Tax INFORM

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Notifications/Circulars:

- The Central Board of Indirect Taxes and Customs has clarified the reviewing authority, filing jurisdiction and proper Goods and Services Tax Appellate Tribunal Bench for departmental appeals arising from Directorate General of Goods and Services Tax Intelligence cases adjudicated by a Common Adjudicating Authority.
- The Central Board of Indirect Taxes and Customs has automated Section 27 refund claims for courier imports through the Express Cargo Clearance System, with electronic filing required for fresh claims from October 1, 2026, subject to a limited Commissioner-approved exception for manual filing.

DIRECT TAX

A. Recent Case Laws

Jindal Thermal Power Company Limited (now JSW Energy Limited) v. Deputy Commissioner of Income Tax (TDS), Bangalore & Ors. [ITA Nos. 3022, 3023 & 3025 of 2005; W.P. No. 192 of 2011]

Karnataka High Court holds that the Finance Act, 2010 amendment to Section 9 cannot retrospectively create withholding liability for offshore services rendered in earlier assessment years.

A substantive amendment expanding the scope of income deemed to accrue or arise in India cannot be applied retrospectively merely because it is described as clarificatory or as being enacted for removal of doubts. Under Sections 9(1)(vii) and 195 of the Income-tax Act, 1961 (IT Act), the payer's withholding obligation must be tested against the law as it stood when the payment or credit was made. A later amendment that materially changes the territorial basis of taxation cannot retrospectively convert a payer into an assessee-in-default for failure to deduct tax that was not deductible under the law then prevailing.

In this case, Jindal Thermal Power Company Limited entered into contracts with foreign companies for offshore equipment supply, engineering, transportation, erection and related services in connection with its power project. The tax authorities treated portions of the payments as fees for technical services chargeable to tax in India and raised demands under Section 201 for alleged short deduction of tax at source. Earlier proceedings had proceeded on the then-prevailing position that services rendered outside India required an appropriate territorial nexus with India. The Finance Act, 2010 subsequently amended the Explanation to Section 9(2), with stated retrospective effect from June 1, 1976, to provide that income referred to in Section 9(1)(v), (vi) or (vii) may be deemed to accrue or arise in India irrespective, inter alia, of whether the non-resident rendered services in India.

Outcome: By judgment dated August 6, 2026, the Karnataka High Court allowed the Assessee's appeals and writ petition. It held that the Finance Act, 2010 amendment brought about a substantive change by artificially enlarging the meaning of income deemed to accrue or arise in India and could not retrospectively impose a withholding obligation for completed transactions. The Court accordingly read down the amendment as operating prospectively and not from June 1, 1976, dismissed the connected review petitions and disposed of the pending interlocutory applications.

M/s B.L. Agro Industries Limited, Bareilly v. Union of India & Ors. [Writ Tax No. 77 of 2024 & connected matters]

Allahabad High Court holds that the 18-month limit for settlement proceedings is mandatory and does not restart when a pending application is transferred between Interim Boards.

The statutory period prescribed under Section 245D(4A) of the Income-tax Act, 1961 (IT Act), read with Sections 245D(9) and 245M, for disposal of a pending settlement application is mandatory. Once a pending application is allotted to an Interim Board for Settlement (IBS), a subsequent administrative transfer to another IBS does not amount to a fresh allotment and cannot restart the limitation period. Administrative arrangements between adjudicatory bodies cannot enlarge a jurisdiction that has expired by operation of statute.

In this case, a search was conducted against M/s B.L. Agro Industries Limited in 2018 and consequential assessment proceedings were initiated. After the Income Tax Settlement Commission was abolished by the Finance Act, 2021, the Allahabad High Court permitted the Assessee to file its settlement application, which was submitted in March 2021. The Central Board of Direct Taxes thereafter treated applications filed during the prescribed transitional period as pending applications, and the matter was allotted to IBS-III, Delhi, which called for a Rule 9 report in March 2022. The application was subsequently transferred administratively to IBS-VII, Chennai, which rejected it in October 2023 and later dismissed rectification applications. The Assessee contended that the statutory 18-month period had expired before the rejection order was passed and could not be revived by the inter-Board transfer. The Revenue defended the order on the basis of the subsequent transfer and the transitional settlement framework.

