CGA Legal GST Update: Notifications of 26-27 October 2026

Implementing the 57th GST Council recommendations (8 October 2026)

Introduction

On 26 and 27 October 2026 the Central Government issued fourteen notifications to give effect to the recommendations of the 57th GST Council meeting held on 8 October 2026. This note explains what each notification does, when it applies, whether a matching Integrated Tax (IGST) notification has been issued, and what it means for your business.

Nine are Central Tax (Rate) notifications (02/2026 to 10/2026) dealing with rates, exemptions, reverse charge and a special procedure. Five are Central Tax notifications (03/2026 to 07/2026) dealing with changes in the Act and Rules, e-invoicing, registration and tax deduction at source. Most took effect on 1 November 2026 and are already in force. Later phases run to 1 January 2027 and 1 April 2027.

Notifications at a glance

CT (Rate) = Central Tax (Rate); CT = Central Tax. The IGST counterpart of each notification is given in the detailed section that follows.

Notification	Dated	Summary	Effective date
CT (Rate) 02/2026	27-10-2026	Fertilisers and retreaded tractor tyres at 5%; other retreaded or used tyres at 18%	1 Nov 2026
CT (Rate) 03/2026	27-10-2026	Psyllium seeds exempted	1 Nov 2026
CT (Rate) 04/2026	27-10-2026	Reverse charge on used cooking oil and plastic, tyre and e-waste scrap from unregistered sellers	1 Nov 2026
CT (Rate) 05/2026	27-10-2026	Nominated Agency definition linked to the DGFT Handbook of Procedures	Not confirmed
CT (Rate) 06/2026	27-10-2026	Same-line ITC for hospitality; electric vehicle services; delivery services at 5% without ITC	1 Nov 2026
CT (Rate) 07/2026	27-10-2026	New service exemptions; wider warehousing exemption; GTA exemption denied for platform-routed goods	1 Nov 2026
CT (Rate) 08/2026	27-10-2026	Motor vehicle rental reverse charge aligned to 9%	1 Nov 2026
CT (Rate) 09/2026	27-10-2026	E-commerce operator liable for tax on delivery services	1 Nov 2026
CT (Rate) 10/2026	27-10-2026	Toll-Operate-Transfer concessionaires pay GST on operation and maintenance services on escrow debits	1 Nov 2026
CT 03/2026	26-10-2026	Finance Act 2026 sections 153 to 155: discounts, credit notes, provisional refunds	1 Nov 2026
CT 04/2026	26-10-2026	E-invoicing for RCM self-invoices and import of services	1 Jan 2027
CT 05/2026	26-10-2026	CGST (Amendment) Rules, 2026: registration, cancellation, refunds, credit ledger, forms	1 Nov 2026; 1 Dec 2026; 1 Jan 2027; 1 Apr 2027
CT 06/2026	27-10-2026	No registration exemption for suppliers of the five scrap categories	1 Nov 2026
CT 07/2026	27-10-2026	2% GST TDS on purchases of the five scrap categories from registered persons	1 Nov 2026

Details of each notification

CT (Rate) 02/2026: Rate Correction: fertilisers and retreaded tyres (amends 9/2025)

- **Effective date.** 1 November 2026.
- **Summary.** Pre-packaged and labelled animal, vegetable and organic fertilisers, expressly including seaweed extract-based bio-stimulants registered under the Fertiliser (Control) Order, 1985, are taxed at 5%. Retreaded tractor tyres (HSN 4012) are taxed at 5%. Other retreaded or used pneumatic tyres, solid and cushion tyres, treads and flaps are taxed at 18%.
- **Corresponding IGST notification.** 02/2026-Integrated Tax (Rate), applying 5% and 18% IGST to the same entries.
- **Implications.** Retreaders must separate tractor and non-tractor invoicing. Check for an inverted duty position on retreaded tractor tyres before claiming any refund under section 54(3), and confirm the earlier rate against 9/2025.

CT (Rate) 03/2026: Exemption : Psyllium seeds exempted (amends 10/2025)

- **Effective date.** 1 November 2026.
- **Summary.** A new S. No. 87A under HSN 1211 90 13 exempts Psyllium seeds (Isobgul).
- **Corresponding IGST notification.** 03/2026-Integrated Tax (Rate), with the same entry.
- **Implications.** Outward tax stops, and ITC on related inputs is restricted under section 17(2), so reversals must be recomputed. Stock held on 31 October 2026 may call for reversal under section 18(4). Husk and powder are not covered by the entry as reported and should be classified separately.

