

CBIC vide Instruction no. 10/2021- customs (F No. 450/119/2017-Cus-IV) dated 13th May, 2021 has instructed all principal chief commissioner's & chief commissioner's under customs/GST law to undertake a "Special Refund and Drawback Disposal Drive" with the objective of priority processing and disposal of all pending refund and drawback claims.

This Special Drive shall be in place from 15th May 2021 to 31st May 2021. It is expected that during this period all refund and drawback claims that are pending as on 14th May 2021 shall be disposed.

The principal chief commissioners and chief commissioners shall monitor the performance on this front on a daily basis and, whenever required, suitably guide the officers concerned to maximise the disposal. Further, it has been instructed its officer to take note of following:

- 1) Though the decision to process pending refund claims has been taken with a view to provide immediate relief to the taxpayers, due diligence is to be done before granting the refunds and drawback and all the relevant legal provisions, notifications, circulars and instructions must be followed while processing these claims.
- 2) For facilitation of exporters, all communication should be done over email, wherever email id of the applicant is available.
- 3) All deficiency memos may be reviewed and refund / drawback may be considered on merit.
- 4) The Special Drive should be widely publicized.

Vide said instructions, all officers concerned are expected to make special efforts to liquidate the pending refund and drawback claims by 31.05.2021 and make the Special Drive a grand success.

**CBIC vide notification 15/2021-CT dated 18th May, 2021** has amended The CGST Rules, 2017 to provide as follows

- Rule 23(1) has been amended to provide that in case of cancellation of registration by proper officer on his own motion, the assessee can file application for revocation of cancellation of registration within 30 days of service of order of cancellation or within such time period as extended by the Additional Commissioner or the Joint Commissioner or the Commissioner, as the case may be, in exercise of the powers provided under the proviso to section 30(1).

The said amendment is done to bring the rule 23 in line with section 30 of CGST Act, 2017. Consequently, Form REG 21 has been amended to incorporate above changes.

- New proviso has been inserted in Rule 90(3) which provides that "the time period, from the date of filing of the refund claim in FORM GST RFD-01 till the date of communication of the deficiencies in FORM GST RFD-03 by the proper officer, shall be excluded from the period of two years as specified under sub-section (1) of Section 54, in respect of any such fresh refund claim filed by the applicant after rectification of the deficiencies"

Through this amendment the period between the date of filing refund application & date of communication of deficiencies in FORM RFD 03, if any shall be excluded in computing limitation period of 2 years for filing refund claim. This is welcome move as Rule 90(3) requires taxpayer to file fresh refund claim in case of deficiency memo being issued & on many occasion the limitation period of 2 years for filing refund claim expires by that time.

- Rule 90(5) has been inserted to provide that the applicant may withdraw the application for refund by filing an application in FORM GST RFD-01W, at any time before issuance of provisional refund sanction order in FORM GST RFD-04 or final refund sanction order in FORM GST RFD-06 or payment order in FORM GST RFD-05 or refund withhold order in FORM GST RFD-07 or notice in FORM GST RFD-08, in respect of any refund application filed in FORM GST RFD-01. Hitherto there was no such provision of withdrawal of refund claim.
- Rule 90(6) has also been inserted to provide that on submission of application for withdrawal of refund in FORM GST RFD-01W, any amount debited by the applicant from electronic credit ledger or electronic cash ledger, as the case may be, while filing application for refund in FORM GST RFD-01, shall be credited back to the ledger from which such debit was made".

Proviso to Rule 92(1) has been omitted which provide for passing an order in Part A of Form RFD 07 in case of complete adjustment of refund against outstanding demand under the act or existing law.

- Rule 92(2) is amended to provide that where the proper officer or the Commissioner is of the opinion that the amount of refund is liable to be withheld under Section 54(10) or (11) he shall pass an order in Part A OF FORM GST RFD-7. Further, proviso to Rule 92(2) has been inserted which provides that where the proper officer or the Commissioner is satisfied that the refund is no longer liable to be withheld, then he may pass an order in Part B of FORM GST RFD-07 for release of withheld refund.
- Rule 138E has been amended to provide that no person (including a consignor, consignee, transporter, an e-commerce operator or a courier agency) shall be allowed to furnish the information in PART A of FORM GST EWB-01 in respect any outward movement of goods of a registered person, who.....

CBIC vide circular no. 148/04/2021-GST dated 18th May, 2021 has prescribe following Standard Operating Procedure (SOP) for implementation of the provision of extension of time limit to apply for revocation of cancellation of registration under section 30 of the CGST Act, 2017 and Rule 23 of the CGST Rules, 2017:

In order to ensure uniformity in the implementation of the provisions of Rule 23 across the field formations, till the time an independent functionality for extension of time limit for applying in FORM GST REG-21 is developed on the GSTN portal, the Board has provided the following guidelines for implementation of the provision for extension of time limit for applying for revocation of cancellation of registration under the section 30 and Rule 23.

- Where a person applies for revocation of cancellation of registration beyond a period of 30 days from the date of service of the order of cancellation of registration but within 60 days of such date, the said person may request, through letter or e-mail, for extension of time limit to apply for revocation of cancellation of registration to the proper officer by providing the grounds on which such extension is sought. The proper officer shall forward the request to the jurisdictional Joint/Additional Commissioner for decision on the request for extension of time limit.
- The Joint/Additional Commissioner, on examination of the request filed for extension of time limit for revocation of cancellation of registration and on sufficient cause being shown and for reasons to be recorded in writing, may extend the time limit to apply for revocation of cancellation of registration. In case the request is accepted, the extension of the time limit shall be communicated to the proper officer. However, in case the concerned Joint/Additional Commissioner, is not satisfied with the grounds on which such extension is sought, an opportunity of personal hearing may be granted to the person before taking decision in the matter. In case of rejection of the request for the extension of time limit, the grounds for such rejection may be communicated to the person concerned, through the proper officer.
- On receipt of the decision of the Joint/Additional Commissioner on request for extension of time limit for applying for revocation of cancellation of registration, the proper officer shall process the application for revocation of cancellation of registration according to the law and procedure laid down in this regard.
- Procedure similar to that explained in paragraph 4.1 to 4.3 of said circular, shall be followed mutatis mutandis in case a person applies for revocation of cancellation of registration beyond a period of 60 days from the date of service of the order of cancellation of registration but within 90 days of such date. In such case the application shall be disposed by commissioner.
- The circular shall cease to have effect once the independent functionality for extension of time limit for applying in FORM GST REG-21 is developed on the GSTN portal