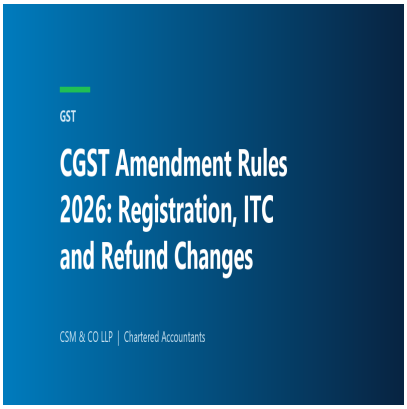



# CGST Amendment Rules 2026: Registration, ITC and Refund Changes

## Description

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**Quick summary**

- Notification No. 05/2026-Central Tax dated 26/10/2026 makes the Central Goods and Services Tax (Amendment) Rules, 2026, which rewrite or amend more than twenty rules and dozens of forms.
- They do not all start together: the default date is 01/11/2026, some changes start on 01/12/2026 or 01/01/2027, and a large block, including the whole of the new credit-blocking procedure, starts only on 01/04/2027.
- New rule 14B gives a seller supplying through an e-commerce operator a way to register in a State where it has no physical presence, by declaring the operator's warehouse as its principal place of business.
- Refunds get faster and more automated: acknowledgement within ten days with a deemed acknowledgement if the officer is silent, and a system-generated provisional refund order in FORM GST RFD-04 within three working days.
- From 01/04/2027 a blocked electronic credit ledger comes with due process: the order is issued in FORM GST DRC-26, lapses after one year, and the taxpayer can object in FORM GST DRC-27 and must be heard.

Most GST notifications change one thing. This one changes more than twenty rules and dozens of forms at once, and it does not switch them all on at the same time. The single most useful thing to know about it is the calendar, because a change that reads as current law is in several cases not due to start until April 2027.

*New to these terms? See the technical terms explained in simple words further down.*

## At a glance

| Item | Detail |
|---|---|
| Notification | No. 05/2026-Central Tax, G.S.R. 919(E) |

| Item | Detail |
|---|---|
| Date of notification | 26 October 2026 |
| Called | Central Goods and Services Tax (Amendment) Rules, 2026 |
| Default start date | 1 November 2026, “save as otherwise provided in these rules” |
| Power used | Section 164 of the CGST Act, 2017, on the recommendations of the Council |
| Issued by | CBIC, Department of Revenue (F. No. CBIC-20001/1/2026-GST) |
| Scope | Rules 11, 14B (new), 18, 19, 20, 21, 21A, 22, 23A (new), 36, 39, 44, 54, 60, 62, 63, 83C (new), 86, 86A, 89, 90, 91, 92, 138 and 159, plus a long list of forms |

- Not covered here: notification 04/2026-Central Tax, issued the same day, which extends e-invoicing from 01/01/2027, and notification 03/2026-Central Tax, which commenced the Finance Act, 2026 changes to discounts and refunds.
- This post is an overview of what moved and when. It is not a clause-by-clause commentary, and the form changes in particular are too numerous to list in full.

## The calendar, which is the part most people get wrong

| Start date | What begins on that date |
|---|---|
| 1 November 2026 | The rules generally: new rule 14B, substituted rules 19, 20 and 21, new rule 83C, the ISD changes in rules 36, 39, 54 and 60, the composition changes in rules 62 and 63, rule 86(3), the refund changes in rules 89(1), 90, 91 and 92, rule 138 and rule 159. Also the omission of the 1.5 times domestic value cap in the refund formula for zero-rated supplies |
| 1 December 2026 | Rule 19(3), the rule 44 changes, parts of rule 89(2), FORM GST RFD-01 and changes to FORM GST REG-16 |
| 1 January 2027 | FORM GSTR-7A table 7 and FORM GST INV-01 |
| 1 April 2027 | Substituted rules 21A and 22, new rule 23A, the whole of the new rule 86A procedure with FORM GST DRC-26, DRC-27 and DRC-28, capital goods entering the refund formula, and a block of registration and demand forms |

A change dated 01/04/2027 is not law you can act on today. It is worth planning for, and worth not citing as the current position.