CT (Rate) 04/2026: Reverse charge on specified goods (amends 4/2017)

- **Effective date.** 1 November 2026.
- **Summary.** Under section 9(3), reverse charge now covers used cooking oil (heading 1518), waste and scrap of plastics (3915), waste and scrap of tyres (4004) and electrical and electronics waste and scrap (8549). In each entry the supplier is any unregistered person and the recipient is any registered person. Together with metal scrap, these are the "five scrap categories" referred to in this note.
- **Corresponding IGST notification.** 04/2026-Integrated Tax (Rate), amending 4/2017-Integrated Tax (Rate).
- **Implications.** Registered buyers must pay tax in cash under reverse charge on purchases from unregistered sellers, issue self-invoices, report the liability in GSTR-3B Table 3.1(d) and claim ITC subject to section 16. Pricing and working capital for purchases from collectors and small dealers need revisiting. From 1 January 2027 these self-invoices also come under e-invoicing (see CT 04/2026).

CT (Rate) 05/2026: Nominated Agency definition (amends 26/2018)

- **Summary.** Clause (c) of the Explanation is substituted so that "Nominated Agency" is defined by reference to the DGFT Handbook of Procedures.
- **Corresponding IGST notification.** 05/2026-Integrated Tax (Rate), amending 27/2018-Integrated Tax (Rate).
- **Implications.** The concessional-rate route for supplies to merchant exporters depends on this definition. Exporters and their suppliers should confirm that their agency still qualifies.

CT (Rate) 06/2026: ITC Streamlining : ITC conditions, electric vehicles and delivery services (amends 11/2017)

- **Effective date.** 1 November 2026.
- **Summary.** For hotel accommodation, restaurant services, railway premises food supplies and outdoor catering, ITC on same-line-of-business inputs is permitted.

- For hotel accommodation and outdoor catering the credit is capped at 2.5% where the input supplier charges a higher central tax rate. In the notification's illustration, a hotel buying accommodation for ₹10,000 at 9% CGST (₹900) may avail ITC of ₹250.
- New entries cover passenger transport in electrically operated vehicles and renting of such vehicles for passengers or goods, where battery charging cost is included in the consideration, each at 2.5% with ITC restrictions or at 9%.
- S. No. 12(iii) is substituted to tax specified delivery services through e-commerce operators at 2.5% CGST (5% GST) with no ITC.
- Paragraph 3 is omitted, the goods transport agency definition is re-substituted, and "electrically operated vehicle" is defined to include e-bicycles.
- **Corresponding IGST notification.** 06/2026-Integrated Tax (Rate), amending 8/2017-Integrated Tax (Rate), with 5% IGST and the same ITC conditions.
- **Implications.** Hotels, caterers and event planners get relief from the earlier blanket blocking, but the excess over 2.5% remains a cost, so margins in sub-contracting chains need re-modelling. Electric vehicle operators must choose between the 2.5% and 9% options and bundle charging cost into the consideration. Confirm how the option is exercised and what paragraph 3 previously provided.

CT (Rate) 07/2026: Service exemptions (amends 12/2017)

- **Effective date.** 1 November 2026.
- **Summary.** New exemptions cover helicopter passenger services on a seat-share basis in specified North-Eastern States, services of the Seamen's Provident Fund Organisation (Entry 31AA), curing of coffee supplied to coffee cultivators (Entry 54A) and grant of toll collection rights by Government bodies (Entry 42A). The storage and warehousing exemption is expanded, a definition of "seed" is inserted, and an Explanation under Entry 21A denies the goods transport agency exemption where goods are supplied through an e-commerce operator.
- **Corresponding IGST notification.** 07/2026-Integrated Tax (Rate), amending 9/2017-Integrated Tax (Rate), with the same entries. It also adds Entry 10M, exempting import of services without consideration by an Indian establishment of a foreign shipping company from a related person.
- **Implications.** Exempt services restrict ITC under section 17(2), so reversals must be recomputed. Goods transport agencies serving platform-routed supplies lose the Entry 21A exemption and should verify their rate and ITC position.