Outcome: By judgment dated August 10, 2026, the Allahabad High Court allowed the writ petitions and held that the statutory limitation had to be computed from the original allotment of the pending application and not from its subsequent administrative transfer. The Court found that the later IBS had no jurisdiction to decide the application after expiry of the prescribed period and quashed the impugned settlement and rectification orders as time-barred. The Court confined its determination to the jurisdictional issue of limitation and left the consequential statutory effects to operate in accordance with law.

Citizen Credit Co-operative Bank Ltd. v. Income Tax Officer, TDS Ward, Mumbai [Income Tax Appeal (L) No. 2533 of 2026 & batch]

Bombay High Court holds that, for Assessment Year 2016–17, Section 194A(3)(v) exempted a co-operative bank from deducting tax at source on interest paid to non-member co-operative societies.

For Assessment Year 2016–17, Section 194A(3)(v) of the Income-tax Act, 1961 (IT Act), as it then stood, independently exempted interest credited or paid by one co-operative society to another co-operative society from tax deduction at source (TDS). The Finance Act, 2015 amendments governing interest paid by co-operative banks to their members did not withdraw this separate exemption for payments to other co-operative societies. The

deduction available to a recipient under Section 80P and the payer's withholding obligation under Section 194A operate in distinct fields and cannot be conflated. The position considered by the Court preceded the subsequent amendment made by the Finance Act, 2020.

In this case, eight branches of Citizen Credit Co-operative Bank Ltd. paid or credited interest during Assessment Year 2016–17 to depositors that were co-operative societies but were not members of the Bank. The Assessing Officer treated the Bank as an assessee-in-default under Sections 201(1) and 201(1A), taking the view that the 2015 amendment to Section 194A subjected such payments by a co-operative bank to TDS and relying additionally on the treatment of co-operative banks under Section 80P. The Commissioner of Income Tax (Appeals) and the Income Tax Appellate Tribunal upheld that approach. The Bank contended that Section 194A(3)(v) continued to exempt interest paid by one co-operative society to another and that the amendment concerning member deposits did not affect this separate limb of the provision.

Outcome: By judgment dated August 6, 2026, the Bombay High Court allowed the appeals and set aside the Tribunal's orders. It held that the Assessee was entitled to the exemption under Section 194A(3)(v) for interest paid to its depositor non-member co-operative societies and could not consequently be treated as an assessee-in-default under Sections 201(1) and 201(1A). The Court answered the substantial questions of law in favour of the Assessee and made no order as to costs.



Director of Income Tax (International Taxation) v. M/s Star Cruises (India) P. Ltd. [Civil Appeal Nos. 3334–3336 of 2012; 2026 INSC 771]

Supreme Court upholds application of Section 44B to the cruise operations in question and sustains presumptive income at 7.5% of gross cruise fare receipts.

Without laying down an exhaustive definition of 'carriage', the Supreme Court held that, on the facts, the cruise operations in question did not fall outside Section 44B of the Income-tax Act, 1961 (IT Act) merely because the voyages commenced and concluded at Mumbai or because ancillary hospitality and entertainment services were provided onboard. The Court rejected the Assessing Officer's restrictive approach that carriage necessarily requires movement from one terminal point to another and held that ancillary services provided during a voyage do not, by themselves, take the activity outside the scope of carriage under Section 44B.

In this case, Superstar Libra Limited, a non-resident company, operated cruise voyages from Mumbai and appointed M/s Star Cruises (India) P. Ltd. as its Indian agent for collection of cruise fare and related receipts. While seeking a certificate under Section 195, the Assessee applied Section 44B and offered income at 7.5% of the relevant gross receipts. The Assessing Officer rejected the claim, reasoning that a cruise commencing and ending at Mumbai, together with onboard hospitality, entertainment and shore-excursion components, was not carriage of passengers in the statutory sense and adopted a substantially higher profit attribution. The appellate authorities and the Bombay High Court accepted the Assessee's position. Before the Supreme Court, the Revenue argued that the commercial package was principally a leisure and hospitality product, while the Assessee relied on the shipping character of the voyage and the concurrent factual findings.

