



BACKGROUNDERS
Press Information Bureau
Government of India

Next-Gen GST Process Reforms

Towards Simpler, Faster and More Predictable Processes

09 October, 2026

Introduction

Introduced on 1 July 2017, GST brought many Central and State taxes into a common framework. It marked a milestone in India's reform journey. It gave effect to the principle of **"One Nation, One Tax"** and helped move India towards an integrated tax system.

Over the past nine years, standardised procedures and rationalised rates have supported greater transparency, accountability and economic growth. They have also strengthened the vision of **'Ek Bharat - Shreshtha Bharat'**.

Building on this progress, the 56th GST Council recommended **Next-Generation reforms to simplify the four-tier GST rate structure**. The new structure has **two main rates**, 5% and 18%, and a special 40% rate for select goods and services.

This reform process has continued at the **57th meeting in October 2026**. The Council recommended further process reforms, clarifications on selected goods and services, and measures to facilitate trade and streamline compliance.

GST in Numbers: Wider Reach, Scale and Collections

A wider taxpayer base: Registered taxpayers increased from around **60 lakh in 2017 to ~1.70 crore as of September 2026**.

A large-scale digital tax system: As on 30 September 2026, the GST System had cumulatively processed 3,053 crore invoice uploads and 833.82 crore e-way bills.

Strong revenue growth: Gross GST collections reached **~₹12.46 lakh crore during April-September 2026**, registering an increase of **11.6% Y-o-Y**.

Next-Gen GST

Process Reforms



Towards Simpler, Faster and More Predictable Processes

REGISTRATION



- Expedited and smooth registration process through:
 - Certainty in documentary requirement
 - System based guidance and hand holding to reduce errors
- Simplified registration mechanism for small taxpayers making supply through E-commerce platform
- Self-amendments in registration details by taxpayers
- Automatic acceptance of cancellation application

EASE OF LIVING



- Removal of arrest provision under GST.
- Increase in prosecution threshold from ₹1 Cr. to 5 Cr.
- Conditional late fee waiver for small taxpayers in return filing
- E-way bill:
 - Intelligence based interception
 - No E-way bill to be checked by transit states

REFUNDS



- Auto generated acknowledgement for refund applications, if not issued by the proper officer within 10 days
- Automated sanction of 90% provisional refund in case of zero-rated supplies and inverted duty structure (based on risk analysis)
- Automatic refund of excess balance in Electronic Cash Ledger

RETURNS



- Enhancement in GSTR-1/1A/IFF to provide correct recording of liability in GSTR-3B
- Alternative mechanism of amendment in liability and input tax credit in GST return to reduce mis-matches & notices
- A Concept note has been floated regarding a simplified return filing mechanism on annual basis with quarterly payment of tax for eligible small taxpayers making B2C supplies

RATIONALIZATION OF ITC



- To enhance seamless flow of credit by allowing ITC on certain supplies including: Health Insurance, Life Insurance, free samples, etc.
- Refund of accumulated ITC of capital goods and input services

LITIGATION



- No demand notice for tax amount below ₹10,000
- Penalty to be termed as 'Charge' in case of voluntary payment of tax liability*
- Reduced penalty of 5% where tax along with interest is discharged within 30 days or 60 days of the adjudication order in non-fraud cases.
- General penalty reduced from ₹25,000/- to ₹10,000/-

Source: Ministry of Finance

(exceptions & conditions apply)

Making GST Registration Simpler, Faster and More Predictable

The proposals of the GST Council seek to create a more predictable and taxpayer-friendly GST registration framework. They are intended to support smoother business operations and encourage wider participation in the formal economy.

Reforms in the Registration process:

The GST Council recommended the following:

- a) A **comprehensive and detailed documentation along with FAQs** will be issued for processing registration applications.
- b) The **registration application will be amended** to simplify the filing process and improve clarity for taxpayers and tax officers.
- c) The **GST portal will provide a user-friendly interface** for filing registration applications, with clear navigational paths, drop-down lists, tool-tips and contextual guidance.

What is Input Tax Credit?

