

**GOODS**

**AND**

**SERVICES**

**TAX**

**GST**  
**UPDATES**

**ENACTMENT OF FINANCE BILL, 2026**

## ENACTMENT OF FINANCE BILL, 2026

The Finance Bill, 2026 was passed in the Lok Sabha on 25<sup>th</sup> March, 2026 and enacted as the Finance Act, 2026 (No. 4 of 2026) on 30<sup>th</sup> March, 2026 after receiving the Presidential assent **GOODS AND SERVICES TAX (GST)**.

The amendments made by the Finance Act, 2026 in the CGST Act, 2017, shall become effective from a date to be notified by the Central Government except the following amendments which will become effective as under:

- Insertion of sub-section (1A) in section 101A of the CGST Act, 2017 **shall be effective from 1<sup>st</sup> April, 2026.**
- Omission of sub-section (8) of section 13 of the IGST Act, 2017 has become **effective from 30<sup>th</sup> March, 2026.**

### **Principle of Commencement in Absence of Specific Effective Date**

In cases where the Finance Act does not expressly prescribe the date of enforcement for a particular amendment, recourse must be taken to **Section 5 of the General Clauses Act, 1897 which describes that:**

#### **5. Coming into operation of enactments.**

*(1) Where any Central Act is not expressed to come into operation on a particular day, then it shall come into operation on the day on which it receives the assent,—*

*(a) in the case of a Central Act made before the commencement of the Constitution, of the Governor-General, and*

*(b) in the case of an Act of Parliament, of the President.*

### Snapshot of Amendment Under the Finance Act, 2026

Set out below is a concise summary of key amendments introduced in the CGST Act, 2017 pursuant to the Finance Act, 2026

Section	Area	Amendment	Earlier Position	Practical Impact	Effective Date
<b>Section 15 &amp; 34</b>	Valuation (Post-Supply Discount)	Removal of pre-agreement condition; credit note allowed even if not pre-agreed (subject to ITC reversal)	Discount allowed only if agreed before/at time of supply	Flexibility in pricing; reduced litigation	To be notified
<b>Section 54</b>	Refund (Provisional)	90% provisional refund extended to <b>Inverted Duty Structure (IDS)</b>	Allowed only for zero-rated supplies	Improved liquidity; faster refunds	To be notified
<b>Section 54(14)</b>	Refund Threshold	₹1,000 minimum limit <b>not applicable</b> for IGST refund on exports	Refund not granted if < ₹1,000	Relief for exporters; no loss of small refunds	To be notified
<b>Section 101A</b>	Advance Ruling	Govt. can notify existing authority (incl. Tribunal) as interim appellate authority	NAA not functional; no effective appellate remedy	Resolves conflicting rulings; improves certainty	<b>01 April 2026</b>

Section	Area	Amendment	Earlier Position	Practical Impact	Effective Date
<b>Section 13(8)(b) (IGST Act)</b>	Place of Supply (Intermediary)	Provision omitted → Default rule (location of recipient) applies	POS was location of supplier	Boost to export of services (IT/BPO sectors)	<b>30 March 2026</b>

The Finance Act, 2026 can be accessed at:

<https://egazette.gov.in/WriteReadData/2026/271439.pdf>


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