Outcome: By judgment dated July 30, 2026, the Supreme Court dismissed the Revenue's appeals and upheld the application of Section 44B. It held that the Assessing Officer had adopted an unduly restrictive construction by insisting that carriage necessarily involve movement from one place to another and accepted the concurrent findings that the cruise activity did not fall outside the expression 'carriage' under Section 44B. The Court further held that the provision of ancillary services during the voyage did not alter that conclusion. The Court therefore sustained computation of the non-resident shipping income at 7.5% of the qualifying gross receipts and disposed of the connected applications.

M/s Alishan Complex Private Limited v. Initiating Officer, DCIT, Benami Prohibition Unit, Jaipur [D.B. Civil Miscellaneous Appeal No. 1595 of 2026; 2026:RJ-JP:35541-DB]

Rajasthan High Court sets aside benami orders concerning 79 properties and remands the matter for fresh inquiry after finding material evidentiary and natural justice deficiencies.

Proceedings under the Prohibition of Benami Property Transactions Act, 1988 (PBPT Act) operate independently of proceedings under the Income-tax Act, 1961 (IT Act), and absence of an addition under Section 69 of the IT Act does not, by itself, preclude a finding of a

benami transaction. However, findings recorded in income-tax proceedings concerning the same source and flow of funds possess evidentiary value and must be considered by the authorities under the PBPT Act. Further, a finding of benami ownership cannot be founded substantially on a third-party statement that has subsequently been retracted without affording the affected person an opportunity to cross-examine the maker of the statement where reliance continues to be placed upon it.

In this case, M/s Alishan Complex Private Limited purchased 79 immovable properties at Jodhpur during Financial Year 2017–18 for approximately ₹11.16 crore. Following a search on the Maharani Group, the Initiating Officer alleged that unaccounted cash belonging to Shri Mahaveer Lunia had been routed through intermediaries and shell companies and ultimately used to acquire the properties in the name of the Assessee as benamidar. The allegation relied materially upon a statement made by chartered accountant Shri Anil Sanklecha during the search, which he retracted nine days later. The Assessee maintained that the properties had been acquired from its pre-existing reserves and by recalling and redeploying loans and advances, and relied upon a subsequent income-tax assessment order accepting the relevant investment and fund flow as explained. The Adjudicating Authority nevertheless held the properties to be benami and the Appellate Tribunal affirmed that determination.

Outcome: By judgment dated August 3, 2026, the Rajasthan High Court set aside the Appellate Tribunal's order, the Adjudicating Authority's order and the final attachment order, and remanded the matter to the Initiating Officer for a fresh determination under Section 24 of the PBPT Act. The Court directed the Initiating Officer to consider the income-tax assessment order dated March 27, 2026, specifically examine the Assessee's explanation regarding the source and vintage of its reserves and afford it a reasonable opportunity of hearing. It further directed that, if the matter is again referred to the Adjudicating Authority and the Revenue seeks to rely on Shri Sanklecha's statement, the Assessee must be afforded an opportunity to cross-examine him, provided that the Assessee also seeks to rely on the retraction of that statement. Pending the fresh determination, however, the provisional attachment of the properties was directed to continue. All contentions on the merits were kept open and the appeal was disposed of without any order as to costs.

Notifications/Circulars

Central Board of Direct Taxes (CBDT) Notification No. 114/2026, dated August 14, 2026

The Central Government has notified rules operationalising the Foreign Assets of Small Taxpayers - Disclosure Scheme, 2026 for time-bound disclosure of eligible undisclosed foreign assets and income.

The Central Government has notified the Foreign Assets of Small Taxpayers - Disclosure Scheme Rules, 2026 under Section 143 of the Finance Act, 2026. The Rules come into force on August 16, 2026, prescribe March 31, 2026 as the valuation date and fix December 31,

2026 as the last date for making a declaration. The Rules prescribe detailed valuation principles for foreign bank accounts, securities, immovable property, bullion, jewellery, partnership interests and other assets and provide for electronic administration of the disclosure mechanism.

