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GST
UPDATES

Waiver of Interest/Penalty
under Section 128A of CGST Act

Detailed Summary of the Process of Waiver of Interest/Penalty Under Section 128A of CGST Act

Step	Action	Form	Additional Notes
1. Application Filing	Applicant files application for waiver of interest or penalty.	FORM GST SPL-01 (for waiver of interest/penalty or both where no final order has been passed) or FORM GST SPL-02 (for waiver of interest/penalty where demand order u/s 73 have been issued)	The application should be filed electronically on the common portal.
2. Examination	Proper officer examines the application to determine if it meets the eligibility criteria for waiver under Section 128A.	N/A	Proper officer in case of GST SPL-01 would be the proper officer who will issue the order under section 73 where as in case of GST SPL-02 would be the proper officer for recovery under section 79.
3. Notice of Rejection	If the proper officer finds the application to be ineligible, they issue a notice to the applicant explaining the reasons for rejection.	FORM GST SPL-03	The notice must be issued within three months of receiving the application.
4. Applicant's Reply	The applicant has one month from the date of receiving the rejection notice to file a reply explaining why the waiver should be granted.	FORM GST SPL-04	The reply must be filed electronically on the common portal.

Step	Action	Form	Additional Notes
5. Order	The proper officer issues an order either approving or rejecting the waiver application.	FORM GST SPL-05 (for approval) or FORM GST SPL-07 (for rejection)	The order should be issued within three months of receiving a FORM GST SPL-04 reply. If no reply is received, the order should be issued within four months.
6. Default Order	If no order is issued within the prescribed time limit, the application is deemed to be approved, and proceeding shall be deemed to be concluded.	N/A	This is a default provision that ensures that applicants do not suffer undue delays in the waiver process.
7. Summary of Order	In cases where an application for waiver of interest or penalty or both was filed in FORM GST SPL-01 and an order approving the said application is issued by the proper officer in FORM GST SPL-05, then a summary of order in FORM GST DRC-07 need not be issued on the common portal.	N/A	N/A

Step	Action	Form	Additional Notes
	<p>However, in cases where an order in FORM GST SPL-05 or in FORM GST SPL-06, as the case may be, has been issued approving an application filed in FORM GST SPL-02, the liability earlier created in the ELR – Part II by the demand order or the appellate order, as the case may be, shall stand modified accordingly.</p>		
<p>8. Appeal against adverse Order</p>	<p>Appeal can be filed against adverse order as per section 107 and order of Appellate Authority shall be issued in form SPL-06</p>	<p>Form GST SPL-06</p>	<p>Appeal must be filed within time limit specified under section 107.</p>


DISCLAIMER:


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CONTACT US

NOIDA OFFICE

DPNC GLOBAL LLP

 Windsor Grand, 15th Floor,
Plot No. 1C, Sector-126,
Noida-201303, Uttar Pradesh

 +91.120.6456990

 dpnc@dpncglobal.com

 <https://dpncglobal.com/>

GURGAON OFFICE

DPNC GLOBAL LLP

120, Vipul Business Park,
Sector-48, Sohna Road,
Gurugram, Haryana-122018

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