

Amendments

For

CMA Inter/Final

Dec-2026 Examination

(Indirect Taxation)

By

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GST

For CMA Inter / Final

Rule 31D of Valuation Rules – Retail Selling Price as Value of Supply

Government has notified following goods for which value of supply shall be calculated as below (not the transaction price):

- **Notified Goods:** Pan masala, Tobacco or its substitutes, cigar, cheroots, cigarillos and cigarettes or product containing tobacco or nicotine or its substitutes.
- **Value of Supply:** Retail Selling Price declared on goods – Applicable Taxes
- **Tax Amount:** Retail Selling Price X [Tax Rate/100 + Tax Rate] (Reverse Calculation)
- **Retail Selling Price [RSP]:** Maximum price declared on goods inclusive of all taxes

Note:

- If more than one RSP shown, the maximum price is deemed the RSP.
- If the declared RSP is increased at any stage (before, during, or after supply), the altered (higher) price is deemed as RSP.
- If different RSPs are declared on packages for different geographic areas, each specific RSP is used for valuation in its respective area.

Input Tax Credit

Addition - Rule 86B [Restriction on Utilising ITC]

- Registered Person other than Manufacturer exempted from this provision only in respect of goods under rule 31D [Pan masala, Cigarette, Tobacco etc.] on which tax paid by supplier based on retail sale price.

Registration -

Fast track registration for low-risk applicants

If low-risk application identified based on risk parameters and data analysis, registration shall be granted electronically within 3 working days from application. (without any human intervention)

Special Procedure for Registration [Rule 14A]

This is an optional scheme for small taxpayers to simplify registration compliance. Any person while applying for registration, may get registration electronically in this rule on following conditions:

- Its output tax liability on supplies made to registered person upto ₹2.5 lacs per month.
- Shall not obtain another registration in same State/UT on same PAN under this rule
- Opted for Aadhaar authentication (except if exempted).

Registration in this rule shall be granted within 3 working days from completing Aadhaar Authentication.

Withdrawal from the Scheme

Any person can file application of withdrawal from the scheme in form GST REG-32 subject to conditions:

- Return for minimum one tax period has been filed.
- All the returns due for period from effective date of registration till application for withdrawal is filed.
- Cancellation proceeding has not been initiated

Implication of Withdrawal from the Scheme

- Application of withdrawal shall be processed like normal registration application
- Such person shall be able to furnish output tax liability more than ₹2.5 lacs per month only after 1st day of succeeding month which the order accepting withdrawal has been passed.

For CMA Final Only

Offences and Penalties and Ethical Aspects under GST

Section 122B

In case person notified under track and trace mechanism [Refer Chapter: Miscellaneous Provisions] contravened the provision of such section it shall be liable to a penalty of:

- ₹1,00,000 (CGST) / ₹2,00,000 (IGST) ←
 - or
 - 10% of tax payable on such goods ←
- ← Whichever is Higher

Customs

Special Provisions for Baggage [Section 77 to 81 of the Customs Act]

Meaning of Baggage	• Baggage includes unaccompanied baggage but does not include motor vehicles. [In common it is the luggage of passengers] • Passenger arriving in India carrying dutiable or prohibited goods must make declaration of content in baggage electronically in Customs Declaration Form. • Customs Declaration Form can be filed on arrival or up to 3 days in advance.
Rate of Duty	• Relevant date will be the date of making such declaration. • At present, ROD [BCD] on baggage is 35%. (SWS is Exempt) • However, firearms, cartridges exceeding 50 shall be taxable @ BCD 70%. Note: Rest of the Annexure-1 Items shall be taxable at respective rate of customs applicable to them as prescribed by Law .

Baggage Rules 2026

General Duty-Free Baggage Allowance (GFA) [Rule 3 and Rule 5]

Class of Passanger	Articles Allowed Free of Duty
Any Passanger other than Tourist of Foreign origin excluding Infant Note: It covers residents, Tourist of Indian origin and Foreigner with Valid Visa other than Tourist Visa	• If arriving through other than land route ✓ Used personal effects required for daily necessities of life - No Limit ✓ Travel souvenirs - No Limit ✓ Articles upto value of ₹ 75,000 [Accompanied Baggage] • If arriving through land route ✓ Used personal effects required for daily necessities of life - No Limit
Tourist of Foreign origin excluding Infant	• If arriving through other than land route ✓ Used personal effects required for daily necessities of life - No Limit ✓ Travel souvenirs - No Limit ✓ Articles upto value of ₹25,000 [Accompanied Baggage] • If arriving through land route ✓ Used personal effects required for daily necessities of life - No Limit
Infant [upto age of 2 years]	• Used personal effects required for daily necessities of life - No Limit • Travel souvenirs - No Limit

Additionally, one laptop including notepad is also allowed duty free, if imported by person having age ≥ 18 years.