Read with Chapter IV of the Finance Act, 2026, the principal features of the Scheme include:

- undisclosed foreign income and undisclosed foreign assets may be declared where their aggregate value does not exceed ₹1 crore, on payment of tax at 30% and a penalty equal to 100% of that tax;
- specified foreign assets acquired from income earned while the taxpayer was a non-resident, or from income already offered to tax in India but omitted from the foreign asset schedule, may be declared where their aggregate value does not exceed ₹5 crore, on payment of a ₹1 lakh fee;
- declarations must be filed electronically in Form 1, with the designated income-tax authority determining the amount payable in Form 2 and the declarant furnishing electronic proof of payment in Form 3; and
- a fair market value difference not exceeding 20% for an asset other than a bank account will not, by itself, invalidate the declaration on the ground of misrepresentation or suppression.

Upon valid payment and issuance of the prescribed certificate, the declared income or asset receives the statutory treatment and immunity contemplated by the Scheme, including protection from further tax, penalty and prosecution under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 in respect of the covered matter, subject to the exclusions and conditions in the Finance Act, 2026. The notification therefore creates a limited compliance window for eligible small taxpayers to regularise specified historic foreign asset and income disclosures.

Click Here to Read the Notification.

Central Board of Direct Taxes Notification No. 88/2026, dated July 16, 2026

The Central Government has brought into force the Protocol amending the India-Sri Lanka tax treaty, including a principal purpose test for treaty benefits.

The Central Government has notified the Protocol amending the Agreement between India and Sri Lanka for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income. The Protocol was signed on December 16, 2024 and entered into force on June 19, 2026 after completion of the respective domestic procedures. The notification has been issued under Section 159(1) of the Income-tax Act, 2025.

The Protocol replaces the treaty preamble to expressly state that the Agreement is intended to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance, including treaty-shopping arrangements. It also substitutes Article 28(6) with a principal purpose test under which a treaty benefit may be denied where it is reasonable to conclude, having regard to all relevant facts and

circumstances, that obtaining the benefit was one of the principal purposes of an arrangement or transaction, unless granting the benefit would accord with the object and purpose of the relevant treaty provisions.

For India, the amended provisions apply to income derived in a fiscal year beginning on or after April 1, 2027. The amendment therefore introduces an express treaty-level anti-abuse standard for India-Sri Lanka transactions and requires taxpayers claiming treaty benefits to evaluate the commercial purpose and treaty compatibility of relevant arrangements before the new provisions become effective.

Click Here to Read the Notification.

INDIRECT TAX

Goods & Services Tax

Recent Case Laws:

Bhandari Scrap Traders v. Union of India & Ors. [SLP(C) No. 23931 of 2026 & connected matters; 2026 SCC OnLine SC 1570]

Supreme Court upholds Section 16(2)(c) and rejects protection for bona fide purchasers where the supplier fails to deposit Goods and Services Tax.

Entitlement to input tax credit (ITC) under the Central Goods and Services Tax Act, 2017 (CGST Act) is subject to the statutory conditions prescribed in Section 16(2), including the requirement under clause (c) that the tax charged in respect of the supply has actually been paid to the Government. The statutory architecture of ITC under the Goods and Services Tax (GST) regime is materially different from the earlier value added tax framework and does not permit Section 16(2)(c) to be read down merely to protect a purchasing dealer who acted bona fide. The purchasing dealer may re-avail reversed credit once the supplier subsequently discharges the corresponding tax liability in accordance with the statutory scheme.

In this case, the petitioners challenged the Gujarat High Court's refusal to declare Section 16(2)(c) unconstitutional or to read it down where a purchasing dealer had paid the supplier but the supplier failed to deposit the corresponding GST with the Government. The petitioners sought parity with judicial protection earlier afforded to bona fide purchasers under the Delhi value added tax regime and argued that denial of ITC for the supplier's default imposed an unreasonable burden on the purchaser. The Union relied on the distinct statutory design of the CGST Act, including Sections 16 and 41 and the recovery mechanisms under Sections 73 and 74, to contend that actual payment of tax to the Government was an express condition for credit.