CT (Rate) 08/2026: Rate Rationalization : Reverse charge on motor vehicle rental (amends 13/2017)

- **Effective date.** 1 November 2026.
- **Summary.** In S. No. 15, the reference to central tax at 6 per cent is replaced with 9 per cent. This corrects an anomaly, because the rate notification had moved to 9% while the reverse charge notification still referred to 6%.
- **Corresponding IGST notification.** 08/2026-Integrated Tax (Rate), which substitutes 18 for 12 against S. No. 17 of 10/2017-Integrated Tax (Rate). A Union Territory Tax (Rate) notification has also been issued.
- **Implications.** Body-corporate recipients should confirm whether the supplier charges 18% (forward charge) or 5% (reverse charge applies). The change is prospective and does not address 22 September 2025 to 31 October 2026, which remains an exposure for both recipients who paid reverse charge and those who did not.

CT (Rate) 09/2026: E-commerce operator liability for delivery services (amends 17/2017)

- **Effective date.** 1 November 2026.

- **Summary.** Issued under section 9(5), it substitutes clause (v) so that the operator pays tax on delivery services supplied through it where the supplier is not liable to register under section 22(1), in step with the 5% no-ITC rate in 06/2026. Courier and postal services are excluded.
- **Corresponding IGST notification.** 09/2026-Integrated Tax (Rate), amending 14/2017-Integrated Tax (Rate). A Union Territory Tax (Rate) notification has also been issued.
- **Implications.** Platforms now bear the tax on delivery partner services with no ITC on that supply, so platform contracts, payout mechanics and partner onboarding need review. Check the exact clause wording in G.S.R. 945(E).

CT (Rate) 10/2026: Toll-Operate-Transfer special procedure (section 148)

- **Effective date.** 1 November 2026.
- **Summary.** The notification covers a concessionaire who supplies operation and maintenance services to the concessioning authority during the concession period under a Toll-Operate-Transfer agreement. The agreement must give exclusive rights to demand, collect and appropriate toll, require operation and maintenance, and require the concession fee to be paid upfront. Tax is payable on the amount charged or debited from the escrow account, in the tax period in which the expenditure is debited.
- **Corresponding IGST notification.** 10/2026-Integrated Tax (Rate), G.S.R. 949(E), on the same lines. A Union Territory Tax (Rate) notification has also been issued.
- **Implications.** Timing of tax now follows escrow debits, which affects cash flow and the reconciliation of escrow statements to GSTR-1 and GSTR-3B. Read it with the new exemption for toll collection rights (Entry 42A in 07/2026): the toll right is exempt while the operation and maintenance service stays taxable, so ITC apportionment on common inputs needs review.

CT 03/2026: Finance Act 2026, sections 153 to 155 (dated 26-10-2026)

- **Effective date.** 1 November 2026.
- **Summary.** Section 15(3)(b) lets a post-supply discount be excluded from the value of supply where the supplier issues a credit note and the recipient reverses the matching ITC under section 34. Section 34(1) expressly permits that credit note.
- Section 54(6) extends provisional refund to unutilised ITC refunds under clause (ii) of the first proviso to section 54(3), and section 54(14) carves out refund claims on goods exported with payment of tax.
- **Corresponding IGST notification.** None found. The amendments are to the CGST Act.
- **Implications.** Volume rebates and year-end incentives reduce taxable value only through a credit note with a matching recipient reversal, so scheme documents and credit note processes need review. Recipients should match each credit note to an ITC reversal in GSTR-3B. Whether the earlier prior-agreement condition has fallen away should be checked against the amended text of section 15(3)(b).

CT 04/2026: e-invoicing for RCM self-invoices and import of services (dated 26-10-2026)

- **Effective date.** 1 January 2027.
- **Summary.** It amends Notification 13/2020-CT so that the self-invoice for supplies from unregistered persons on which the recipient pays tax under reverse charge, and the invoice for import of services, come within e-invoicing. Imports of goods are not covered. The turnover threshold and exclusions are unchanged, with the existing ₹5 crore mandate as the reference point. The e-invoice schema (FORM GST INV-01) moves to version 1.2 with supply types RCMDOM and RCMIMP. G.S.R. 918(E).
- **Corresponding IGST notification.** None found. Rule 48(4) of the CGST Rules is the enabling provision.
- **Implications.** Taxpayers within the mandate will need an IRN on their own reverse charge self-invoices. Purchase modules designed only for outward invoicing need development and testing, and the vendor

master should flag reverse charge categories and overseas service providers, including group entities. Internal audit should test completeness of self-invoicing and IRN generation from Q4 FY27.