It is the credit a registered person can claim for tax on goods or services received.

For eg: If a manufacturer has paid tax of ₹10,000 on raw material purchase and collected tax of ₹25,000 on product sales. Consequently, the net tax payment amount is ₹15,000 and the manufacturer can claim the tax paid on raw material.

These measures would **facilitate correct filing of registration applications** and reduce **rejections and queries** raised in respect of such applications.

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Automatic Acceptance

For easy and near real-time updation, the Council suggests **automatic acceptance of amendments to registration particulars**. This would be enabled on the portal, except for changes relating to the **Principal Place of Business (PPoB)**.

What is Principal Place of Business?

Section 2(89) of the CGST Act, 2017 defines it as follows: "principal place of business" means the place of business specified as the principal place of business in the certificate of registration".

For taxpayers registered through the **automatic route**, amendments to **all registration particulars, including PPoB**, would be accepted automatically.

Registration Cancellation Process

To simplify the registration cancellation process, the Council recommended amendments in the CGST Act, 2017 and the CGST Rules, 2017. The proposal includes

- a) **Automatic cancellation:** To reduce the officer's interface the Council proposed the reforms in phased manner.

Phase 1

The cancellation applications would be **accepted automatically** after pending returns are filed and all dues are paid.

- This would apply to taxpayers who have **not passed on ITC exceeding ₹2.5 lakh in any month.**
- It would also apply where **ITC exceeded ₹2.5 lakh in a month**, if the final return is filed within the specified time.

Phase 2

All the applications for cancellation of registration will be accepted automatically by the system, once all pending returns are filed and all dues are paid. FORM GST REG-16 will be amended so that the details of FORM GSTR-10 can be furnished in the said application itself.

- b) **Suo-moto cancellation:** To expedite the process of cancellation certain grounds for cancellation of registration by tax officers would be removed, reducing intervention.

A **system-based mechanism would enable cancellation and revocation based on non-compliance and subsequent compliance.** The mechanism covers defaults relating to non-filing of returns or non-furnishing of bank account details within the specified time.

Next-Gen GST Process Reforms

Simpler GST Registration for E-commerce Sellers



Easier Registration Across States
Small sellers with ITC < ₹ 2.5 Lakhs can opt for simple registration in other States/UTs

Increased Presence
E-commerce operator's warehouse can be declared as the Principal Place of Business in a State/UT with no physical presence.

Source: Minister of Finance

Reform for E-commerce sellers

The reforms suggested by the GST Council provide a **simplified registration mechanism for small taxpayers making supply through E-commerce platforms**.

Small sellers passing ITC not more than ₹2.5 lakh/month (excluding stock transfer) can opt for simple registration (PAN based) in States/UTs other than their Home State/UTs.

The electronic commerce operator (ECO) warehouse can be declared as the PPOB in a State/UT where there is no physical presence.

This would facilitate ease of doing business for small e-commerce sellers by enabling them to establish their businesses in other States.

GST Return Reforms for Improved Accuracy and Compliance

To reduce mismatches and improve the integrity of ITC across the supply chain, the Council recommended streamlining the return filing process. This would enable more accurate reporting of tax liability and ITC while **reducing compliance burden**. Following are the proposals of Council:

- a) GSTR-1/1A/IFF would be enhanced to enable better reconciliation with GSTR-3B.
- b) A facility “**Electronic Statement of tax paid on Reverse charge basis and input tax credit claimed**” would facilitate correct reporting of tax liability and **ITC on supplies liable to reverse charge**.
- c) A mechanism would enable **reporting/correction of liability** in GSTR-3B to align with details reported in **GSTR-1/1A/IFF**.
- d) **GST DRC-03 would be amended** to allow declaration of the **underlying invoice details** for which the payment has been made.
- e) The **Invoice Management System (IMS)** would allow recipients to **accept, reject or keep documents pending** for ITC reporting.
- f) An **Electronic Credit Reversal and Reclaim Statement** would facilitate correct reporting of **ITC reversed and reclaimed**.
- g) A mechanism would enable **reporting/correction of ITC reported in GSTR-3B** to align with ITC available in **GSTR-2B**.
- h) Clarifications would be issued on reporting **ITC and its reversal** in GSTR-3B in the form of circular.

