Instruction No. 02/2026-GST

File No.: CBIC-20001/3/2026-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board Indirect Taxes & Customs
GST Policy Wing
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Room No 16039, Kartavya Bhawan-I

New Delhi, dated 30th October 2026

To,

Principal Chief Commissioners / Chief Commissioners of Central Tax (All)

Principal Directors General/ Directors General of Central Tax (All)

Madam/Sir,

Subject: Implementing certain recommendations of the GST Council in its 57th meeting held on 08.10.26 at New Delhi, prior to the legislative amendments - reg.

The GST Council, in its 57th meeting held on 08.10.26 at New Delhi, recommended a large number of reforms, which included reforms regarding omission of arrest provisions, rationalising the e-way bill related inspection and verification procedures, and prescribing a minimum threshold of Rs. 10000/- for issuance of show cause notices under section 73, 74 and 74A of the CGST Act.

2. These measures are trade friendly and would help in ease of living and doing business for the taxpayers, by reducing hardships owing to arrests, random checks of conveyances in transit and issuance of show cause notices in cases involving small amounts, making the law more trust based and forward looking, as well as reducing the compliance cost arising out of low value litigations. However, all these changes

would require amendment to the provisions of the CGST Act, 2017, and corresponding provisions of the respective State GST Acts.

3. The GST Council had recommended that the amended provisions may come into force w.e.f. 1st April, 2027. However, as an interim measure of trade facilitation, it has been decided by the Central Government that till these amendments in the Act are brought into effect, the aforesaid reforms shall be implemented by the field formations of the CBIC. Accordingly, the following instructions are being issued and shall remain in force till the amendments in CGST Act, 2017 as recommended by the GST Council in its 57th meeting come into force, namely: -

3.1. **Arrest Provisions**: The GST Council has recommended withdrawal of arrest powers under GST by omission of section 69 of CGST Act, 2017. All CGST field formations are accordingly directed that no further arrests may be carried out under GST.

3.2. **E-way bill verification**: The GST Council has recommended rationalisation of the e-way bill related interception and verification procedures by amendments in section 68, 129 and 130 of CGST Act, 2017. The field formations are hereby directed that –

(i) A conveyance should only be intercepted based on specific intelligence which is duly authorized by an officer not below the rank of Joint Commissioner, who must record, in writing, the reasons to believe that the goods being carried in the conveyance are being transported in contravention of the provisions of CGST Act, 2017 or the rules made thereunder.

(ii) The proper officer intercepting such conveyance, can inspect the conveyance and goods therein, only if the supplier or recipient are registered or located (in case where the supplier or recipient is not registered) in the State or the Union territory of his jurisdiction, and where after such inspection of goods and conveyance it is found that the goods

being transported or stored while they are in transit, are in contravention of the provisions of CGST Act, 2017 or the rules made thereunder, the proper officer may detain or seize the goods in accordance with the provisions of section 129 of CGST Act, 2017.

(iii) Where, upon interception of a conveyance and verification of documents, it is found that neither the supplier nor the recipient is registered or located (in cases where the supplier or recipient is not registered) within the State or the Union territory of the jurisdiction of the authorising officer, and the intercepting officer is of the prima facie opinion that the goods are being transported in contravention of the CGST Act, 2017, he shall only transmit the information to the proper officer having jurisdiction over the supplier or recipient, as the case may be, after allowing the conveyance and goods to pass through unhindered. The jurisdictional authority receiving such information shall examine the information and take necessary action.

(iv) Where neither the e-way bill has been generated in respect of goods in the conveyance, nor any document to show the origin or destination of the goods is produced, the goods or conveyance can be inspected, detained or seized by the intercepting officer, irrespective of the jurisdiction of the supplier or the recipient.

(v) The goods and the conveyance in transit shall not be detained or seized for any reason other than as mentioned above.

(vi) The goods or conveyances in transit shall not be confiscated under section 130 of CGST Act, 2017.

3.3. **Minimum threshold for issuance of show cause notices**: To reduce the low value litigation and compliance burden for taxpayers, the Council recommended amendment in section 73, section 74 and section 74A of the CGST Act, 2017, to inter-alia provide a minimum threshold of Rs. 10,000/- (CGST + SGST + IGST + Compensation Cess) for issuance of show cause notices. Accordingly, it is directed

that show cause notices may not be issued in cases where the amount involved is below Rs. 10,000/- (the sum of amounts under the Central Goods and Services Tax Act, 2017, the State Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 and cess levied under the Goods and Services Tax (Compensation to States) Act, 2017).

4. Principal Chief Commissioners/ Chief Commissioners are hereby requested to monitor the implementation of these instructions.

5. Difficulty, if any, in implementation of this instruction may please be brought to the notice of the Board.

Yours faithfully,

(Gaurav Singh)

Commissioner (GST)

Copy to: **Additional Secretary**, GST Council Secretariat, with a request to circulate the same to the State GST formations, which may, if deemed appropriate, issue similar instructions within their jurisdictions to ensure uniformity and effective implementation.