

CHAPTER XIX
OFFENCES AND PENALTIES

19.1 Procedure for compounding of offences [Rule 162]

Rule 162(1)	01.07.2017 to till date	An applicant may, either before or after the institution of prosecution, make an application under sub-section (1) of section 138 in FORM GST CPD-01 to the Commissioner for compounding of an offence.								
Rule 162(2)	01.07.2017 to till date	On receipt of the application, the Commissioner shall call for a report from the concerned officer with reference to the particulars furnished in the application, or any other information, which may be considered relevant for the examination of such application.								
Rule 162(3)	01.07.2017 to 30.09.2023	The Commissioner, after taking into account the contents of the said application, may, by order in FORM GST CPD-02 , on being satisfied that the applicant has co-operated in the proceedings before him and has made full and true disclosure of facts relating to the case, allow the application indicating the compounding amount and grant him immunity from prosecution or reject such application within ninety days of the receipt of the application.								
	01.10.2023 till further amendment	The Commissioner, after taking into account the contents of the said application, may, by order in FORM GST CPD-02 , on being satisfied that the applicant ¹ [*****] has made full and true disclosure of facts relating to the case, allow the application indicating the compounding amount and grant him immunity from prosecution or reject such application within ninety days of the receipt of the application. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>1. Omitted w.e.f. 01.10.2023 the words "has cooperated in the proceedings before him and" vide Central Goods and Services Tax (Second Amendment) Rules, 2023 – Notification No. No. 38/2023- Central Tax dated 04.08.2023.</p> </div>								
Rule 162(3A)	01.10.2023 till further amendment	The Commissioner shall determine the compounding amount under sub-rule (3) as per the Table below:- <p style="text-align: center;">Table</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">S.No.</th> <th style="text-align: center;">Offence</th> <th style="text-align: center;">Compounding amount if offence is punishable under clause (i)</th> <th style="text-align: center;">Compounding amount if offence is punishable under clause</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	S.No.	Offence	Compounding amount if offence is punishable under clause (i)	Compounding amount if offence is punishable under clause				
S.No.	Offence	Compounding amount if offence is punishable under clause (i)	Compounding amount if offence is punishable under clause							

			of sub-section (1) of section 132	(ii) of sub-section (1) of section 132
		1.	Offence specified in clause (a) of sub-section (1) of section 132 of the Act	Up to seventy-five per cent of the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken, subject to minimum of fifty per cent of such amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken.
		2.	Offence specified in clause (c) of sub-section (1) of section 132 of the Act	Up to sixty per cent of the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken, subject to minimum of forty per cent of such amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken.
		3.	Offence specified in clause (d) of sub-section (1) of section 132 of the Act	Amount equivalent to twentyfive per cent of tax evaded.
		4.	Offence specified in clause (e) of sub-section (1) of section 132 of the Act	Amount equivalent to twentyfive per cent of tax evade
		5.	Offence specified in clause (f) of sub-section (1) of section 132 of the Act	
		6.	Offence specified in clause (h) of sub-section (1) of section 132 of the Act	
		7.	Offence specified in clause (i) of sub-section (1) of section 132 of the Act	
		8.	Attempt to commit the	Amount equivalent to

		<p>offences or abets the commission of offences mentioned in clause (a), (c) to (f) and clauses (h) and (i) of subsection (1) of section 132 of the Act</p> <p>cent of such amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken.</p> <p>twentyfive per cent of such amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken.</p>
		<p>1. Inserted w.e.f. 01.10.2023 vide Central Goods and Services Tax (Second Amendment) Rules, 2023 – Notification No. No. 38/2023- Central Tax dated 04.08.2023.</p>
¹ [Proviso	01.10.2023 till further amendment	<p>Provided that where the offence committed by the person falls under more than one category specified in the Table above, the compounding amount, in such case, shall be the amount determined for the offence for which higher compounding amount has been prescribed.]</p> <p>1. Inserted w.e.f. 01.10.2023 vide Central Goods and Services Tax (Second Amendment) Rules, 2023 – Notification No. No. 38/2023- Central Tax dated 04.08.2023.</p>
Rule 162(4)	01.07.2017 to till date	The application shall not be decided under sub-rule (3) without affording an opportunity of being heard to the applicant and recording the grounds of such rejection.
Rule 162(5)	01.07.2017 to till date	The application shall not be allowed unless the tax, interest and penalty liable to be paid have been paid in the case for which the application has been made.
Rule 162(6)	01.07.2017 to till date	The applicant shall, within a period of thirty days from the date of the receipt of the order under sub-rule (3), pay the compounding amount as ordered by the Commissioner and shall furnish the proof of such payment to him.
Rule 162(7)	01.07.2017 to till date	In case the applicant fails to pay the compounding amount within the time specified in sub-rule (6), the order made under sub-rule (3) shall be vitiated and be void.
Rule 162(8)	01.07.2017 to till date	Immunity granted to a person under sub-rule (3) may, at any time, be withdrawn by the Commissioner, if he is satisfied that such person had, in the course of the compounding proceedings, concealed any material particulars or had given false evidence. Thereupon such person may be tried for the offence with respect to which immunity was granted or for any other offence that appears to have been committed by him in connection with the compounding

		proceedings and the provisions the Act shall apply as if no such immunity had been granted.
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19.1.1 Relevant Section of CGST Act 2017- Rule 162

Section	Particulars
Section 138	Compounding of offences

19.1.2. Relevant Forms – Rule 162

Forms	Particulars
FORM GST CPD-01	Application for Compounding of Offence
FORM GST CPD-02	Order for rejection / allowance of compounding of offence

19.2 Consent based sharing of information ¹[Rule 162]

Notes
1. Inserted w.e.f. 01.10.2023 vide Central Goods and Services Tax (Second Amendment) Rules, 2023 – Notification No. No. 38/2023- Central Tax dated 04.08.2023.

Rule 163(1)	01.10.2023 to till date	Where a registered person opts to share the information furnished in—
		(a) FORM GST REG-01 as amended from time to time;
		(b) return in FORM GSTR-3B for certain tax periods;
		(c) FORM GSTR-1 for certain tax periods, pertaining to invoices, debit notes and credit notes issued by him, as amended from time to time,
		with a system referred to in sub-section (1) of section 158A (hereinafter referred to as “requesting system”), the requesting system shall obtain the consent of the said registered person for sharing of such information and shall communicate the consent along with the details of the tax periods, where applicable, to the common portal.

Rule 163(2)	01.10.2023 to till date	The registered person shall give his consent for sharing of information under clause (c) of sub-rule (1) only after he has obtained the consent of all the recipients, to whom he has issued the invoice, credit notes and debit notes during the said tax periods, for sharing such information with the requesting system and where he provides his consent, the consent of such recipients shall be deemed to have been obtained.				
Rule 163(3)	01.10.2023 to till date	<p>The common portal shall communicate the information referred to in sub-rule (1) with the requesting system on receipt from the said system-</p> <table border="1"> <tr> <td>(a)</td> <td>the consent of the said registered person, and</td> </tr> <tr> <td>(b)</td> <td>the details of the tax periods or the recipients, as the case may be, in respect of which the information is required.]</td> </tr> </table>	(a)	the consent of the said registered person, and	(b)	the details of the tax periods or the recipients, as the case may be, in respect of which the information is required.]
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(b)	the details of the tax periods or the recipients, as the case may be, in respect of which the information is required.]					

19.2.1 Relevant Section of CGST Act 2017- Rule 163

Section	Particulars
Section 158A	Consent based sharing of information furnished by taxable person