The alternate mechanism for correcting **liability and ITC** is proposed to apply from the **April 2027 return period**.

GSTR-1: Form GSTR-1 is a monthly/quarterly Statement of Outward Supplies to be furnished by registered taxpayers making outward supplies of goods and services or both and contains details of outward supplies of goods and services.

GSTR- 1A: A taxpayer who needs to amend any supply record furnished in GSTR 1 or need to add any supply record, the same can be done through GSTR 1A.

IFF: Invoice Furnishing Facility (IFF) is an optional facility provided to taxpayers who are in QRMP (Quarterly Return and Monthly Payment) scheme, to file their details of outward supplies in first two months of the quarter (M1 and M2), to pass on the credit to their recipients

GSTR-3B: It is a simplified summary return. The purpose of the return is for taxpayers to declare their summary GST liabilities, ITC availed etc. for a particular tax period and discharge these liabilities.

GST DRC-03: It is a payment form. It is utilized by taxpayers to make payments towards tax, interest, penalty, fee or any other amount due under the GST Act.

GSTR-2B: GSTR-2B is an auto-drafted ITC statement which is generated for every normal taxpayer on the basis of the information furnished by his suppliers in their respective forms. The statement indicates availability and non-availability of input tax credit to the taxpayer against each document filed by his suppliers.

Streamlining GST Refunds through Faster, System-Based Processing

The reforms proposed by the GST Council provide for system-based processing and sanctioning of refund claims. This would enable faster processing, greater transparency and reduced manual intervention.

Phase 1

Refunds of excess cash ledger balances would become automatic, facilitating faster availability of funds for businesses.

The **acknowledgement period would be reduced from 15 to 10 days**. Deemed acknowledgement will apply where no response is issued.

Based on risk assessment, **90% of claimed amount is expected to be sanctioned**, for refund claims on account of zero-rated supplies and inverted duty structure.

Phase 2

- i. System-based automated acknowledgment (without officer intervention) on due verification of the refund application by the system for refund claims on account of zero-rated supplies and inverted duty structure.

In such acknowledged cases, automated sanction of full refund claim by the system (without officer intervention), in respect of claims pertaining to zero rated supplies only, after adjusting pending dues, if any, on the basis of identification and evaluation of risk by the system.

Measures to Expedite and Streamline Refunds

- a) Amendment in refund application in FORM GST RFD-01 . This will capture refund details in a system-readable format in case of refund claims pertaining to **zero-rated supply** and inverted duty structure.

What is zero-rated supply under GST?

This includes exports of goods or services and supplies made to an Special Economic Zone (SEZ) developer or SEZ unit.

- b) Amendment in rule **89(4)(C) of the CGST Rules, 2017**. This will remove the cap limiting the turnover of zero-rated supply of goods to 1.5 times the value of like goods supplied domestically.
- c) Amendment in **section 54(14) of the CGST Act, 2017**. The ₹1,000 refund threshold will apply to the total refund amount, including CGST, SGST/UTGST and IGST.

Clarity on Interest on Refund of Pre-Deposit

- a) Amendment in **section 115 of the CGST Act, 2017**. This will make it a standalone provision which will specify the rate of interest applicable to refunds of pre-deposit amounts paid for filing appeals.
- b) A circular will also be issued to clarify concerns relating to the rate of interest applicable to such refunds.

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Key Numbers



10 Days

Refund acknowledgement or deficiency memo period reduced from 15 days.



90%

Automatic provisional refund of 90% of the claimed amount for zero-rated supplies & inverted duty structure. (based on system risk assessment)



₹10,000

Minimum tax amount for issuing show-cause notices.



₹5 Crore

New prosecution threshold, increased from ₹1 crore.

