

Notification No. 11/2025 – Central Tax, issued by the Central Board of Indirect Taxes and Customs (CBIC) on **27th March 2025**, introduces the **Central Goods and Services Tax (Second Amendment) Rules, 2025**. This notification amends Rule 164 of the Central Goods and Services Tax Rules, 2017, to align with the provisions of **Section 128A** of the CGST Act, which pertains to the conditional waiver of interest, late fees, and penalties for certain taxpayers.

□ **Key Amendments Introduced**

1. Insertion in Rule 164(4): Clarification on Refund Eligibility

An insertion has been made in sub-rule (4) of Rule 164 to specify that:

“No refund shall be available for any tax, interest, and penalty, which has already been discharged for the entire period, prior to the commencement of the Central Goods and Services Tax (Second Amendment) Rules, 2025, in cases where a notice or statement or order mentioned in sub-section (1) of section 128A, includes a demand of tax, partially for the period mentioned in the said sub-section and partially for a period other than mentioned in the said sub-section

Implication: Taxpayers who have already paid dues for the entire period covered under Section 128A before the commencement of these amendment rules are not eligible for refunds, even if part of the demand pertains to periods outside the specified timeframe.

2. Addition to Rule 164(7): Procedure for Partial Appeals

A new proviso has been added to sub-rule (7) of Rule 164, allowing taxpayers to:

“Intimate the appellate authority or Appellate Tribunal that they do not wish to pursue the appeal for the period mentioned in sub-section (1) of section 128A, and the relevant authority shall, after taking note of the said request, pass such order for the period other than that mentioned in the said sub-section, as he thinks just and proper

Implication: Taxpayers can now partially withdraw appeals concerning the period from **1st July 2017 to 31st March 2020**, aligning with the conditional waiver under Section 128A, without affecting appeals for other periods.

□ **Practical Impact**

- **For Taxpayers:** This amendment provides clarity on the non-eligibility of refunds for amounts already paid and offers a mechanism to partially withdraw appeals, facilitating the availing of waivers under Section 128A.

- **For Tax Professionals:** Advisors should assess clients' cases to determine eligibility for waivers and guide them through the process of partial appeal withdrawal where applicable.
 - **For Tax Authorities:** The provisions necessitate careful examination of appeals and payments to ensure compliance with the new rules and proper application of waivers.
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