## Registration

**New rule 14B** is the one most sellers will notice. A person registered in one State may take a registration on the same PAN in another State where it has **no physical presence**, by declaring the warehouse of an electronic commerce operator who collects tax at source under section 52 as its principal place of business.

| Condition or step | What rule 14B says |
|---|---|
| Intention | The person intends to supply goods through an electronic commerce operator required to collect tax at source under section 52 |
| Monetary condition | Total output tax liability on such supplies to registered persons, comprising central tax and State or Union territory tax and integrated tax, other than a person registered on the same PAN, does not exceed two lakh fifty thousand rupees per month |
| Operator’s consent | Required, within seven working days, or the application is not processed further |
| Verification | Biometric Aadhaar authentication and document verification, then physical verification of the principal place of business in the home State |
| If the officer does not verify | Deemed approval if physical verification is not carried out within thirty days of the application reference number being generated |
| If no business is found in the home State | The application is deemed rejected and intimated in FORM GST REG-05A |
| Records | Kept at the principal place of business in the home State |
| Name board | Rule 18 display requirements do not apply at the operator’s warehouse |
| Aadhaar | A person who has not opted for Aadhaar authentication is not eligible |

If the operator later withdraws consent, the registered person has thirty days to apply in FORM GST REG-14 to change the place of business; otherwise the registration can be deemed cancelled and intimated in FORM GST REG-38.

**Cancellation and revocation** are rewritten. Rule 20 (from 01/11/2026) requires an application in FORM GST REG-16 within thirty days of the event warranting cancellation, with stock and liability details, and relaxes that thirty-day requirement where a sole proprietor has died. Rule 21 adds violation of rule 10A, the bank account requirement, to the grounds for cancellation. From 01/04/2027, rules 21A and 22 are substituted and a new rule 23A allows revocation where the portal has cancelled a registration by itself, on an application in FORM GST REG-21 within one hundred and eighty days, provided the pending returns are filed and dues paid, or the bank account details furnished.

## Input tax credit and the Input Service Distributor

Rules 36, 39, 54 and 60 are adjusted so that the Input Service Distributor mechanism reads correctly: credit may “be distributed by” the Input Service Distributor, credit of central tax joins integrated tax in rule 39(1)(i), the word “common” goes from rule 39(1A), rule 54(1A) stops speaking only of “common input services”, and rule 60(2) requires details to be made available to the Input Service Distributor in FORM GSTR-6A.

From **1 April 2027**, rule 86A changes character. Today a blocked credit ledger is largely an administrative act; under the substituted rule it becomes a documented process:

| Element | Substituted rule 86A |
|---|---|
| Who | The proper officer, replacing the Commissioner or an officer authorised by him not below Assistant Commissioner |
| The order | FORM GST DRC-26, made available electronically on the common portal |
| How long it lasts | Until one year from issue, or until the officer is satisfied the grounds no longer exist, whichever is earlier |
| Taxpayer’s remedy | An objection in FORM GST DRC-27 |
| What the officer must do | Give a reasonable opportunity of being heard, then issue FORM GST DRC-28, allowing the debit in Part A or rejecting the objection in Part B |

A parallel change is made to provisional attachment: rule 159 splits FORM GST DRC-22 into Part A for the attachment order and Part B for rejecting an objection.

## Refunds

| Rule | Change | From |
|---|---|---|
| 89(1) and (1A) | The words allowing filing through a notified Facilitation Centre are omitted, so filing is on the portal | 01/11/2026 |
| 89(4)(C) | The cap of 1.5 times the value of like goods domestically supplied is omitted from the zero-rated refund formula | 01/11/2026 |
| 90(2) | Acknowledgement window cut from fifteen days to ten | 01/11/2026 |
| 90(3A) (new) | If neither FORM GST RFD-02 nor RFD-03 arrives within ten days, the application is deemed acknowledged, and the section 54(7) period runs from the date of filing | 01/11/2026 |
| 91(2) | The common portal itself generates the provisional refund order in FORM GST RFD-04 within three working days of acknowledgement, on system risk evaluation, with no revalidation by the proper officer | 01/11/2026 |

| Rule | Change | From |
|---|---|---|
| 91(3) | The payment order in FORM GST RFD-05 may be made available through the common portal | 01/11/2026 |
| 92 | New sub-rules on payment where refund is due and payable, including a consolidated payment advice | 01/11/2026 |
| 89(2) and (4) | Capital goods enter the refund computation, with a new clause (G) and explanation | 01/04/2027 |