Source: Minister of Finance

Reforms to Simplify Dispute Resolution and Reduce Litigation

The council recommended a circular with the comprehensive guidelines for the tax officers. This circular will include streamlined process of demand notices, adjudication orders and appeal orders. The other reforms suggested by the GST Council aim to streamline dispute resolution, reduce compliance burden and litigation. The proposals include the following:

- a) **No show cause notices will be issued if the tax amount involved is less than ₹10,000.**
Pending notices on the date of the provision and appeals involving amounts below ₹10,000, will be decided based on the ₹10,000 minimum threshold, as if it were applicable when the notice was issued.
- b) The **penalty will be termed as 'Charge'** in cases full tax amount is voluntary paid with interest and penalty, within the specified time limit.
- c) A **reduced penalty of 5%** will apply where tax and interest are discharged within 30 days (under section 73) or 60 days (under Section 74A) of the adjudication order.
- d) The **minimum penalty of ₹10,000 to be removed**, in non-fraud cases.
- e) The **maximum general penalty would be reduced** from ₹25,000 to ₹10,000.

In cases where the order only involves penalty and no demand of tax, an **upper limit of ₹40 crore** would be provided on account of pre-deposit for appeals before the Appellate Authority or Appellate Tribunal.

Other major reforms under GST

Widening Access to ITC Refunds and Claims

Broader refund eligibility

The GST Council recommended changes to the CGST Act and Rules to allow refunds of accumulated ITC in specified cases.

Table-1: Expanded ITC Refund Eligibility		
ITC type	Eligible cases	Applicability
Capital goods	Zero-rated supplies and inverted duty structure	On or after 1 April 2027; refunds spread over 60 months for refunds on account of ITC availed on capital goods.
Input services	Inverted duty structure	On or after 1 November 2026

This would ease taxpayers' working capital constraints and reduce the blockage of ITC on input services and capital goods in these cases.

Easing restrictions on blocked ITC

The Council recommended amendments to remove restrictions on claiming ITC for certain supplies.

This includes Outdoor Catering, Health and Life Insurance, Telecommunication Towers, Pipelines outside factory Premises, Free Samples and Goods destroyed or written off after their shelf life expires (as required by law).

The change would reduce cascading taxes and support a smoother flow of ITC across the supply chain.



To enhance seamless flow of credit by allowing ITC on certain supplies including: **Health Insurance, Life Insurance, free samples**, etc.



Refund of accumulated ITC of capital goods and input services

Source: Ministry of Finance

(exceptions & conditions apply)

Reforms relating to exports/zero-rating of supplies of goods and services

The Council recommended changes to export status, place-of-supply rules and payment clarifications, alongside zero-rating guidance for specified SEZ/FTWZ deliveries.

- a) Services supplied through foreign offices or branches:** The Council recommended to remove the condition that the supplier and recipient must not be establishments of the same person for a service to qualify as an “export of services.”

The change would **facilitate refunds for Indian service providers** supplying services to or through their foreign offices or branches. It would also support services exports from India.

- b) Payment for exports:** A circular shall be issued clarifying that payment for exports of goods and services may be received in foreign exchange or in Indian rupees, where permitted.

- c) Place of supply for certain services:** For services where the recipient makes goods physically available to the supplier, the Council recommended determining the place of supply based on the recipient’s location under the default rule in **section 13(2)**.

This will facilitate access to export-related benefits under GST for Indian service providers providing such services to foreign recipients.

- d) Goods delivered to overseas buyers in an SEZ or FTWZ:** The Council recommended treating goods supplied to overseas buyers but delivered to an SEZ or Free Trade & Warehousing Zone (FTWZ) , as zero-rated supplies. This would apply when payment is received in convertible foreign exchange or in Indian rupees where permitted by the RBI.

The provision would **clarify the availability of zero-rating benefits** for Indian manufacturers making such deliveries, on the directions of their overseas customers, for warehousing or further processing inside the SEZ unit.

Next-Gen GST Process Reforms



Wider Opportunities for Service Exporters



Services Through Foreign Branches

Services supplied through foreign branches will qualify as exports and be eligible for related refunds.



Services for Foreign Clients

Services carried out in India for foreign clients will be eligible for export-related benefits.



Flexible Payment Options

Payments for exports of services may be received in foreign exchange or Indian rupees.

