided to regularise the past cases on “as is where is” basis (Explanation to be inserted in Sr. No. 237 of Schedule I of notification No. 09/2025-CTR).

Source: PIB Press Release dated 08.10.2026 | Part C1 No. 1 to 3

10. Changes / Clarifications in GST Rates: Goods (contd.)

No.	Recommendations relating to goods
5	To bring waste and scrap of plastics, electrical and electronics waste and scrap, waste and scrap of tyres, and used cooking oil under Reverse Charge Mechanism (RCM) when the said waste and scrap is supplied by unregistered person to registered person provided that the supplier shall take registration as and when it crosses threshold limit and the recipient who is liable to pay under RCM shall pay tax even if supplier is under threshold. Further Tax Deducted at Source (TDS) @ 2% has been introduced when the said specified waste and scrap is supplied by registered person to registered person (B to B).
6	To provide clarity on the tax treatment of supply of Psyllium seeds (Isobgul/ Isabgol) by prescribing NIL rate of GST on the same, irrespective of whether the seeds are fresh, chilled, frozen or dried.
7	To correct the anomaly of GST treatment on re-treaded tractor tyres by aligning the GST rate thereon with that applicable on new tractor tyres.

Source: PIB Press Release dated 08.10.2026 | Part C1 No. 5 to 7

10. Changes / Clarifications in GST Rates: Goods (contd.)

No.	Recommendations relating to goods
8	To exempt the Compensation Cess not levied by the Canteen Stores Department (CSDs) on two and four wheelers for the period 01.07.2017 to 30.09.2022, and by CSDs and Unit Run Canteens on aerated drinks for the period 01.07.2017 to 31.03.2022.

Source: PIB Press Release dated 08.10.2026 | Part C1 No. 8

11. Changes / Clarifications in GST Rates: Services

Part C2

11. Changes / Clarifications in GST Rates: Services

No.	Subject	Recommendations relating to services
1	Passenger transport and rental of motor vehicles using Electric Vehicles	To provide an option to pay GST at the rate of 5%, with restricted input tax credit, on passenger transport services and rental services of motor vehicles with operators, where the service is supplied using an electric vehicle, and the cost of battery charging is included in the consideration.

Source: PIB Press Release dated 08.10.2026 | Part C2 No. 1

11. Changes / Clarifications in GST Rates: Services (contd.)

No.	Subject	Recommendations relating to services
2	Transportation and delivery services supplied through Electronic Commerce Operators	• To bring delivery services, other than courier and postal, supplied through an ECO under Section 9 (5) of CGST Act, 2017, where the person supplying such services is not liable for registration under Section 22 (1) of the CGST Act, 2017 and to prescribe GST rate of 5% without ITC for such delivery services; • To prescribe a GST rate of 5% without ITC for delivery services in relation to goods where such goods are supplied/ ordered through an ECO; • To exclude the GST exemption on the services of transportation of goods to unregistered persons by GTA under Entry 21A of Notification No. 12/2017-Central Tax (Rate), where such services are in relation to goods which are supplied/ordered through an ECO.

Source: PIB Press Release dated 08.10.2026 | Part C2 No. 2

11. Changes / Clarifications in GST Rates: Services (contd.)

No.	Subject	Recommendations relating to services
3	Motor vehicle leasing transactions	To clarify the GST treatment of certain statutory and ancillary recoveries such as registration charges, road tax, insurance and FASTag charges incurred by the lessor which are subsequently recovered from the lessee in connection with the leasing of motor vehicles.
5	Transport of passengers by Helicopters from/to specified states	To exempt from GST, the services of passenger transportation by helicopter on seat-sharing basis from/to airports/helipads located in north-eastern states, Sikkim and Bagdogra in West Bengal.
6	Storage or warehousing of seeds meant for sowing:	To exempt from GST, the services by way of storage or warehousing of seeds meant for sowing.

Source: PIB Press Release dated 08.10.2026 | Part C2 No. 3 to 6

11. Changes / Clarifications in GST Rates: Services (contd.)

No.	Subject	Recommendations relating to services
7	Curing of coffee	To exempt from GST, the agricultural support services of curing coffee provided by the coffee curers to the cultivators.
8	Taxability of the services of Seamen's Provident Fund Organisation	To exempt from GST, the services provided by Seamen's Provident Fund Organisation (SPFO) to persons governed by the Seamen's Provident Fund Act, 1966.
9	Research & Development Services	To provide for a simple mechanism of self-certification by the head of institution/organization undertaking research and development services, certifying that the activity is in the nature of research and development and not consultancy, for the purpose of determining eligibility for exemption under Entry 44A of Notification 12/2017 – Central Tax (Rate).

Source: PIB Press Release dated 08.10.2026 | Part C2 No. 7 to 9

11. Changes / Clarifications in GST Rates: Services (contd.)

No.	Subject	Recommendations relating to services
10	Import of services by Indian establishments of foreign shipping lines	• To exempt the import of services by an establishment of a foreign shipping company in India from a related person or any of its establishment outside India, when made without consideration; • To regularize the past period on “as is where is” basis.
11	Upfront/concession amount paid to NHAI under Toll Operate Transfer Model for highway projects	• To exempt from GST, the services of the grant of exclusive right, license and authority by the Government including local Authority, governmental authority and government entity to the concessionaire for highway projects to demand, collect and appropriate toll fee.

Source: PIB Press Release dated 08.10.2026 | Part C2 No. 10 to 11

11. Changes / Clarifications in GST Rates: Services (contd.)

No.	Subject	Recommendations relating to services
12	Operation and Maintenance services for highway projects under TOT model	To provide a special procedure regarding the valuation and time of payment of GST on Operation and Maintenance (O&M) services provided by concessionaires to the concessioning authority for highway projects in TOT model.
13	Fund Transfer Pricing mechanism in banks	To clarify that the notional amount regarded as “interest” in the books of accounts for the activity of notional transfer of funds between the branches of the banks by the head office as part of Funds Transfer Pricing transactions is covered by the definition of “interest”, given in Notification No. 12/2017-Central Tax (Rate).

Source: PIB Press Release dated 08.10.2026 | Part C2 No. 12 to 13



Thank you !

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