

GST Refunds From 1 November 2026

What changes for exporters and inverted duty claims under the CGST (Amendment) Rules, 2026 and section 155 of the Finance Act 2026

Exporters · Inverted duty · Provisional refund · Timelines

Two instruments, one date

Notification No. 03/2026–Central Tax, dated 26 October 2026, appoints 1 November 2026 as the date on which sections 153 to 155 of the Finance Act 2026 come into force. Section 155 amends section 54 of the CGST Act, the refund section.

Notification No. 05/2026–Central Tax, dated 26 October 2026, made on the recommendations of the GST Council, amends rules 89 to 92 of the CGST Rules, 2017.

Item	Position
General date of effect	1 November 2026
Refund statements in rule 89(2)	1 December 2026
Capital goods in refund formulae	1 April 2027

Faster processing, run by the portal

1

Ten days to acknowledge. The proper officer must issue the acknowledgement in FORM GST RFD-02, or a deficiency memo in FORM GST RFD-03, within ten days of filing, for applications other than refunds from the electronic cash ledger (rule 90(2) and (3)). It was fifteen days.

2

Deemed acknowledgement. If neither issues within ten days, the application is deemed acknowledged, and the 60-day period for the refund order under section 54(7) counts from the date of filing (new rule 90(3A)).

3

Provisional order in three working days. The common portal, on system risk evaluation, generates the provisional refund order in FORM GST RFD-04 within three working days of acknowledgement, with no revalidation by the officer (rule 91(2)).

4

Portal orders. The payment order in FORM GST RFD-05 may be made available through the common portal (rule 91(3)), and where a refund under section 54 is due and payable under section 49(6), the portal generates the order in FORM GST RFD-06 (new rule 92(1B)).



The numbers that change

Point	Until 31 October 2026	From 1 November 2026
Acknowledgement or deficiency memo	15 days	10 days, then deemed acknowledged
Provisional order RFD-04	Officer, within 7 days, could decline with recorded reasons	Common portal, within 3 working days
90% provisional refund	Zero-rated supplies only	Zero-rated supplies and inverted duty claims
Zero-rated turnover of goods under bond or LUT	Capped at 1.5 times the value of like goods supplied domestically	Cap omitted
Rs 1,000 minimum refund	Applied to all refunds under section 54(5) and (6)	Not applied to tax on goods exported with payment of tax



Exporters and inverted duty claims

Exporters (zero-rated supplies)

- The 1.5 times cap in rule 89(4)(C) is omitted, so zero-rated turnover of goods under bond or LUT is computed without the 1.5 times limit.
- No Rs 1,000 floor where refund is of tax paid on goods exported with payment of tax (section 54(14)).
- The provisional refund order now comes from the portal in three working days.

Inverted duty structure claims

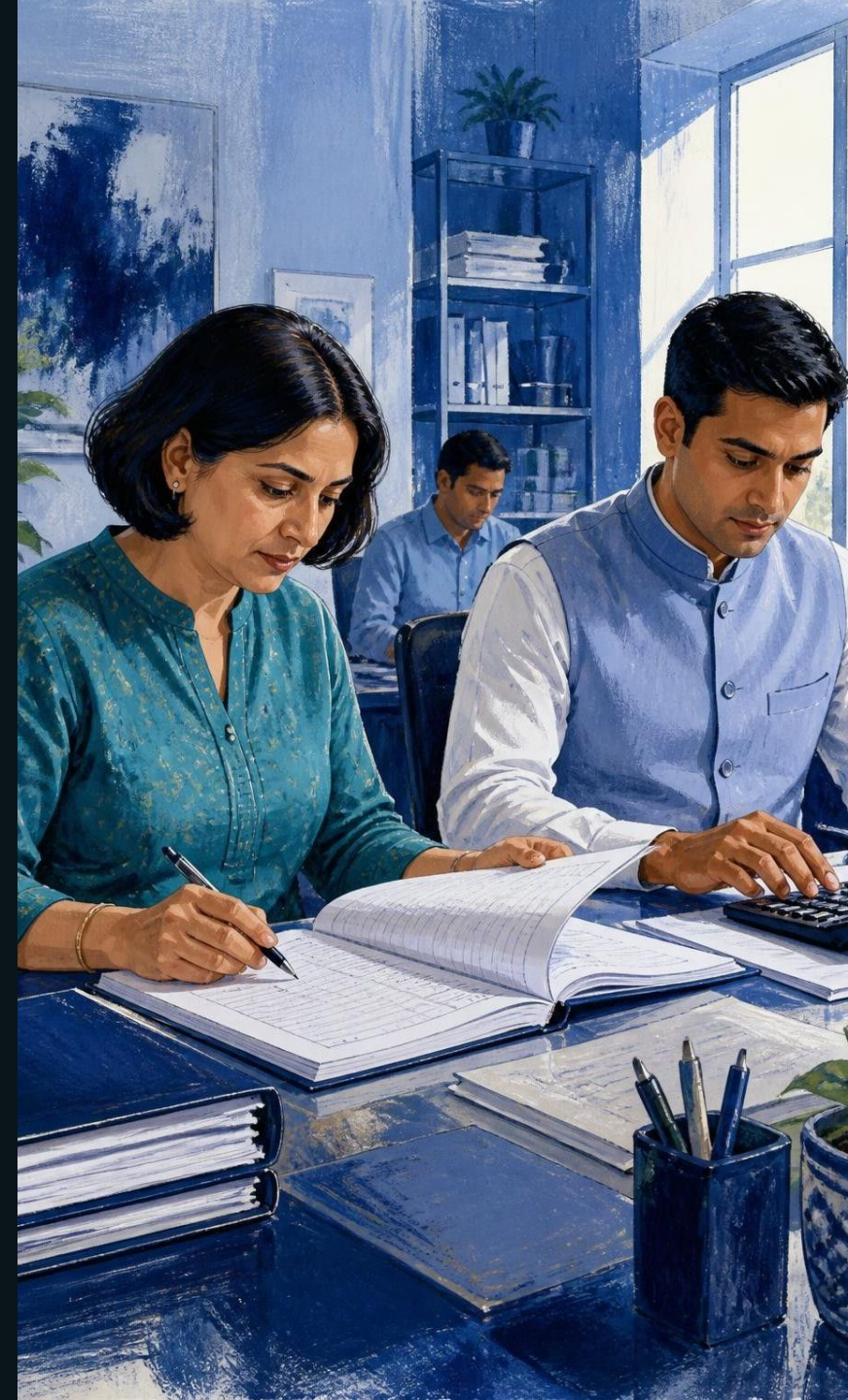
- Provisional refund of 90% under section 54(6) now extends to these claims.
- The rule 89(5) formula is rewritten: Net ITC counts ITC on inputs and on eligible input services.
- Eligible input services means input services on which ITC is availed on or after 1 November 2026.