Outcome: By order dated July 24, 2026, the Supreme Court dismissed the special leave petitions and expressly affirmed the Gujarat High Court's reasoning. It held that the differences between the Delhi value added tax legislation and the CGST Act precluded the suggested parity and found no basis either to invalidate or read down Section 16(2)(c). The Court also noted the statutory mechanism permitting re-availment of reversed ITC after the supplier discharges the tax liability. Pending applications were consequently disposed of.

M/s Goodluck India Limited & Anr. v. Union of India & Ors. [SLP(C) No. 24550 of 2025 & batch; 2026 INSC 821]

Supreme Court holds that omission of Rule 96(10) without a saving clause removes the restriction from all pending refund proceedings.

Where a rule is omitted without an express saving clause or other statutory device preserving pending proceedings, liabilities founded solely on the omitted rule cannot continue to govern proceedings that remain pending. Section 6 of the General Clauses Act, 1897 does not automatically save proceedings arising from the omission of a rule. Accordingly, the omission of Rule 96(10) of the Central Goods and Services Tax Rules, 2017 (CGST Rules) removes its restriction from pending claims for refund of Integrated Goods and Services Tax (IGST), notwithstanding that the Goods and Services Tax Council may earlier have recommended prospective omission.

In this case, the Union and the Department challenged High Court decisions holding that the omission of Rule 96(10) by Notification No. 20/2024-Central Tax with effect from October 8, 2024 applied to refund proceedings that were still pending on that date. The pending matters concerned exporters who had claimed refund of IGST paid on exports while having received supplies under specified exemption notifications that were earlier covered by Rule 96(10). The Revenue relied on the 54th Goods and Services Tax Council recommendation that the rule be omitted prospectively. The Assessees contended that the rule-making authority had ultimately omitted Rule 96(10) without any saving or sunset clause and that no restriction under the deleted rule could therefore survive in pending proceedings. Two Assessee special leave petitions also challenged the validity of the former rule.

Outcome: By judgment dated August 6, 2026, the Supreme Court dismissed the Revenue's appeals and held that the omission of Rule 96(10) applied to all pending proceedings. It observed that the Council's recommendation was advisory and that the rule-making authority had deliberately enacted no saving clause. The Court treated the two Assessee special leave petitions challenging the rule's validity as infructuous and directed that a copy of the judgment be circulated to all High Courts so that pending litigation on the same issue could be brought to an expeditious conclusion. All connected applications were disposed of.

Gaurav Jain & Anr. v. Joint Commissioner (Appeals-II), CGST Delhi Zone & Anr. [W.P.(C) 8414/2026; 2026 DHC 6124-DB]

Delhi High Court holds that the enhanced pre-deposit for penalty-only Goods and Services Tax appeals cannot apply to proceedings initiated before the amendment.

The right of appeal is a substantive right and ordinarily carries the conditions governing its exercise on the date the underlying lis commences. For adjudicatory proceedings under the Central Goods and Services Tax Act, 2017 (CGST Act), the lis commences with issuance of the show cause notice (SCN). A later amendment introducing a materially more onerous

pre-deposit for filing an appeal cannot apply to proceedings already initiated unless the legislation clearly gives the new condition retrospective operation.

In this case, the Petitioners received an SCN in June 2025 proposing penalties under Section 122(1A) for alleged involvement in a network of fictitious entities used to wrongfully avail and pass on ITC. At that time, Section 107(6) did not prescribe a percentage-based pre-deposit for an appeal against a wholly disputed penalty-only order. With effect from October 1, 2025, the proviso was substituted to require deposit of 10% of the disputed penalty. The adjudication order passed thereafter imposed penalties aggregating to approximately ₹346.55 crore on each Petitioner without any accompanying tax demand, which would have required a pre-deposit of approximately ₹34.66 crore each under the amended provision. The Petitioners argued that their vested appellate right arose when the SCN was issued. The Revenue contended that the right of appeal arose only upon the later adjudication order and had to comply with the law then in force.

