

Amendments

CA/CMA/CS Inter For May 2026 Exam

Amendment from 01/3/25 to 31/10/25

GST: Chapter wise Amendments

Introduction

Constitution

Definitions

Amendment of section 2.

(24A) Local authority” means:

(a) a “Panchayat”

(b) a “Municipality”

(c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal fund or local fund;

Explanation.—For the purposes of this sub-clause—

(a) Local fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Panchayat area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;

(b) Municipal fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Metropolitan area or Municipal area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called.

(d) a Cantonment Board

(e) a Regional Council or a District Council constituted.

(f) a Development Board constituted or

(g) a Regional Council

	<p>(iii) After clause (116), the following clause shall be inserted, namely:--</p> <p>(47) "Unique identification marking" means the unique identification marking referred to in section 148A(2)(b) and includes a digital stamp, digital mark or any other similar marking, which is unique, secure and non-removable.</p>
Goods and services	<p>Section 9 (5)</p> <p>At bottom of table: -</p> <p>Newly Added: Services by way of local delivery except where the person supplying such services through ECO is liable for registration under section 22(1) of the CGST Act, 2017.</p> <p>Note: TCS Provsions Not applicable on it.</p>
Supply	<p>Amendment of Schedule III.</p> <p>In Schedule III of the Central Goods and Services Tax Act,--</p> <p>, after clause (iii), the following clause shall be inserted with effect from the 1st day of July, 2017, :--</p> <p>(iiia) Supply of goods warehoused in a SEZ (Special Economic Zone) or in a FTZ (Free Trade Warehousing Zone) to any person before clearance for exports or to the DTA (Domestic Tariff Area)</p>
Place of supply	
TAXABLE PERSON	
Exemptions Section:11 E/N: 12/2017	<p style="text-align: center;">Notification No. 16/2025-Central Tax (Rate)</p> <p>Goods transport agency' means any person who provides service in relation to transport of goods <u>by road</u> and <u>issues a consignment note</u> by whatever name called, but does not include</p> <p>(i) An ECO by whom the services of local delivery are provided,</p> <p>(ii) An ECO through whom the services of local delivery are provided.</p> <p><u>Service by way of transportation of goods ,,,,</u></p> <p>Newly inserted explanation ::After table</p> <p>Explanation. - Following will be Taxable ..</p>

(i) Local delivery services **provided by an ECO**; or

(ii) Local delivery services **provided through an ECO**.

.....
Number 36A: Reinsurance

Number 36B Motor vehicle acc. fund :

After this newly inserted.....

(ii) after serial number 36B and the entries relating thereto, the following serial numbers and entries relating thereto shall be inserted, namely: -

....Services of **Life insurance business** provided by an insurer to the insured, where the insured is **not a Group**.

---Services of **health insurance business** provided by an insurer to the insured, where the insured is **not a group**.

...Reinsurance of the insurance services specified in above 2 points.

Explanation: It is hereby clarified that:

-This exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual.

Note: Family shall include all individuals insured as family in the contract of insurance.

'Group' means group of persons who join together with a commonality of purpose or for engaging in a common economic activity, other than availing insurance, and includes:

Employer- employee groups, where an employer-employee relationship exists between the master/group policyholder and the members of the group in accordance with the applicable laws;

Non employer- employee groups, where a clearly evident relationship exists between the master/group policyholder and the members of the group, for services/ activities other than insurance.

'Health insurance business' means the effecting of contracts which provide for sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient, travel cover and personal accident cover.

Valuation/ Computation	
RCM N/N:13/2017	<p>Under GTA Service: Rate of GST under forward charge mechanism: will be 18% [Earlier t was 12%]</p> <p>Under Renting of Motor Vehicle Service: Rate of GST under forward charge mechanism: will be 18% [Earlier t was 12%]</p>
Invoice	<p>Amendment of section 34.</p> <p>Debit CREDIT NOTE</p> <p>In section 34 of the Central Goods and Services Tax Act, in sub-section (2), for the proviso, the following proviso shall be substituted, namely:--</p> <p>“Provided that no reduction in output tax liability of the supplier shall be permitted, if the--</p> <p>(i) ITC as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or</p> <p>(ii) Incidence of tax on such supply has been passed on to any other person, in other cases.</p>
Time of supply	<p>Amendment of section 12.[VOUCHER]</p> <p>In section 12 of the Central Goods and Services Tax Act, sub-section (4) shall be omitted.</p> <p>Amendment of section 13.[VOUCHER]</p> <p>In section 13 of the Central Goods and Services Tax Act, sub-section (4) shall be omitted.</p>
Input tax credit	<p>Amendment of section 17.</p> <p>In section 17 of the Central Goods and Services Tax Act, in sub-section (5), in clause (d),--</p> <p>(i) for the words “plant or machinery”, the words “plant AND machinery” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017;</p> <p>‘Explanation 1.: “Construction” includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property;</p> <p>‘Explanation 2.--it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to “plant or machinery” shall be construed and shall always be deemed to have been construed as a reference to “plant and machinery.</p>

