

CHAPTER XVII
INSPECTION, SEARCH AND SEIZURE

17.1 Inspection, search and seizure. [Rule 139]

Rule 139(1)	01.07.2017 to till date	Where the proper officer not below the rank of a Joint Commissioner has reasons to believe that a place of business or any other place is to be visited for the purposes of inspection or search or, as the case may be, seizure in accordance with the provisions of section 67, he shall issue an authorisation in FORM GST INS-01 authorising any other officer subordinate to him to conduct the inspection or search or, as the case may be, seizure of goods, documents, books or things liable to confiscation.
Rule 139(2)	01.07.2017 to till date	Where any goods, documents, books or things are liable for seizure under sub-section (2) of section 67, the proper officer or an authorised officer shall make an order of seizure in FORM GST INS-02 .
Rule 139(3)	01.07.2017 to till date	The proper officer or an authorised officer may entrust upon the the owner or the custodian of goods, from whose custody such goods or things are seized, the custody of such goods or things for safe upkeep and the said person shall not remove, part with, or otherwise deal with the goods or things except with the previous permission of such officer.
Rule 139(4)	01.07.2017 to till date	Where it is not practicable to seize any such goods, the proper officer or the authorised officer may serve on the owner or the custodian of the goods, an order of prohibition in FORM GST INS-03 that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer.
Rule 139(5)	01.07.2017 to till date	The officer seizing the goods, documents, books or things shall prepare an inventory of such goods or documents or books or things containing, inter alia, description, quantity or unit, make, mark or model, where applicable, and get it signed by the person from whom such goods or documents or books or things are seized.

17.1.1 Relevant Section of CGST Act 2017- Rule 139

Section	Particulars
Section 67	Power of inspection, search and seizure

17.1.2.1 Circulars - Proper officer relating to provisions other than Registration and Composition under the Central Goods and Services Tax Act, 2017 - [Circular No. 3/3/2017 – GST dated 5th July, 2017](#)

17.1.3. Relevant Forms – Rule 139

Forms	Particulars
FORM GST INS-01	AUTHORISATION FOR INSPECTION OR SEARCH
FORM GST INS-02	ORDER OF SEIZURE
FORM GST INS-03	ORDER OF PROHIBITION

17.2 Bond and security for release of seized goods. [Rule 140]

Rule 140(1)	01.07.2017 to till date	The seized goods may be released on a provisional basis upon execution of a bond for the value of the goods in FORM GST INS-04 and furnishing of a security in the form of a bank guarantee equivalent to the amount of applicable tax, interest and penalty payable.
Explanation	01.07.2017 to till date	For the purposes of the rules under the provisions of this Chapter, the “applicable tax” shall include central tax and State tax or central tax and the Union territory tax, as the case may be and the cess, if any, payable under the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017).
Rule 140(2)	01.07.2017 to till date	In case the person to whom the goods were released provisionally fails to produce the goods at the appointed date and place indicated by the proper officer, the security shall be encashed and adjusted against the tax, interest and penalty and fine, if any, payable in respect of such goods.

17.2.1.1 Circulars - Proper officer relating to provisions other than Registration and Composition under the Central Goods and Services Tax Act, 2017 - [Circular No. 3/3/2017 – GST dated 5th July, 2017](#)

17.2.2.1 Instructions - Judgment of Hon'ble Supreme Court in the case of State of Uttar Pradesh & ors vs. M/s Kay Pan Fragrance Pvt. Ltd. in Civil Appeal No. 8942/2019 & 8944/2019 - [INSTRUCTIONS NO. 04/2019 dated 9" December, 2019](#)

17.2.3. Relevant Forms – Rule 140

Forms	Particulars
FORM GST INS-04	BOND FOR RELEASE OF GOODS SEIZED

17.3 Procedure in respect of seized goods. [Rule 141]

Rule 141(1)	01.07.2017 to till date	Where the goods or things seized are of perishable or hazardous nature, and if the taxable person pays an amount equivalent to the market price of such goods or things or the amount of tax, interest and penalty that is or may become payable by the taxable person, whichever is lower, such goods or, as the case may be, things shall be released forthwith, by an order in FORM GST INS-05 , on proof of payment.		
Rule 141(2)	01.07.2017 to 22.03.2020	Where the taxable person fails to pay the amount referred to in sub-rule (1) in respect of the said goods or things, the Commissioner may dispose of such goods or things and the amount realized thereby shall be adjusted against the tax, interest, penalty, or any other amount payable in respect of such goods or things.		
	23.03.2020 to till date	Where the taxable person fails to pay the amount referred to in sub-rule (1) in respect of the said goods or things, the ¹ [proper officer] may dispose of such goods or things and the amount realized thereby shall be adjusted against the tax, interest, penalty, or any other amount payable in respect of such goods or things.		
<table border="1"> <thead> <tr> <th>Notes</th> </tr> </thead> <tbody> <tr> <td>1. Substituted for the word "Commissioner" w.e.f. 23rd March 2020 vide Notification No. 16/2020 – Central Tax dated 23rd March, 2020.</td> </tr> </tbody> </table>			Notes	1. Substituted for the word "Commissioner" w.e.f. 23 rd March 2020 vide Notification No. 16/2020 – Central Tax dated 23rd March, 2020 .
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17.3.1. Relevant Forms – Rule 141

Forms	Particulars
FORM GST INS-05	ORDER OF RELEASE OF GOODS/ THINGS OF PRISHABLE OR HAZARDOUS NATURE