October 26, 2026

CBIC

GST refund and registration rules change from November 1, 2026

Notification No. 05/2026–Central Tax amends the CGST Rules from November 1, 2026: new inverted duty refund formula, portal refund orders, registration changes.

THE MINISTRY OF FINANCE (Department of Revenue), Central Board of Indirect Taxes and Customs, issued Notification No. 05/2026–Central Tax, G.S.R. 919(E), dated October 26, 2026, making the Central Goods and Services Tax (Amendment) Rules, 2026. The Central Government made them under section 164 of the Central Goods and Services Tax Act, 2017, on the recommendations of the Council, and they were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), No. 846, dated October 26, 2026. Save as otherwise provided, they come into force on November 1, 2026; some parts start on December 1, 2026, January 1, 2027 or April 1, 2027. The notification is issued under F. No. CBIC-20001/1/2026-GST and signed by Kriti Pandey, Under Secretary.

KEY FACTS

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Notification No. 05/2026–Central Tax, G.S.R. 919(E), the Central Goods and Services Tax (Amendment) Rules, 2026

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For zero-rated supply made without payment of tax under bond or letter of undertaking, rule 89(4)(C) loses the words "or the value which is 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, whichever is less" from November 1, 2026. With them gone, CBIC's current text of the clause leaves the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking. For an inverted duty structure, rule 89(5) now reads: "Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services) × Net ITC ÷ Adjusted Total Turnover} – tax payable on such inverted rated supply of goods and services." "Net ITC" is the sum of input tax credit availed on inputs and eligible input services during the relevant period and the input tax credit on capital goods attributable to the relevant period. "Eligible input services" are input services on which input tax credit has been availed on or after November 1, 2026. In CBIC's current text of the rules, Net ITC in rule 89(5) covered credit on inputs only, and the tax payable was multiplied by (Net ITC ÷ ITC availed on inputs and input services). The credit on capital goods attributable to the relevant period, which rule 89(5) now counts and rule 89(4)(B) counts from April 1, 2027, is defined in a new rule 89(4)(G) from April 1, 2027, and covers only credit availed on or after that date. Rule 89(3), substituted, has the applicant debit the electronic credit ledger for a refund of credit in a set order: integrated tax first, then central tax and State or Union territory tax equally.

Under rule 90, the proper officer now has ten days from filing, not fifteen, to scrutinize a refund application and acknowledge it in FORM GST RFD-02, and must communicate any deficiencies in FORM GST RFD-03 within ten days of filing, a period rule 90(3) did not set before. Under a new rule 90(3A), if neither is done within ten days, the application is deemed acknowledged, the acknowledgement is made available in FORM GST RFD-02 through the common portal, and the time limit in section 54(7) counts from the date of filing. Rule 91 deals with provisional refunds. Its new sub-rule (2) has the common portal, "on the basis of identification and evaluation of risk by the system", generate the order in FORM GST RFD-04 within three working days of the acknowledgement, and the order need not be revalidated by the proper officer. The sub-rule it replaces had the proper officer make the order within seven days and let the officer, for reasons

recorded in writing, not grant a provisional refund. These rules do not mention section 54(6) of the CGST Act, the Finance Act, 2026 or Notification No. 03/2026–Central Tax, which brings into force from November 1, 2026 the change that extends provisional refund under section 54(6) to inverted duty claims. The payment order in FORM GST RFD-05 "may be made available through the common portal", and under a new rule 92(1B) the portal generates the order in FORM GST RFD-06 where a refund is due and payable, showing any amount adjusted against outstanding demands. Applications are filed on the common portal; the words "either directly or through a Facilitation Centre notified by the Commissioner" are omitted from rule 89(1) and (1A).

From December 1, 2026, rule 89(2) asks for more with a refund claim. A claim of unutilized credit under the first proviso to section 54(3) needs a statement of invoices received with the credit details. An inverted duty claim on supplies made under Notification No. 40/2017-Central Tax (Rate) or No. 41/2017-Integrated Tax (Rate) needs a statement of invoices with the shipping bills or bills of export filed by the recipient. A refund of unutilized credit under section 54(3), or on zero-rated supply made with payment of tax, needs a declaration that the applicant has not been prosecuted for any offence where the tax evaded exceeds two hundred and fifty lakh rupees in the five years before the claim's tax period. A new FORM GST RFD-01 replaces the current one on the same date. Its Declaration E, which cites rule 91(1), puts that threshold at five hundred lakh rupees, and its Declaration A, as corrected on November 18, 2026, has an inverted duty applicant declare that the claim does not include credit not available under section 17(5) or credit on goods or services used for making nil rated or fully exempt supplies. From April 1, 2027, rule 89(2) also asks for a declaration on capital goods included in a claim.