Outcome: By judgment dated July 31, 2026, the Delhi High Court allowed the writ petition and held that the substituted proviso to Section 107(6) did not govern the Petitioners' appeals. It directed the Appellate Authority to register and entertain the appeals without insisting on 10% of the disputed penalties, subject to payment of any admitted amount under Section 107(6)(a). The Court excluded the period during which the writ petition remained pending for limitation purposes, granted four weeks to file the appeals and restrained coercive recovery for the same period. It left the constitutional validity of the amended proviso open for an appropriate case.

Torrent Power Ltd. v. Union of India & Ors. [R/Special Civil Application No. 12175 of 2024 & batch; 2026:GUJHC:51510-DB]

Gujarat High Court upholds Goods and Services Tax on continuing corporate guarantees from October 26, 2023, but bars earlier levy and reads down the "whichever is higher" condition in Rule 28(2).

A corporate guarantee furnished without consideration by a holding company to secure the obligations of a related subsidiary may constitute a taxable supply under the Central Goods and Services Tax Act, 2017 (CGST Act). Rule 28(2) of the Central Goods and Services Tax Rules, 2017 (CGST Rules), prescribing a deemed value for such guarantees, is valid in principle; however, the expression "whichever is higher" must be read down so that actual consideration remains a permissible valuation basis. The 1% per annum valuation mechanism introduced from October 26, 2023 cannot be used to impose Goods and Services Tax (GST) for any period before that date, although a guarantee executed earlier may attract GST prospectively from that date while it continues to subsist.

In this case, a batch of companies that had furnished corporate guarantees for related entities challenged the validity of Rule 28(2), Section 15(4) of the CGST Act and Central Board of Indirect Taxes and Customs circulars concerning taxability and valuation of corporate guarantees. Several guarantees had been executed before introduction of Rule 28(2), including guarantees dating from the pre-GST period, but the Revenue sought to apply the 1% valuation methodology for periods preceding October 26, 2023 and invoked Section

74 in certain cases. The Petitioners argued that furnishing a corporate guarantee without consideration was not a taxable supply, that the deemed valuation was arbitrary and that retrospective or retroactive application created an impermissible tax burden. The Revenue defended the levy as a related-party supply and relied on the statutory valuation machinery and Goods and Services Tax Council recommendations.

Outcome: By judgment dated August 14, 2026, the Gujarat High Court partly allowed the writ petitions. It upheld Rule 28(2) and Section 15(4), but read down the words "whichever is higher" in Rule 28(2). It declared levy under that rule for periods prior to October 26, 2023 unconstitutional, while clarifying that continuing guarantees could be taxed from that date onward. The Court quashed the challenged Section 74 actions, directed refund or adjustment of excess GST, and set aside the impugned circulars to the extent inconsistent with the judgment, permitting the Revenue to issue fresh instructions aligned with the ruling. The directions were ordered to be implemented within three months.

Union of India v. Sunil Biyani [Criminal Appeal arising out of SLP (Crl.) No. 12535 of 2026; 2026 INSC 849]

Supreme Court requires communication of a Section 69 arrest authorisation before arrest and bars post-dismissal protective relief in anticipatory bail proceedings.

Mere issuance of summons under Section 70 of the Central Goods and Services Tax Act, 2017 (CGST Act) does not make the person summoned an accused or, by itself, create an apprehension of arrest sufficient to maintain an application for anticipatory bail. An order of the Commissioner under Section 69, founded on recorded reasons to believe that a specified offence has been committed, is the necessary statutory trigger for arrest and must be communicated to the person concerned before arrest so that available remedies, including judicial review and anticipatory bail, may be pursued. Further, once a court dismisses an anticipatory bail application as not maintainable, it cannot grant interim protection that is independent of the main relief.



In this case, the Directorate General of Goods and Services Tax Intelligence (DGGI), Mumbai Zonal Unit, was investigating M/s Alphaneon Techsolutions Pvt. Ltd. and group entities for alleged wrongful availment and passing of input tax credit (ITC), circular invoicing and non-payment of GST on import of services. The Respondent was summoned three times under Section 70 and sought anticipatory bail before the Sessions Court and thereafter the Bombay High Court. Although no order under Section 69 had been passed, the High Court, while rejecting the anticipatory bail application as premature, granted the Respondent protection from arrest for one week from communication of any future Section 69 order. The Union challenged that protective direction. The Respondent contended that communication of the arrest authorisation was necessary to enable an effective challenge before arrest.

