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GST Trail

Key Highlights
GST Notifications and Clarification Circulars



At a glance

October 2026 GST Trail covers CBIC instructions implementing 57th GST Council recommendations, notifications on post-supply discounts, credit notes, provisional refunds, e-invoicing expansion, CGST rule amendments, registration exemption and TDS changes, plus key GST portal updates including multistate registration, GSTR-9/9C and RCM e-invoicing.

Notifications Updates

Notification No. 03/2026-Central Tax

The Central Board of Indirect Taxes and Customs (CBIC) has issued a notification on 26 October 2026 notifying sections 153 to 155 of the Finance Act, 2026, to come into force.

Notifies sections 153 to 155 of the Finance Act, 2026, to come into force

The Central Government has notified 1 November 2026 as the effective date for implementing sections 153 to 155 of the Finance Act, 2026, under Notification No. 03/2026-Central Tax.

Finance Act Section	CGST Act	Subject & Key Amendment
section 153	section 15(3)(b)	Post-Supply Discount: Removes the requirement for a prior agreement and specific invoice linkage, subject to credit note issuance and reversal of attributable ITC.
section 154	section 34(1)	Credit Notes: Expressly recognizes qualifying post-supply discounts as a ground for issuing GST credit notes.

Finance Act Section	CGST Act	Subject & Key Amendment
section 155(a)	section 54(6)	Provisional refund: Extends the 90% provisional refund mechanism to eligible inverted duty structure refund claims.
section 155(b)	section 54(14)	Minimum refund threshold: Removes the INR 1,000 minimum refund restriction for tax refunds relating to exports of goods with payment of tax.

Notification No. 04/2026-Central Tax

The Central Board of Indirect Taxes and Customs (CBIC) issued a notification on 26 October 2026 notifying the category of supplies for the purpose of e-invoicing.

Notifies the category of supplies for the purpose of e-invoicing.

E-invoicing expansion under Notification No. 04/2026-Central Tax

- The e-invoicing framework has been extended to cover RCM transactions from unregistered suppliers and import of services, effective 1 January 2027. Eligible taxpayers will be required to generate e-invoices for such transactions under GST provisions.

Notification No. 05/2026-Central Tax

The Central Board of Indirect Taxes and Customs (CBIC) has issued a notification on 26 October 2026 notifying the Central Goods and Services Tax (Amendment) Rules, 2026.

Notifies the Central Goods and Services Tax (Amendment) Rules, 2026.

CGST (Amendment) Rules, 2026 - Notification No. 05/2026–Central Tax introduces key amendments relating to GST registration, ISD/ITC distribution, refunds and e-way bill provisions, effective from 1 November 2026, with certain changes applicable from later specified dates.

- Registration amendments revising procedures and timelines for changes in GST registration and business particulars.
- Changes relating to cancellation, suspension, and revocation of GST registration.
- Revised provisions governing Input Tax Credit (ITC) distribution and Input Service Distributor (ISD) compliance.
- Amendments to GST refund eligibility, documentation requirements, processing timelines, and calculation procedures.
- Introduction of a risk-based mechanism for processing provisional refund claims.
- Expansion of e-way bill provisions to include transportation through metro railways.
- Revisions to various GST registration, refund, and composition scheme-related forms.

Notification No. 06/2026-Central Tax

The Central Board of Indirect Taxes and Customs (CBIC) has issued a notification on 28 October 2026 amending Notification No. 5/2017- Central Tax dated 19 June 2017.

Amends Notification No. 5/2017- Central Tax dated 19 June 2017.

Notification No. 06/2026-Central Tax – Amendment to GST registration exemption

- GST registration exemption under Notification No. 5/2017-Central Tax has been restricted for suppliers dealing in specified goods, including used cooking oil, plastic scrap, tire scrap, metal scrap, and electrical and electronic waste and scrap, effective from 1 November 2026.

Notification No. 07/2026-Central Tax

The Central Board of Indirect Taxes and Customs (CBIC) has issued a notification on 28 October 2026 amending Notification No. 50/2018- Central Tax dated 13 September 2018.

Amends Notification No. 50/2018-Central Tax dated 13 September 2018.

Notification No. 07/2026-Central Tax – Amendment to TDS provisions

- TDS provisions under Notification No. 50/2018-Central Tax have been extended to registered persons receiving specified goods from other registered persons, including used cooking oil, plastic scrap, tire scrap, metal scrap, and electrical and electronic waste and scrap, effective from 1 November 2026.

Circular Updates

The Central Board of Indirect Taxes and Customs (CBIC) has issued various circulars pursuant to the recommendations of the 57th GST Council Meeting. For detailed guidance on the aforementioned matters, please refer here.

Instruction Updates

Instruction No. 02/2026-GST

The Central Board of Indirect Taxes and Customs (CBIC) issued an instruction on 30 October 2026 to implement certain GST Council recommendations from its 57th meeting held on 8 October 2026 in New Delhi, pending the corresponding legislative amendments.

Implementing certain recommendations of the GST Council in its 57th meeting held on 8 October 2026 at New Delhi, pending the corresponding legislative amendments.

CBIC has issued instructions for implementing the recommendations made during the 57th GST Council Meeting held on 8 October 2026, pending the corresponding amendments to the CGST Act. While the proposed changes are intended to take effect from 1 April 2027, field formations have been directed to follow these instructions in the interim.

- The GST Council has recommended the withdrawal of arrest provisions under section 69 of the CGST Act, 2017.
- Interception of conveyances for e-way bill verification is permissible only on the basis of specific intelligence and with authorization from an officer not below the rank of Joint Commissioner, supported by recorded reasons in writing.
- Inspections can be conducted only where the supplier or recipient falls within the jurisdiction of the concerned State/UT. In other cases, goods should be allowed to move, and relevant information should be shared with the appropriate jurisdictional officer.