Circular No. 251/08/2025: Clarification on various doubts related to treatment of secondary or post-sale discounts under GST

S. N	Issue	Clarification
1.	Whether the full ITC is available to the recipient of supply when the recipients make discounted payments to the supplier of goods on account of financial/commercial credit notes issued by the said supplier?	the supplier of goods can issue financial/ commercial credit notes and in such cases, he will not be eligible to reduce his original tax liability. As the transaction value is not allowed to be reduced on account of issuance of financial/ commercial credit note, accordingly the tax charged from the recipient would also not get reduced. Thus, it is clarified that the recipient will not be required to reverse the Input Tax Credit attributed to the discount provided on the basis of financial/ commercial Credit notes issued by the supplier, as there is no reduction in the original transaction value of the supply and accordingly the corresponding tax liability would also not get reduced.

<p>2. Whether a post-sale discount offered by a manufacturer to its dealer/ distributor, would be treated as a consideration paid by the manufacturer for the dealer's supply of the same goods to the end customer as a monetary value of the inducement to supply of goods manufactured by him to the end customer?</p>	<p>1. In cases where there is no agreement between the manufacturer and the end customer, there are two independent sale transactions, one from the manufacturer to the dealer and the other from the dealer to the end customer. The essence of the matter is that in a contract of sale, the sale is completed on the transfer of title to the goods to the buyer. Once this happens, the buyer becomes the owner of the goods, and the seller has no vestige of the title or claims therein. The dealer takes ownership of the goods purchased from the manufacturer and subsequently sells them to the end customer and transaction between the manufacturers to dealer operates on a principal-to-principal basis. These discounts are simply given for competitive pricing to push sales and merely reduce the sale price of the goods and are not linked to any independent activity rendered to the manufacturer. Therefore, it is clarified that such a discount cannot be included in consideration as the monetary value of the inducement of further supply of these goods.</p> <p>2. However, in cases where the manufacturer has some agreement with an end customer to supply goods at a discounted price, the manufacturer may issue commercial or financial credit notes to the dealer, enabling such dealer to provide the goods at the agreed discounted rate to the end consumer. Therefore, it is clarified that such a post sale discount, given by the manufacturer to the dealer for supplying goods to the end customer at a discounted rate, should be included in the overall consideration as it is an inducement towards the supply of goods by the dealer to the end customer.</p>
<p>3. Whether a post-sale discount extended by the manufacturer to the dealer can be treated as a consideration in lieu of the activities performed to promote the sale of the goods?</p>	<p>1. When dealers receive such post-sale discounts, they may engage in promotional activities to boost sales. However, these activities ultimately enhance the sale of goods that the dealers themselves own, thereby increasing their own revenue. In this context, the discount merely reduces the sale price of the goods and is not linked to any independent service rendered to the manufacturer.</p> <p>Therefore, it is clarified that post-sale discounts offered by manufacturers to dealers in such cases shall not be treated as consideration for a separate transaction of supply of services.</p> <p>2. However, GST would be leviable in cases where a dealer undertakes specific sales promotional activities, such as advertising campaigns, co-branding, customization services, special sales drives, exhibition arrangements, or customer support services, etc., only when such services</p>

	are explicitly stated in the agreement with a clearly defined consideration payable for such a supply. In such cases, the dealer provides a distinct service to the supplier, and accordingly, GST would be chargeable.
Registration	
Manner of payment	
TDS /TCS	
Filing of Return	<p>Amendment of section 38.In section 38 of the Central Goods and Services Tax Act,—</p> <p>(i) in sub-section (1), for the words “an auto-generated statement”, the words “a statement” shall be substituted; [<i>Ie WORD AUTO GENERATED DELETED</i>]</p> <p>(ii) in sub-section (2),—</p> <p>(a) for the words “<i>auto-generated statement under</i>”, the words “<i>statement referred in</i>” shall be substituted;</p> <p>(b) in clause (a), the word “and” shall be omitted;</p> <p>(c) in clause (b), <i>after the words “by the recipient,”, the word “including” shall be inserted</i>;</p> <p>(d) after clause (b), the following clause shall be inserted, namely:—</p> <p style="text-align: center;"><i>“(c) such other details as may be prescribed.</i></p>