Who should act

Founders exporting goods or services: track the ten-day window on every refund filed from 1 November 2026, and the 60-day order period that runs from filing once the ten days pass.

Businesses with an inverted duty structure: recompute claims for periods from November 2026 under the new rule 89(5), and keep a record of ITC on input services availed from 1 November 2026.

Finance teams and advisers: check the order of debit of the electronic credit ledger in the new rule 89(3), and prepare for the 1 December 2026 statements.



Points to watch

1

Not all at once. From 1 December 2026, rule 89(2) asks for invoice "details" rather than number and date, and adds new statements and a prosecution declaration.

2

Only new input services count. ITC on input services availed before 1 November 2026 is outside "eligible input services" in the inverted duty formula.

3

Condition unchanged. Provisional refund is not available to a person prosecuted, in the five years before the tax period of the claim, for an offence where the tax evaded exceeds Rs 250 lakh (rule 91(1)).

4

Ledger debit order. Integrated tax is debited first, then central tax and State or Union territory tax equally (rule 89(3)).

Your refund plan

1

Diarise ten days from filing for every refund application filed from 1 November 2026.

2

Recompute inverted duty claims under the substituted rule 89(5).

3

Tag ITC on input services availed on or after 1 November 2026 in your books.

4

Exporters of goods under LUT: recompute zero-rated turnover without the 1.5 times limit.

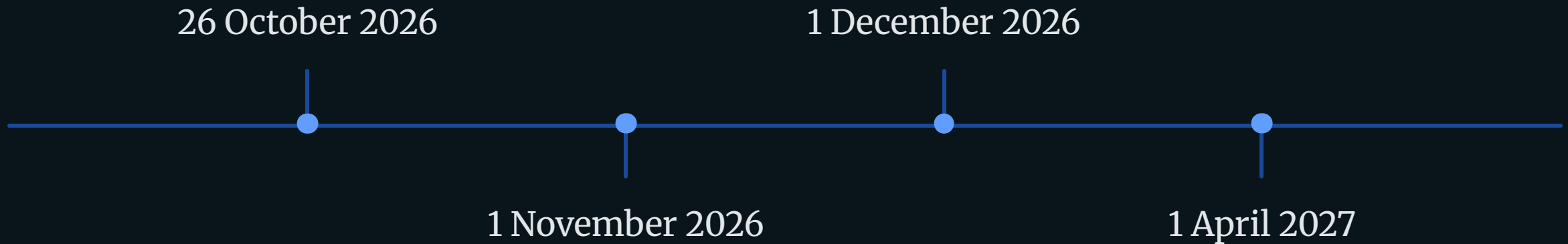
5

Prepare the invoice details and the declaration needed from 1 December 2026.

6

Start capital goods records for ITC availed from 1 April 2027 if your claims will include it.

Key dates



Date	What applies
26 October 2026	Notifications 03/2026 and 05/2026-Central Tax issued
1 November 2026	Ten-day acknowledgement, portal RFD-04, inverted duty provisional refund, new rule 89(5), 1.5 times cap omitted, Rs 1,000 carve-out
1 December 2026	Reworded rule 89(2) statements, new statements and the prosecution declaration
1 April 2027	Capital goods in refund formulae and the capital goods declaration

Filing an export or inverted duty refund after 1 November? Talk to A S Banka Advisors Private Limited. Book a quick call.

Book a Call

Source: CBIC, Notification No. 05/2026-Central Tax, 26 October 2026.

Source: CBIC, Notification No. 03/2026-Central Tax, 26 October 2026.

Source: The Finance Act, 2026 (4 of 2026), section 155.

