

**Instruction No. 02/2025-GST**, issued by the Central Board of Indirect Taxes and Customs (CBIC) on **February 7, 2025**, provides detailed guidelines on handling **departmental appeals related solely to interest and/or penalty under Section 128A** of the Central Goods and Services Tax (CGST) Act, 2017. This instruction aims to streamline procedures and reduce litigation for specific financial years.

**Key Highlights:**

1. **Applicability of Section 128A:**
2. Section 128A offers a waiver of interest, penalty, or both for demands raised under Section 73 of the CGST Act for the financial years 2017-18, 2018-19, and 2019-20, provided certain conditions are met.
3. **Clarification on Departmental Appeals:**
  - The instruction addresses scenarios where the tax amount has been fully paid by the taxpayer, but the department has filed an appeal solely concerning interest and/or penalty. It clarifies that such taxpayers should not be denied the benefits of Section 128A merely because of the department's appeal.
4. **Procedure for Departmental Officers:**
  - In cases where the tax amount has been fully paid and the department's appeal pertains only to interest and/or penalty:
    - If an appeal has already been filed, the proper officer may proceed to withdraw such an appeal.
    - If the order under Section 73 is under review, the proper officer may accept the same without contesting.
5. **Objective to Reduce Litigation:**
  - The instruction emphasizes that the intent of Section 128A is to reduce litigation and ensure that taxpayers are not burdened with unnecessary disputes over minor interest and penalty issues. Taxpayers fulfilling the eligibility criteria should not be denied benefits due to technicalities