Source: Ministry of Finance

Ease of living and doing business

The recommendations seek to balance effective enforcement with taxpayer protections and smoother movement of goods.

Rationalization of provisions relating to arrest and prosecution

The Council recommended withdrawing certain arrest powers under GST. To strengthen a progressive, trust-based tax regime while maintaining deterrence against fraud and evasion, the Council also recommended:

- a) **Raising the prosecution threshold** from ₹1 crore to ₹5 crore.
- b) **Removing specified offence provisions and wording** from section 132(1) of the CGST Act, 2017:
 - Remove clause (i), i.e., remove the offence for receiving, helping supply or dealing in services a person knows, or has reason to believe, violate the Act.
 - Delete “evades tax” from clause (e); and

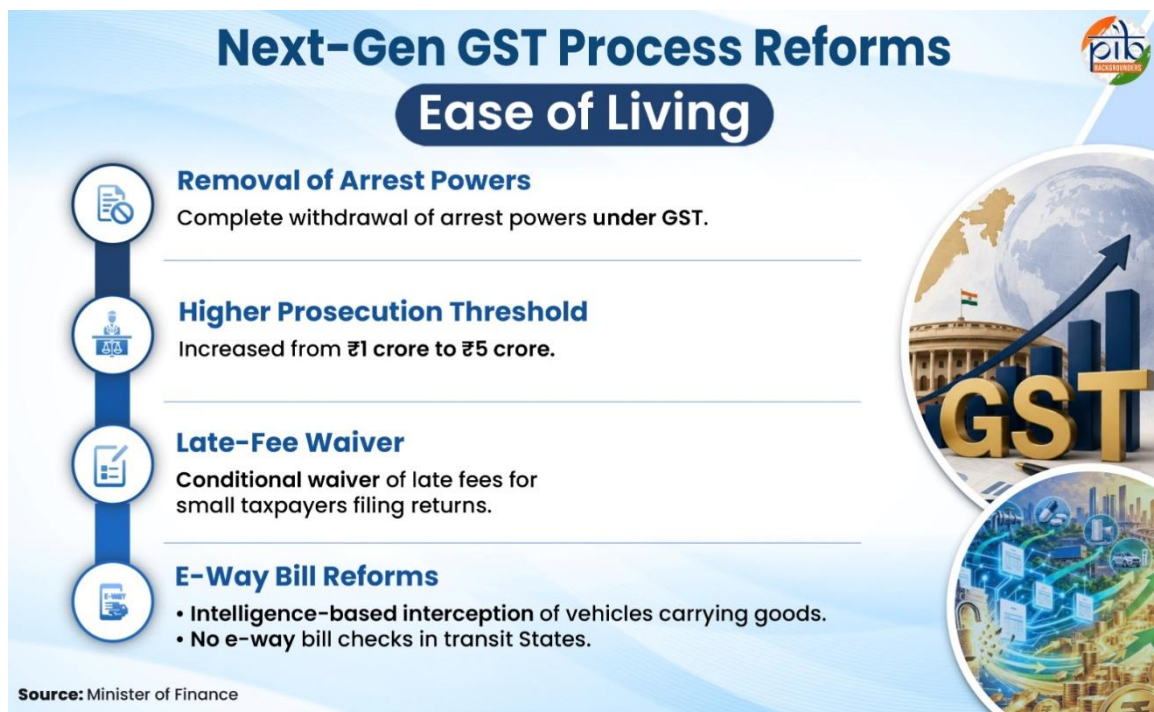
- Delete “or in any other manner deals with” from clause (h).
- c) To amend clause (c) section 132(1) of the CGST Act, 2017, so as to cover only offence of fraudulent availment of ITC without receiving the goods or services, or without an invoice or bill.