## Worked example of the refund clock

A clean refund claim on an inverted duty structure, filed on 10 November 2026.

| Step | Rule | Date |
|---|---|---|
| Refund application filed | 89 | 10/11/2026 |
| Acknowledgement in FORM GST RFD-02, or deemed acknowledgement if the officer is silent | 90(2) and 90(3A) | by 20/11/2026 |
| System-generated provisional order for 90% in FORM GST RFD-04 | 91(2) | within three working days of acknowledgement |
| Payment order in FORM GST RFD-05 made available on the portal | 91(3) | follows the provisional order |
| Final order after scrutiny in FORM GST RFD-06 | 92 | on completion of verification |

The example assumes the claim is evaluated as low risk by the system. The rule gives the portal the job of identifying and evaluating risk, so a claim that is flagged does not follow this path.

## Other changes worth knowing

| Rule or form | Change |
|---|---|
| Rule 62(5) | “April” becomes “June” |
| Rule 63 | “twenty” becomes “thirteen” |
| Rule 83C (new) | Amendment of a GST practitioner’s enrolment, with FORM GST PCT-01 particulars |

| Rule or form | Change |
|---|---|
| Rule 86(3) | Debit of the ledger to be in the manner prescribed in rule 89(3) |
| Rule 138 | “railways” becomes “railways or metro railway” |
| Forms | CMP-02, CMP-04, CMP-08, REG-01 and the REG series including new REG-34 to REG-38, RFD-01, GSTR-7A, INV-01, and the DRC series including new DRC-26, DRC-27 and DRC-28 |

## What to do

1. **Separate the changes by date before doing anything.** Put 01/04/2027 items in a planning file, not in your current compliance checklist.
2. **If you sell through an e-commerce operator into States where you hold no premises, read rule 14B properly.** The monetary condition is about output tax liability on supplies to registered persons, excluding same-PAN supplies, and it is tested per month.
3. **Check the operator’s side of rule 14B.** Nothing works without the operator’s consent within seven working days, and the operator has to appoint an authorised representative in each State.
4. **Diarise the ten-day refund acknowledgement.** The deemed acknowledgement is useful only if you notice it: it fixes the date from which the statutory period runs.
5. **If you are an exporter, re-check the refund formula.** The 1.5 times domestic value cap goes from 01/11/2026, which changes the computation for some claims.
6. **If your credit ledger has ever been blocked, note the April 2027 position.** The one-year limit and the objection route in FORM GST DRC-27 are real remedies, but not before that date.
7. **Ask your software provider about the amended forms**, particularly FORM GST RFD-01 from 01/12/2026 and FORM GST INV-01 from 01/01/2027.

## Technical terms explained in simple words

| Term | What it means |
|---|---|
| CGST Rules | The detailed rules made under the CGST Act, which carry the procedure the Act only outlines |
| Amendment Rules | A set of rules that changes an existing set rather than replacing it |
| Commencement | The date a rule starts to operate, which can differ from the date it was published |
| Electronic commerce operator | A platform that lets other people sell through it and that collects tax at source on those sales |
| Tax collected at source (section 52) | The slice of a sale that the platform deducts and pays to the government on the seller’s behalf |

| Term | What it means |
|---|---|
| Principal place of business | The main registered address of a business in a State, as shown on the registration certificate |
| Home State | In rule 14B, the State where the seller actually has premises and holds a registration |
| Biometric Aadhaar authentication | Verifying identity in person using fingerprints or iris, rather than only an OTP |
| Deemed approval | Approval that happens automatically because the officer did not act within the time allowed |
| Suspension of registration | A pause on a registration while cancellation is being considered |
| Revocation of cancellation | Getting a cancelled registration restored |
| Input Service Distributor | An office of a business that receives invoices for services used across several units and passes the credit on |
| Electronic credit ledger | The online account holding a taxpayer’s input tax credit |
| Blocking of the credit ledger | An officer’s order stopping credit in that account from being used |
| Deficiency memo | A notice that a refund application is incomplete, which sends the claim back to the applicant |
| Provisional refund | 90% of a refund released early, before full verification |
| Inverted duty structure | Where inputs are taxed at a higher rate than the finished supply, so credit accumulates |
| Zero-rated supply | An export or a supply to a special economic zone, which carries no GST but keeps the credit |
| Provisional attachment | Temporarily freezing property or a bank account to protect revenue while proceedings run |
| GST practitioner | A person enrolled to file returns and act on a taxpayer’s behalf |

