

56th Meeting of the GST Council
3rd September, 2025

PRESS RELEASE

The 56th meeting of the GST Council was held on 3rd September, 2025 at Sushma Swaraj Bhavan, New Delhi under the chairpersonship of the Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman. The GST Council *inter-alia* made the recommendations relating to changes in GST tax rates, provide relief to individuals, common man, aspirational middle class and measures for facilitation of trade in GST. FAQs are also being issued for clarification of doubts. The recommendations made by the 56th GST Council are as below:

A. CHANGES IN GST RATES OF GOODS AND SERVICES

I. Recommendations relating to GST rates on goods

1) Changes in GST rates of goods

The HSN wise rate changes are at ***Annexure -I*** and sector wise rate changes are at ***Annexure -II***

2) Other changes relating to goods

- (i) It has been decided that the GST will be levied on Retail Sale Price (RSP) instead of transaction value on Pan Masala, Gutkha, Cigarettes, Unmanufactured tobacco, Chewing tobacco like Zarda.
- (ii) It has been decided to grant ad hoc IGST and compensation cess exemption on new armoured sedan Car imported by the President's Secretariat for the President of India.

II. Recommendations relating to GST rates on services

1) Changes in GST rates of services

The HSN wise rate changes are at ***Annexure -III*** and Sector wise rate changes are at ***Annexure -IV***.

2) Other changes relating to services

- (i) The Council has recommended to add Explanations to the definition of 'specified premises' in the context of taxability of restaurant services in order to clarify the position that a stand-alone restaurant cannot declare itself as a 'specified premises' and consequently cannot avail the option of paying GST at the rate of 18% with ITC.

- (ii) The Council has recommended to align the valuation rules with the change in the tax rate applicable to lottery tickets, certain amendments in the GST Valuation rules are being carried out.

III. Recommendation relating to date of implementation

The Council was of the view that the changes in GST rates of goods and services need to be implemented with effect from 22nd September 2025. However, keeping in view the requirement of funds to fulfill the obligation under the compensation cess account, the Council decided that the changes in GST rates may be implemented in a phased manner as follows:

- a) The changes in GST rates on services will be implemented **with effect from 22nd September 2025.**
- b) The changes in GST rates of all goods except pan masala, gutkha, cigarettes, chewing tobacco products like zarda, unmanufactured tobacco and bidi, will be implemented **with effect from 22nd September 2025.**
- c) Pan Masala, gutkha, cigarettes, chewing tobacco products like zarda, unmanufactured tobacco and bidi will continue at the existing rates of GST and compensation cess where applicable, till loan and interest payment obligations under the compensation cess account are completely discharged.
- d) Based on c) above, Union Finance Minister and Chairperson of the GST Council may decide the actual date of transition to the revised rates of GST approved by the Council for the above-mentioned goods.
- e) Pending requisite amendments in CGST Act, 2017, Central Board of Indirect Taxes and Customs (CBIC) shall administratively start implementation of the revised system of grant of 90% provisional refunds arising out of Inverted Duty structure on the basis of data analysis and risk evaluation done by the system, as in the case of risk based provisional refunds on account of zero-rated supplies.

B. MEASURES FOR FACILITATION OF TRADE

1. Process Reforms

- (i) GST Council has taken various decisions and recommended various measures to facilitate trade. The process reforms and other measures related to GST law and Procedure are at ***Annexure -V***. The date of implementation of these process reforms will be notified in due course.

2. Operationalization of the Goods and Services Tax Appellate Tribunal (GSTAT)

The Goods and Services Tax Appellate Tribunal (GSTAT) will be made operational for accepting appeals before end of September and will commence hearing before end of December this year. The Council also recommended the date of 30.06.2026 for limitation of filing of backlog appeals. The Principal Bench of the GSTAT will also

serve as the National Appellate Authority for Advance Ruling. These measures will significantly strengthen the institutional framework of GST by providing a robust mechanism for dispute resolution, ensuring consistency in advance rulings, and offering greater certainty to taxpayers. This will further enhance trust, transparency, and ease of doing business under the GST regime.