Rationalising provisions relating to e-way bills

The Council recommended the following amendments:

- a) **Interception conditions:** A conveyance carrying goods could be intercepted only on specific intelligence and with authorisation from an officer of at least Joint Commissioner rank.
- b) **State jurisdiction:** Inspection and further action, such as detention or seizure, could be taken only if the supplier or recipient is located or registered in the State where the interception takes place. Goods could not be intercepted in transit States.
- c) **Missing documents exception:** If no e-way bill has been generated, or the conveyance carries no document showing the goods’ origin or destination, the goods could be inspected, detained or seized regardless of jurisdiction.
- d) **No confiscation in transit:** Goods/ conveyances in transit would not be subject to confiscation under **section 130** of the CGST Act.

This would support smoother movement of goods and conveyances and improve supply and transportation efficiency for businesses.



Treatment of transfer of title in intellectual property rights (IPR)

The Council recommended treating the transfer of IPR title, whether temporary or permanent, is treated uniformly as a supply of services.

This would ease GST compliance and support smoother cross-border IPR transactions.

Opportunity to be heard before blocking ITC under Rule 86A of the CGST Rules, 2017

The Council recommended allowing taxpayers to **file an objection to amounts blocked in their electronic credit ledger.**

The taxpayer would also be able to attend a personal hearing before the proper officer decides on the objection.

Late-fee relief for small taxpayers

The Council recommended **waiving late fees for delayed returns** for taxpayers with turnover of up to ₹5 crore in the previous financial year.

The waiver would apply if the delayed return is filed by the end of the month in which it was due.

Clarification of various issues through circulars

The GST Council recommended issuing circulars to clarify the following issues arising from differing interpretations by field formations:

- a) Input Service Distributor (ISD) distribution of input service credit
- b) ITC claims by banks, financial institutions and NBFCs opting for section 17(4)
- c) Payment of pre-deposits
- d) ITC on demonstration vehicles in certain situations
- e) The effective date of omission of rule 96(10): 23 October 2017, in line with the Supreme Court's decision

Introduction of a concept note for an ARQP scheme

The GST Council introduced a concept note for an **optional Annual Return Quarterly Payment (ARQP) scheme for further deliberations and discussions.** It is intended for taxpayers with aggregate turnover of ₹5 crore or less in the preceding financial year who make supplies exclusively to unregistered persons (B2C supplies).

Streamlining GST compliance

The Council made the following recommendations:

- a) **Clarifying tax liability of e-commerce operators:** The Council recommended amending section 9(5) of the CGST Act, 2017 so that that e-commerce operators are liable to pay tax on notified services, regardless of their business model.
- b) **Extending e-invoicing requirements:** Extend e-invoicing to domestic supplies received from unregistered persons where tax is payable under the reverse charge mechanism, and to imports of services. This would apply to taxpayers with aggregate annual turnover of ₹5 crore or more.

Aligning GSTAT provisions with tribunal reforms

The Council approved amendments to the **CGST Act, 2017** and the **GSTAT (Appointment and Conditions of Service of President and Members) Rules, 2023**.

These amendments would align provisions on the GST Appellate Tribunal with 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**.

Changes/ Clarifications in relation to GST rates on Goods and Services

The GST Council recommended changes to GST treatment across various goods and services.

Table-2: Recommended GST Treatment for Goods	
Items covered	Recommended reform
Sublimation paper	Clarify that sublimation paper is classified under heading 4809 and regularise past cases on an “ <i>as is where is</i> ” basis.
Toys	Clarify that the notification entries related to rate on toys covers to all categories of toys under heading 9503 of the Customs Tariff Act and are not restricted to tricycles, scooters, pedal cars only.
Sea-weed extract-based bio-stimulants	Clarify 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 as fertilisers under heading 3101
Second-hand vehicles	Under the GST margin scheme, suppliers may claim ITC on inputs other than procured second-hand vehicles, and on input services. The restriction applies only to tax paid on procured second-hand vehicles.

