



The Institute of Chartered Accountants of India GST & Indirect Taxes Committee

GOODS & SERVICES TAX UPDATE-270

1. Enactment of the Finance Bill, 2026

The Finance Bill, 2026 was passed in the Lok Sabha on 25th March, 2026 and enacted on 30th March, 2026 after receiving the Presidential assent.

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 1st April, 2026.
- Omission of sub-section (8) of section 13 of the IGST Act, 2017 has become effective from 30th March, 2026.

For detailed amendments, kindly refer [Budget Highlights-2026.pdf](#)

2. Settlement of Funds Rules, 2026 notified

- These Rules replace the 2017 rules and streamline GST fund settlement, effective retrospectively from 1st April 2025.
- These Rules establish a standardised and technology-driven framework for the apportionment and settlement of IGST between the Centre and States, introducing automated monthly reporting, reconciliation mechanisms, and comprehensive coverage of cross-utilisation, refunds, and adjustments, along with clearly defined institutional roles and final settlement through RBI.
- It attempts to reduce revenue mismatches, delays and strengthen data-driven tax administration.
- Key features include:
 - **Standardised Reporting System** - Introduction of GST STL Forms for electronic reporting via GSTN.

- **Monthly Settlement Mechanism** - Data compilation and reporting on a monthly basis (by 25th).
- **Automated & System-Driven Process** - End-to-end electronic transmission and reconciliation of data.
- **Coverage of Adjustments** - Includes refunds, reversals, ineligible ITC, demands and corrections.

Readers can access all updated notifications on the Committee's website <https://idtc.icai.org/> under the 'GST Statutes' section. To stay instantly connected with the latest in GST & other indirect taxes, join the Official WhatsApp Channel of the GST & Indirect Taxes Committee of ICAI at <https://whatsapp.com/channel/0029VbC5pZYATRSrKi8c4s0r>.

*Chairman
GST & Indirect Taxes Committee*

*Vice-Chairman
GST & Indirect Taxes Committee*

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