CT 05/2026: CGST (Amendment) Rules, 2026 (dated 26-10-2026)

- **Effective date.** 1 November 2026 generally. Rule 19(3), Rule 44, specified Rule 89 documents, REG-16 and RFD-01 from 1 December 2026; GSTR-7A and INV-01 changes from 1 January 2027; Rules 21A, 22 and 23A, revised Rule 86A, capital goods refund provisions and DRC changes from 1 April 2027.
- **Summary.** G.S.R. 919(E), with 67 amendment clauses.
- New Rule 14B lets an eligible supplier registered in a home State take registration in another State using a consenting e-commerce operator's warehouse, subject to an output tax liability test of ₹2.5 lakh per month on specified supplies.
- Rules 19 and 20 revise amendment and cancellation of registration.
- Rule 21 sets grounds for cancellation, and from 1 April 2027 Rules 21A, 22 and 23A bring system suspension, system cancellation and revocation within 180 days.
- The 1.5-times domestic-supply cap in Rule 89(4)(C) is removed, and the inverted-duty formula counts eligible input services (credit availed from 1 November 2026) and attributable capital goods ITC (from 1 April 2027, over 60 months).
- Rule 90 sets a ten-day acknowledgement and Rule 91 a system-generated RFD-04 within three working days.
- Rule 86A blocks of the credit ledger are recorded in DRC-26, with objection in DRC-27 and an order in DRC-28, for up to one year.
- **Implications.** Refund workpapers for exporters and inverted-duty sectors need rebuilding, with asset-wise tracking of capital goods credit over 60 months. Chronic late filers face system suspension from April 2027, in which invoicing and tax charging are restricted. Litigation teams should prepare standard DRC-27 response templates. The Gazette text has cross-reference anomalies, and the Rule 20 sub-rules take effect on 1 November 2026 while forms REG-34 to REG-37 are inserted from 1 April 2027, which may need a corrigendum.

CT 06/2026: Registration exemption withdrawn for specified scrap suppliers (dated 27-10-2026)

- **Effective date.** 1 November 2026.
- **Summary.** Under section 23(2), the proviso to Notification 5/2017-CT is substituted (G.S.R. 934(E)). The exemption from registration for persons whose every supply attracts reverse charge no longer applies to anyone supplying used cooking oil, plastic scrap, tyre scrap, metal scrap or electronic waste. Metal scrap had been excluded since 10 October 2024.
- **Corresponding IGST notification.** None found.
- **Implications.** Collectors and dealers in the other four categories can no longer avoid registration on the basis of reverse charge alone, and only the normal turnover threshold now decides whether registration is needed. Sales on which the recipient pays tax under reverse charge still count towards the seller's aggregate turnover. Verify any transitional date around 30 November 2026.

CT 07/2026: GST TDS widened to specified scrap and used cooking oil (dated 27-10-2026)

- **Effective date.** 1 November 2026.
- **Summary.** It substitutes clause (d) of Notification 50/2018-CT, which covered metal scrap only. A registered person buying used cooking oil, plastic scrap, tyre scrap, metal scrap or electronic waste from another registered person must deduct TDS at 2% under section 51, being 1% CGST plus 1% SGST, or 2% IGST.
- **Corresponding IGST notification.** None found. The 2% IGST rate for inter-State supplies flows from section 51 and the IGST Act.

- **Implications.** Recyclers, aggregators and processors must register as deductors, file GSTR-7 monthly by the 10th and issue GSTR-7A to suppliers. Purchases from unregistered sellers attract reverse charge and purchases from registered sellers attract TDS, so vendor-wise status mapping is essential. Confirm whether the ₹2.5 lakh contract threshold in section 51 applies to these categories. TDS reduces cash received on each invoice, so payment terms should reflect the 2% deduction.

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