Notes:

- (i) This allowance under rule 3 and 5 shall not be allowed on articles in Annexure I.
- (ii) Personal effect means articles reasonably required by passenger during the journey excluding import/export for commercial purpose. [it can be new or old]

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- (iii) Resident means a person ordinarily residing in India and holding a valid passport.
- (iv) Tourist means a person not ordinarily residing in India and who enters India for stay upto 6 months in the period of 12 months for legitimate non-immigrant purpose.
- (v) "Foreigner with a valid visa, other than tourist visa" means foreigner having valid visa other than tourist visa and staying in India for more than 6 months.
- (vi) Allowance of a passenger cannot be pooled with any other passenger for a single item.

Example: Mr. A and Mrs. A, couple coming from Australia brings music system of ₹1,50,000. In such case, duty free allowance available is only ₹75,000 and tax to be paid on ₹75,000. However, if they bring 2 music system of ₹75,000 each, then both allowed duties free.

Jewellery Allowance (Additional Allowance) [Rule 6]

If Resident or Tourist of Indian origin residing abroad for more than 1 year on his return, shall be allowed duty free jewellery allowance [In addition to allowance in rule 3 and 5] upto the below limit:

- For Female Passenger: upto 40 grams
- For Other than Female Passenger: upto 20 grams

Transfer of Residence (Additional Allowance) for [Rule 7]

Resident or Tourist of Indian origin, engaged in profession abroad and transfer his residence to India is allowed further duty-free allowance [In addition to allowance in rule 3 and 5], as below:

Duration of Stay Abroad	Articles Allowed Free of Duty	Conditions and Relaxations
3 month - 12 month	Personal and household articles upto ₹1,50,000	
Minimum 1 year during previous 2 years	Personal and household articles upto ₹3,00,000	✓ Not availed such concession in last 3 year
Minimum 2 year or more	Personal and household articles upto ₹7,50,000	✓ Minimum 2 year stay abroad before arrival, however short fall of 2 month due to terminal leave/other special reasons in stay abroad can be condoned by AC/DC. ✓ Total stay in India does not exceed 6 month in last 2 years, however PC/C may condone this condition. ✓ Not availed such concession in last 3 year

Note: Allowance U/R 7 is not available on article in Annexure I but available on article in Annexure II but not more than 1 unit each. Foreigner with Valid Visa other than Tourist Visa, engaged in profession in India or transfer his residence to India is allowed duty-free allowance [In addition to allowance in rule 3 and 5], as below:

Duration of Stay Abroad	Articles Allowed Free of Duty	Conditions and Relaxations
6 month - 12 month	Personal and household articles upto ₹1,50,000	✓ Minimum stay of 6 months in India, however short fall of 3 months due to terminal leave or other special reasons in stay in India can be condoned by PC/C. ✓ Not availed such concession in last 1 year
Minimum 1 year during next 2 years from arrival	Personal and household articles upto ₹3,00,000	✓ Minimum stay of 1 year in India during next 2 years from arrival in India, however short fall of 3 months due to terminal leave or other special reasons in stay in India can be condoned by PC/C. ✓ Not availed such concession in last 3 year
Minimum 2 year or more from arrival	Personal and household articles upto ₹7,50,000	✓ Minimum stay of 2 year in India from arrival in India, however short fall of 2 months due to terminal leave or other special reasons in stay abroad can be condoned by AC/DC. ✓ PC/C may condone short visit upto 6 month in special case ✓ Not availed such concession in last 3 year

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Returning after stay abroad of 2 year or more	Personal and household articles upto ₹7,50,000	✓ Minimum 2 year stay abroad immediately before arrival for transfer of residence, however short fall of 2 months due to terminal leave or other special reasons in stay abroad can be condoned by AC/DC. ✓ Total stay in India does not exceed 6 month in last 2 years, however PC/C may condone this condition. ✓ Not availed such concession in last 3 year
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Note: Allowance U/R 7 is not available on article in Annexure I but available on article in Annexure II but not more than 1 unit each.

