



**GST Amnesty Scheme: No need to pay interest and penalty on GST tax demand - disregard for the law-abiding taxpayers and caving into the lazy ones**

Section 128A of the CGST Act, 2017, is a new section that provides some relief to individuals and companies registered under GST. This relief which is a conditional waiver scheme, allows total waiver of interest and penalty for specified **non-fraudulent GST demand notices related to FY 2017-18 to 2019-20**. Do note that this scheme only waives off the interest and penalty amount, you still need to pay the tax demand amount.

Ministry of Finance, through **Notification No. 17/2024 dated 27th September 2024**, announces the implementation dates for various sections of the Finance (No. 2) Act, 2024. As per the notification, sections 118, 142, 148, and 150 of the Act will take effect from the date of the notification's publication in the Official Gazette. Additionally, sections 114 to 117, 119 to 141, 143 to 147, 149, and 151 to 157 will come into force **on 1st November 2024**.

### **Eligibility for the Amnesty Scheme u/s 128A**

The newly inserted section 128A provides for waiver of interest or penalty or both relating to demands raised under section 73 for FY 2017-18, 2018-19, and 2019-20. The taxpayer must not be assessed on grounds of alleged fraud, wilful misrepresentation, or suppression of facts.

### **How the Scheme will work**

- (1) if you need to benefit from this GST conditional waiver scheme then you need to agree with the tax demand pay it and stop all pending litigation. Once your case is accepted under this scheme and you paid the tax demand amount, the tax notice will be extinguished

- (2) The waiver of interest and penalty is conditional and is subject to payment of the tax amount under dispute by 31 March 2025
- (3) This waiver of interest and penalty excludes cases of erroneously sanctioned refunds and applies only to 'open cases' that are still in appeal or under dispute and do not appear to extend to cases where the taxpayer has already paid the interest and penalty amount.
- (4) Those GST-registered taxpayers who have already paid the interest and penalty amount will not get a refund under this scheme
- (5) The following scenarios will be covered under this waiver scheme:
  - a) Notice issued but the order has not been passed, or
  - b) Order passed by GST Proper Officer, but Appellate Authority or Revisional Authority has not passed the order, or
  - c) The order passed by Appellate Authority or Revisional Authority, but Tribunal has not passed the order
  - d) The waiver will not be available in case of erroneous refunds.