- An exception has been provided for cases involving the absence of a valid e-way bill or origin/destination documents, where action may be taken irrespective of jurisdiction.
- Apart from the above circumstances, no detention, seizure, or confiscation proceedings under section 130 should be initiated on any other grounds.
- Show Cause Notices (SCNs) should not be issued where the aggregate tax involved, including CGST, SGST, IGST, and Compensation Cess, is below INR 10,000.
- Chief Commissioners shall monitor implementation and report any issues to the Board, while State GST authorities may issue similar instructions.

GST Portal Updates

Gross and net GST revenue collections for September 2026

GSTN has released the gross and net GST revenue collections for September 2026. The detailed report is available here.

Advisory on "multistate registration" Facility for GST Registration

The GST portal has issued an advisory dated 1 October 2026 introducing the multistate registration facility for taxpayers seeking GST registrations across multiple States/UTs under the same PAN.

- Applicants can select multiple States/UTs through a single application process and obtain a Master Temporary Reference Number (TRN) for submission of the Common Registration Information (CRI) within 15 days.
- Common details such as Business Information, Promoter/Partner Details, Authorized Representative Details, and Goods & Services Information need to be furnished only once, thereby reducing duplication of data entry.
- Applicants are required to provide State-specific information, including the respective Principal Place of Business (PPoB), Additional Places of Business (APoB), and complete Aadhaar Authentication, wherever applicable.
- The facility streamlines the GST registration process for businesses operating in multiple jurisdictions by minimizing repetitive compliance requirements and enabling a more efficient registration experience across different States/UTs.

Recommendations of the 57th GST Council meeting – key reforms

The following key recommendations were made during the 57th GST Council meeting held on 8 October 2026.

- The GST Council recommended the removal of arrest provisions under GST.
- The threshold for initiation of prosecution proceedings is proposed to be enhanced from INR 10 million to INR 50 million.
- The maximum General Penalty is proposed to be reduced from INR 25,000 to INR 10,000.
- The Council recommended simplifying GST registration for small e-commerce sellers to reduce compliance requirements.
- Various reforms have been proposed to simplify GST compliance, streamline the registration and return filing process, and expedite the refund mechanism for taxpayers.

- The Council also recommended several changes and clarifications relating to GST rates on goods and services, exports, and relief measures for small taxpayers.
- These recommendations will take effect only upon issuance of the relevant notifications, circulars, and legislative amendments, wherever required.
- For the detailed Press Release, please refer here.

FAQs on the recommendations of the 57th GST Council meeting

The GST portal has issued a detailed set of FAQs on 13 October 2026 addressing various recommendations made during the 57th GST Council Meeting.

Key clarifications covered in the FAQs include:

- GST registration procedures and amendment-related changes.
- Measures aimed at facilitating faster processing of GST refunds.
- Changes in the GST treatment of certain specified goods, including waste and scrap transactions.
- Clarifications relating to GST implications on various services, including helicopter passenger transportation, hotel and restaurant services, and research and development (R&D) services.
- For detailed FAQs, please refer here.

Annual returns in the form of GSTR-9/9C for FY 2025-26

The GST portal has enabled the filing of Annual returns in Forms GSTR-9 and GSTR-9C for FY 2025–26 with effect from 8 October 2026.

- Taxpayers intending to file the aforesaid annual returns should ensure that all applicable GSTR-1 and GSTR-3B returns for FY 2025-26 have been duly filed, as the filing tile for GSTR-9/9C is available only after completion of the prescribed periodic return filings.
- Taxpayers are advised to reconcile their turnover, tax liability, input tax credit, and other relevant disclosures with the returns filed during the financial year before proceeding with the filing of GSTR-9/9C.

Introduction of E-invoicing facility for recipient-generated self-invoices under reverse charge mechanism for domestic supplies from Unregistered Persons (RCMDOM) and import of services (RCMIMP)

The GST portal issued guidelines dated 16 October 2026 on introducing the e-invoicing facility for recipient-generated self-invoices under the reverse charge mechanism (RCM) for both domestic supplies from unregistered persons and import of services.

- **Pursuant to the recommendations of the 57th GST Council, e-invoicing has been introduced for recipients liable to pay GST under the Reverse Charge Mechanism (RCM) on:**
  - Domestic supplies received from unregistered persons; and
  - Import of services from suppliers located outside India.
- The proposed facility will be applicable to registered taxpayers having an aggregate annual turnover exceeding INR 50 million, subject to the applicable statutory provisions.
- Registered recipients issuing self-invoices under RCM will be required to generate e-invoices through authorized Invoice Registration Portals (IRPs).
- **Two new supply types have been introduced for this purpose:**

  - **RCMDOM:** Recipient-generated self-invoices for specified domestic supplies received from unregistered persons, where the registered recipient is liable to pay tax under RCM.
  - **RCMIMP:** Recipient-generated self-invoices for import of services from suppliers located outside India, where the registered recipient is liable to pay tax under RCM.
- The functionality has already been made available in the sandbox environments of all six authorized IRPs for testing and system integration purposes.
- NIC-IRP-1 will separately issue detailed release notes covering technical specifications, business validations, validation codes, and other operational requirements relating to RCMDOM and RCMIMP transactions. Further, GSTN and the authorized IRPs will conduct webinars to explain the new functionality and address implementation-related queries.
- The date for production rollout and the commencement of the mandatory reporting requirement will be notified separately.
- In view of the above, taxpayers, GSPs, ASPs, ERP service providers, and other stakeholders should evaluate the impact of the proposed changes and undertake necessary system enhancements and testing in preparation for the upcoming implementation.

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