On registration, a new rule 14B lets a person registered in one State or Union territory obtain registration against the same Permanent Account Number in another where it has no physical presence, by declaring as its principal place of business the warehouse of an electronic commerce operator that is required to collect tax at source under section 52. The person must intend to supply goods through such operators and must determine that its total output tax liability on those supplies to registered persons, other than persons registered on the same Permanent Account Number, does not exceed two lakh fifty thousand rupees per month. The operator must consent: it may do so within seven working days, and without consent the application is not processed further. Rules 19, 20 and 21 on amending and cancelling registration are replaced from November 1, 2026 (rule 19(3) from December 1, 2026). Under rule 19, an application to change the principal place of business is deemed rejected if the applicant does not reply to a notice in time, and the certificate is deemed amended if the proper officer does not act in time; other particulars stand amended on submission and online validation. Under rule 20, a request to cancel registration is deemed rejected or deemed approved in the same way. Rules 21A and 22 on suspension and cancellation, a new rule 23A on revocation of cancellation by the system, and new forms DRC-26 to DRC-28 under rule 86A (an order disallowing debit of the electronic credit ledger, the objection to it, and the order on the objection) apply from April 1, 2027. Other changes cover input service distributors, e-way bills for goods moved by metro railway and many forms.

Corrigenda G.S.R. 1001(E), dated November 18, 2026, correct the English and Hindi versions of these rules. They were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), No. 894, dated November 18, 2026 (CG-DL-E-18112026-278035), under F.No. CBIC-20001/1/2026-GST, and are signed by Indrajit Panda, Under Secretary. Most of the corrections fix clause numbering, spelling and cross-references. In rule 92(4), they insert two provisos: "the order issued in FORM GST RFD-06 shall not be required to be revalidated by the proper officer", and "the payment order in FORM GST RFD-05 shall be required to be revalidated where the refund has not been disbursed within the same financial year in which the said payment order was issued."

In rule 14B, the corrigenda read "consent" for "permission" where the electronic commerce operator withdraws it, and "authorised person" for the "authorised representative" the operator appoints in each State or Union territory. Sub-rule (21) now says what a person registered under the rule shall keep and maintain at its principal place of business in the home State: "the books of accounts and records". In rule 20(7), the proper officer shall cancel the registration "within a period of fifteen days from the date of receipt of the application under sub-rule (6) and issue an order". In the new FORM GST REG-17, the time to reply to the notice reads "seven working days" for "seven days". In the new FORM GST RFD-01, Declaration A no longer lists ITC availed on capital goods, or, for an inverted duty claim, ITC availed on input services. For a claim under clause (ii) of the first proviso to section 54(3), the applicant now declares that the refund claimed "does not include ITC not available under section 17(5) and ITC availed on goods or services used for making ‘nil’ rated or fully exempt supplies."

Issued by	Ministry of Finance (Department of Revenue), Central Board of Indirect Taxes and Customs
Document	Notification No. 05/2026–Central Tax, G.S.R. 919(E), the Central Goods and Services Tax (Amendment) Rules, 2026
Dated	October 26, 2026
Published	Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), No. 846, October 26, 2026 (CG-DL-E-27102026-277451)
Takes effect	November 1, 2026, save as otherwise provided; some parts from December 1, 2026, January 1, 2027 or April 1, 2027
Applies to	Applicants for refund and registered persons under the CGST Act, including persons supplying goods through electronic commerce operators that are required to collect tax at source
Inverted duty refund formula	Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services) × Net ITC ÷ Adjusted Total Turnover} – tax payable on such inverted rated supply of goods and services