Outcome: By judgment dated August 12, 2026, the Supreme Court set aside the one-week protective direction while affirming the rejection of anticipatory bail. It held that a court which dismisses a pre-arrest bail application as not maintainable cannot simultaneously grant ancillary protection from arrest. At the same time, the Court required the Commissioner to communicate any order passed under Section 69 to the Respondent, including through permissible electronic means, and expressly held that without such communication the question of arrest would not arise. The appeal was disposed of on these terms, with the pending investigation left to continue uninfluenced by the observations on the legal issue.

Notifications/Circulars

Central Board of Indirect Taxes and Customs Circular No. 256/02/2026-GST, dated July 25, 2026

The Central Board of Indirect Taxes and Customs has clarified the reviewing authority, filing jurisdiction and proper Goods and Services Tax Appellate Tribunal Bench for departmental appeals arising from Directorate General of Goods and Services Tax Intelligence cases adjudicated by a Common Adjudicating Authority.

The Central Board of Indirect Taxes and Customs (CBIC) issued the Circular to address appellate jurisdiction where show cause notices investigated by the Directorate General of Goods and Services Tax Intelligence (DGGI) are adjudicated by a Common Adjudicating Authority (CAA) having all-India jurisdiction. The clarification is directed at departmental appeals against orders of appellate authorities in such matters and seeks to identify the correct reviewing Commissionerate and territorial Goods and Services Tax Appellate Tribunal (GSTAT) Bench.

The Circular clarifies that the Principal Commissioner or Commissioner having jurisdiction over the CAA should first examine the order-in-appeal, obtain DGGI inputs where necessary and forward recommendations to the jurisdictional Principal Commissioner or

Commissioner of each taxable person or noticee. That jurisdictional Commissioner is the reviewing authority for purposes of Section 112(3) of the Central Goods and Services Tax Act, 2017 (CGST Act). Where an appeal is authorised, a separate departmental appeal must be filed for each taxable person or noticee before the GSTAT Bench having territorial jurisdiction over that person. The directions provide a uniform appellate route for multi-noticee DGGI matters and should reduce jurisdictional disputes.

Click Here to Read the Circular.

Central Board of Indirect Taxes and Customs Circular No. 34/2026-Customs, dated July 30, 2026

The Central Board of Indirect Taxes and Customs has automated Section 27 refund claims for courier imports through the Express Cargo Clearance System, with electronic filing required for fresh claims from October 1, 2026, subject to a limited Commissioner-approved exception for manual filing.

The Central Board of Indirect Taxes and Customs (CBIC) has introduced electronic filing and processing of refund applications relating to courier imports under Section 27 of the Customs Act, 1962 through the Express Cargo Clearance System (ECCS). The module enables electronic filing of refund claims, scrutiny and communication of deficiencies, issuance of show cause notices and refund sanction or rejection orders, status tracking and management information system reporting. However, payment integration of ECCS with the Indian Customs Electronic Gateway (ICEGATE) and Public Financial Management System (PFMS) has not yet been operationalised, and refund payments will continue to be processed under the existing manual procedure until such integration is enabled.

As a transitional measure, authorised couriers may file refund claims either manually or through the ECCS Refund Module up to September 30, 2026. With effect from October 1, 2026, all fresh refund applications relating to Courier Bills of Entry must be filed exclusively through the electronic module. A manual application thereafter may be accepted only where specifically permitted by the concerned Principal Commissioner or Commissioner of Customs for reasons recorded in writing. The Proper Officer is required to communicate any deficiency within ten days of generation of the Refund Request Number, while the system will facilitate monitoring of refund pendency and processing timelines.

The change replaces the predominantly manual courier-import refund process with a traceable electronic workflow and directly affects authorised couriers, logistics operators and businesses using the courier mode for imports. Stakeholders should therefore transition supporting documentation, banking particulars and internal refund workflows to the ECCS module before mandatory electronic filing commences.

Click Here to Read the Circular.

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