Re-import and Temporary Import [Rule 4]

- Any article of personal effect (other than required for daily necessities of life) taken out by a resident, Tourist of Indian origin and Foreigner with Valid Visa other than Tourist Visa or his family, may be re-imported duty free, provided declaration was made at the time of departure.
- Any article of personal effect required for stay in India (other than required for daily necessities of life) brought by a tourist allowed duty free, provided re-export at time of leaving India.

Unaccompanied Baggage [Rule 10]

Unaccompanied baggage may land in India upto 2 months before arrival [can be extended upto 1 year before arrival by Assistant or Deputy commissioner] or is dispatched within 1 month of arrival of passenger in India [or upto extended period].

Crew Baggage [Rule 11]

- Above rules shall also apply to a crew member of foreign going conveyance when finally paid-off on his termination.
- Such crew member may bring chocolates, cheese, cosmetics and other gift articles up to ₹2,500 per visit for personal or family use.

Annexures for Baggage Rules

Annexure I [See Rule 3, 5 and 7]

- Firearms or Cartridges of fire arms exceeding 50
- Cigarettes exceeding 100 sticks or cigars exceeding 25 or tobacco exceeding 125 grams
- Alcoholic liquor or wines more than two litres
- Gold or silver in any form other than ornaments
- Television

Annexure II [See Rule 7]

- Microwave/Electric oven, Air Fryer, Gas Cooking Range, Dish washer, Oil heater, Water dispenser
- Domestic refrigerator or Deep freezer
- Air conditioner/cooler, Vacuum Cleaner, Washing Machine, Dryer machine, Air Purifier, Dehumidifier
- Personal computer (desktop computer), laptop, Note Pad, Tablet (e.g. iPad), Multifunction Printer
- Television, home theatre system, Video camera along with receiver or sound recording or video reproducing apparatus, Small Bluetooth speaker, projector, amplifier
- Play station or any other gaming console, Musical Instrument (Piano or Guitar, etc.)
- Massage Chair

Guidelines related to Temporary Importation/Detention of Baggage

- Temporary baggage import certificate may be issued to tourists to allow temporary import of personal effects for bona fide use, subject to re-export at the time of first departure from India or within 6 months, whichever is earlier.

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- Detention receipt is issued in those cases where goods are restricted or prohibited or where the passenger cannot pay duty; with the articles subsequently released or returned to the passenger on departure.

I/E of Goods -Deferred Payment of Duty [Clear First–Pay Later] – Trade Facilitation Measures

- Payment of duty shall be made on the date of filing BOE. However, Principal Commissioner /Commissioner at import port may allow deferred payment of duty to following eligible importers:
 - Importer certified under Authorised Economic Operator (AEO) program as tier-2 and tier-3
 - Authorised public undertaking
 - Eligible Manufacturer Importer including Existing AEO-T1 entities (including MSMEs) [only up to 31st March, 2028] subjected to certain conditions below:
 - ✓ Must be an importer and Manufacturer or send goods to job worker tax free
 - ✓ Has a valid IEC and at least one active GST registration showing factory or manufacturing
 - ✓ Filed all pending GST returns due up to the application date
 - ✓ Active in business for at least 2 financial years preceding the date of application
 - ✓ Must submit a Chartered Accountant's certificate proving financial solvency (not insolvent or bankrupt) for the preceding 2 financial years.
 - ✓ Filed at least 25 import/export documents in the previous financial year. [10 documents in case of MSMEs]
 - ✓ Combined turnover across all GST registrations under the same PAN must exceed ₹5 crore in the last financial year.
 - ✓ No arrests, convictions, or pending prosecutions under indirect tax laws against the applicant, proprietor, partners, or Board of Directors.
 - ✓ No history of rejected or suspended Eligible Manufacturer Importer (EMI) applications due to false or forged documents.
- Due Date for payment of duty in case of deferred payment of duty [Clear first–Pay later]

BOE for which payment is due	Due Date
From 1 st day to last day of any month except march	1 st of the next month
From 1 st day to 31 st day of march month	31 st march

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