Specified Waste and, scrap of plastics, waste and scrap of tyres, electrical and electronics waste and scrap, and used cooking oil	Reverse Charge Mechanism (RCM) would apply when an unregistered person supplies such specified waste and scrap to a registered person. The supplier must register upon crossing the threshold, while the recipient must pay the tax even if the supplier is below it. Apply 2% TDS to registered-to-registered supplies of such specified waste and scrap.
Psyllium seeds (Isobgul/Isabgol)	NIL GST rate prescribed, whether fresh, chilled, frozen or dried.
Re-treaded tractor tyres	GST rate on retreaded tractor tyres aligned with that of new tractor tyres..
Two- and four-wheelers	Exempt the Compensation Cess not levied by Canteen Stores Department (CSDs) from 01.07.2017 to 30.09.2022.
Aerated drinks	Exempt the Compensation Cess not levied by CSDs and Unit Run Canteens from 01.07.2017 to 31.03.2022.

Table-3: Recommended GST Treatment for Services

Services covered	Recommended reform
Passenger transport and rental of motor vehicles using electric vehicles (EV)	Provide option to pay 5% GST with restricted ITC for services of passenger transportation and renting of motor vehicles (with operator) provided using electric vehicle, where the cost of battery charging is included in the consideration.
Delivery services supplied through an electronic commerce operator (ECO)	Bring delivery services, other than courier or postal, supplied through an ECO under Section 9(5) of CGST Act, 2017, when the service provider is not required to register under section 22(1) of the CGST Act, 2017, at 5% GST rate without ITC

Delivery services for goods supplied or ordered through an ECO	Prescribe 5% GST rate without ITC on delivery services for goods, where such goods are supplied or ordered through an ECO.
Services of transportation of goods by Goods Transport Agency (GTA) to unregistered persons in relation to goods supplied or ordered through an ECO	Deny the exemption available under Entry 21A of Notification No. 12/2017 – CTR for services of transportation of goods by GTA in relation to goods supplied or ordered through an ECO.
Motor vehicle leasing	Clarify that the GST treatment of statutory and ancillary charges, such as registration, road tax, insurance and FASTag charges, recovered by lessors from the lessee are incidental to the principal supply of leasing of motor vehicles.
Restaurant, outdoor catering, hotel accommodation for value up to Rs. 7500 per unit per day and gym or fitness services	To allow 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
Passenger transport by helicopter on seat-sharing basis	Exempt the services of passenger transportation by air in a helicopter on seat-sharing basis to or from airports or helipads located in the North-Eastern States, Sikkim and at Bagdogra, West Bengal.
Storage or warehousing of seeds meant for sowing	To exempt from GST the services of storage/warehousing of seeds meant for sowing.
Curing of coffee	To exempt from GST the agricultural support services of coffee curing provided by coffee curers to cultivators.
Services of the Seamen's Provident Fund Organisation (SPFO)	To exempt from GST the services provided by SPFO to persons governed by the Seamen's Provident Fund Act, 1966.

Research and Development services	A simple mechanism of Self-certification by the head of the institution undertaking research and development services to certify that the activity is in the nature of research and development and not consultancy, for the purpose of claiming exemption available to R&D services.
Services imported by Indian establishments of foreign shipping lines from its offices located abroad	To exempt import of services made without consideration by an Indian establishment of a foreign shipping company from a related person or any of its establishments outside India. The past period to be regularised on an “ <i>as is where is</i> ” basis.
Grant of exclusive rights to demand, collect and appropriate toll fees	The service of granting a concessionaire the exclusive right, license and authority to demand, collect and appropriate toll fees for a highway project to be exempt from GST. This applies when the Government, including local authorities, governmental authority or government entities, grants such rights to a concessionaire.
Operation and Maintenance (O&M) services for highway projects under the TOT model	Provide a special procedure regarding the valuation and time of payment of GST on O&M services provided by concessionaires to the concessioning authority for highway projects in TOT model
Fund Transfer Pricing (FTP) transactions between bank branches	To clarify that the notional amount recorded as “interest” in the books of accounts of the banks 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-CT(Rate) dated 28.06.2017.

Conclusion

The 57th GST Council meeting’s recommendations address concerns across registration, returns, refunds, input tax credit and dispute resolution. They also seek to strengthen trade, clarify tax treatment and widen opportunities for small sellers and service exporters.

These recommendations build on GST's success and mark another step in its continued improvement. Together, these measures would further promote ease of doing business and contribute to a more efficient and taxpayer-friendly GST framework.

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