## How CSM & Co LLP can help

We read a change like this the way it has to be read, by date rather than as a single event, and tell a client which parts bind them now and which are a 2027 planning item. We advise e-commerce sellers on whether rule 14B is worth using and whether the monthly condition is met, handle the registration, consent and

verification steps, rework refund files for the shorter acknowledgement window and the amended formula, and take up blocked credit ledgers, including the objection route once it opens in April 2027. Please reach out to our team and we will be happy to assist.

## Frequently asked questions

### When do the CGST (Amendment) Rules, 2026 take effect?

Rule 1(2) says that save as otherwise provided, they come into force on 1 November 2026. Many individual clauses then carry their own date, so the correct question for any single change is not when the rules started but what date that clause carries. The dates used are 01/11/2026, 01/12/2026, 01/01/2027 and 01/04/2027.

### What is the new rule 14B?

It lets a person already registered in one State obtain a registration on the same PAN in another State where it has no physical presence, by declaring the warehouse of an electronic commerce operator in that State as its principal place of business. The operator has to consent within seven working days, and the applicant must clear biometric Aadhaar authentication and physical verification of the premises in the home State.

### What is the turnover condition in rule 14B?

The person must determine that the total output tax liability on such supplies to registered persons, comprising central tax and State or Union territory tax and integrated tax, other than a person registered on the same PAN, does not exceed two lakh fifty thousand rupees per month. The condition is about output tax liability on supplies to registered persons, not about turnover generally.

### How do the refund timelines change?

The acknowledgement window in rule 90(2) drops from fifteen days to ten. A new sub-rule (3A) provides that if neither an acknowledgement in FORM GST RFD-02 nor a deficiency memo in FORM GST RFD-03 reaches the applicant within ten days, the application is deemed acknowledged, and the two-year clock in section 54(7) runs from the date of filing. Rule 91(2) then has the common portal itself generate the provisional refund order in FORM GST RFD-04 within three working days of acknowledgement, based on system risk evaluation, with no revalidation by the proper officer.

### What changes about blocking of the electronic credit ledger?

From 1 April 2027, rule 86A requires the blocking order to be issued in FORM GST DRC-26 and made available on the common portal. The order lapses after one year, or earlier if the officer is satisfied the grounds no longer exist. A registered person may object in FORM GST DRC-27, and the officer must give a reasonable opportunity of being heard before deciding in FORM GST DRC-28, allowing the debit in Part

A or rejecting the objection in Part B.

### Has anything changed for composition taxpayers?

Yes, two small but real changes. In rule 62(5) the word “April” is replaced by “June”, and in rule 63 “twenty” is replaced by “thirteen”. FORM GST CMP-02, CMP-04 and CMP-08 have also been amended, including the category of registered person tables.

### Is the e-way bill affected?

Only narrowly. Rule 138 now reads “railways or metro railway” where it previously said railways alone, so a consignment moved by a metro railway is dealt with on the same footing.

## Official sources

- Gazette of India: Notification No. 05/2026-Central Tax, G.S.R. 919(E) dated 26/10/2026 (Central Goods and Services Tax (Amendment) Rules, 2026)
- CBIC GST portal (notifications and acts)
- CBIC Tax Information Portal

## Related reading

- GST Post-Sale Discounts: New Section 15(3)(b) Rules from November 2026
- Arrest Powers, E-way Bill Checks and the Rs 10,000 Notice Threshold: Now in Effect for Field Officers (2026): Instruction No. 02/2026-GST
- CBIC Guidelines for GST Registration Applications (2026): Circular No. 257/03/2026-GST

## Disclaimer

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**Date**
18/11/2026
**Date Created**
16/11/2026
**Author**
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