Net ITC	Input tax credit availed on inputs and eligible input services during the relevant period, plus the credit on capital goods attributable to the relevant period; eligible input services: credit availed on or after November 1, 2026
Capital goods credit, from April 1, 2027	Input tax credit on such capital goods = {Aggregate of (1/60 * eligible ITC availed on capital goods * number of months)} – {Aggregate of input tax credit reversals applicable as per the provisions of the Act or the Rules in respect of such capital goods attributable to the months in the relevant period}; only for credit availed on or after April 1, 2027
1.5-times cap	Omitted from rule 89(4)(C) from November 1, 2026
Refund acknowledgement	In FORM GST RFD-02 within ten days of filing (was fifteen), and deficiencies in FORM GST RFD-03 within ten days of filing; deemed acknowledged if neither is done in ten days
Provisional refund order	FORM GST RFD-04, generated by the common portal within three working days of acknowledgement, on the system's evaluation of risk; no revalidation by the proper officer
Prosecution declaration	From December 1, 2026: rule 89(2)(o), two hundred and fifty lakh rupees; new FORM GST RFD-01, Declaration E, five hundred lakh rupees
Rule 14B registration	Total output tax liability on supplies to registered persons, other than those on the same Permanent Account Number, not more than two lakh fifty thousand rupees per month; the operator's consent within seven working days
Forms replaced	REG-01, REG-14, REG-32 and REG-33 from November 1, 2026; RFD-01 from December 1, 2026; REG-17, REG-22, REG-31 and DRC-01 from April 1, 2027
Forms added	REG-05A and REG-38 from November 1, 2026; REG-34 to REG-37 and DRC-26 to DRC-28 from April 1, 2027
Legal basis	Section 164, Central Goods and Services Tax Act, 2017
Related	Notification No. 04/2026–Central Tax, G.S.R. 918(E), in the same Gazette issue, under rule 48(4): from January 1, 2027, Notification No. 13/2020–Central Tax (e-invoicing) also covers supplies received from an unregistered person where the recipient pays tax on reverse charge, and import of services
Related	Notification No. 03/2026–Central Tax, S.O. 5791(E), October 26, 2026: brings sections 153 to 155 of the Finance Act, 2026 into force

	on November 1, 2026, including provisional refund under section 54(6) for inverted duty claims; these rules do not mention it
File number	F. No. CBIC-20001/1/2026-GST
Signed by	Kriti Pandey, Under Secretary
Corrigenda	G.S.R. 1001(E), November 18, 2026, Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), No. 894 (CG-DL-E-18112026-278035), signed by Indrajit Panda, Under Secretary
Revalidation, after the corrigenda	Rule 92(4): an order in FORM GST RFD-06 shall not be required to be revalidated by the proper officer; a payment order in FORM GST RFD-05 shall be required to be revalidated where the refund has not been disbursed within the same financial year in which it was issued

Main changes and the date each applies from

Rule or form	Change	From
Rule 89(4)(C)	The 1.5-times limit on the turnover of zero-rated supply of goods omitted	November 1, 2026
Rule 89(5)	New inverted duty refund formula; Net ITC includes eligible input services, on which credit is availed on or after November 1, 2026	November 1, 2026
Rule 89(3)	Credit ledger debited for a refund in order: integrated tax, then central tax and State or Union territory tax equally	November 1, 2026
Rule 89(1) and (1A)	The words "either directly or through a Facilitation Centre notified by the Commissioner" omitted	November 1, 2026
Rule 90	Acknowledgement within ten days of filing (was fifteen) and deficiencies within ten days; deemed acknowledgement under new sub-rule (3A)	November 1, 2026
Rule 91(2) and (3)	FORM GST RFD-04 generated by the common portal within three working days; FORM GST RFD-05 through the portal	November 1, 2026
Rule 92(1B) and (4)	FORM GST RFD-06 generated by the common portal where a refund is due and payable	November 1, 2026
Rule 89(2)	New statements and declarations with refund claims, including the prosecution declaration in clause (o)	December 1, 2026
FORM GST RFD-01	Replaced	December 1, 2026
Rule 89(4)(B) and (G), rule 89(2)(p)	Credit on capital goods attributable to the relevant period counts in refunds; declaration on capital goods	April 1, 2027

Rule 14B	Registration where the person has no physical presence, at an e-commerce operator's warehouse	November 1, 2026
Rules 19, 20 and 21	Amendment and cancellation of registration replaced	November 1, 2026; rule 19(3) from December 1, 2026
Rules 21A, 22 and 23A	Suspension, cancellation, and revocation of cancellation by the system	April 1, 2027
Rule 86A	Debit of the electronic credit ledger disallowed by order in FORM GST DRC-26; objection in FORM GST DRC-27; order on the objection in FORM GST DRC-28	April 1, 2027
FORM GSTR-7A and FORM GST INV-01	Table 7 of GSTR-7A replaced; e-invoice schema version 1.2 with new supply type codes	January 1, 2027

The notification (PDF, 6.3 MB)

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IndusDesk

hello@indusdesk.com · +91 11 4141 3939

9th Floor, Hemkunt House, Rajendra Place, New Delhi, Delhi 110008, India

Read online: indusdesk.com/customs/insights/gst-refund-and-registration-rules-change-from-november-1-2026/