

## ADVISORY ON FILING OPT-IN DECLARATION FOR SPECIFIED PREMISES, 2025

Following Notification No. 05/2025 – Central Tax (Rate) dated January 16, 2025, the relevant declarations for specified premises are now available for electronic filing on the GST Portal. Persons applying for registration or already registered taxpayers supplying hotel accommodation services may opt to declare their premises as “specified premises.”

### Key Points

#### 1. Eligibility

##### Who may file:

- Regular taxpayers (active and suspended) supplying hotel accommodation services who wish to declare their premises as “specified premises”
- Applicants for new GST registration who wish to declare their premises as “specified premises”

##### Who cannot file:

- Composition taxpayers
- TDS/TCS taxpayers
- SEZ units/developers
- Casual taxpayers
- Cancelled registrations

#### 2. Types of Declarations

The following declarations are available on the portal:

##### Annexure VII: Opt-In Declaration for Registered Person

- For existing registered taxpayers opting to declare premises as specified premises for a succeeding financial year

##### Annexure VIII: Opt-In Declaration for Person Applying for Registration

- For persons applying for new registration, to declare premises as specified premises from the effective date of registration

*Note: Annexure IX (Opt-Out Declaration) will be made available separately in due course.*

#### 3. Filing Timeline

##### (A) Existing Registered Taxpayers – Annexure VII

- **Filing window:** January 1 to March 31 of the preceding financial year
- **For FY 2026-27:** File between January 1, 2026 and March 31, 2026

##### (B) New Registration Applicants – Annexure VIII

- **Primary window:** Within 15 days from the date of ARN generation for the registration application
- Filing is permitted regardless of GSTIN allocation status, provided the application is not rejected
- **Alternative window:** If the 15-day period lapses, filing is possible only during the Annexure VII window (January 1 to March 31)
- **Important:** If the registration application is rejected, Annexure VIII cannot be filed, regardless of whether 15 days have elapsed

#### 4. Filing Process

1. Log in to the GST Portal
2. Navigate to: **Services → Registration → Declaration for Specified Premises**
3. Select: **Opt-In Declaration for Specified Premises or Download Annexure Filed**
4. Select eligible premises, complete the declaration, and submit using EVC

An ARN will be generated upon successful submission.

#### 5. Important Considerations

- A maximum of 10 premises can be included in one declaration. Additional declarations may be filed for remaining premises, with separate PDFs and reference numbers generated for each premise
- If any premises are omitted, taxpayers may file Annexure VII again for those premises during the same filing window
- Suspended taxpayers may file declarations; cancelled taxpayers cannot
- Once exercised, the option continues for subsequent financial years unless an opt-out declaration (Annexure IX) is filed within the prescribed timeframe

#### 6. Downloading Filed Declarations

Filed Annexures (VII/VIII) can be downloaded at: **Services → Registration → Declaration for Specified Premises → Download**

Separate reference numbers are generated for each declared premise.

#### 7. Notifications

Email and SMS confirmations will be sent to all authorized signatories upon successful filing.

## Special Notes

- FY 2025-26 Manual Filers:** Declarations for FY 2025-26 were filed manually with jurisdictional authorities. Since electronic filing is now available, such taxpayers must file Annexure VII again electronically for FY 2026-27 between January 1, 2026 and March 31, 2026.
- First-Time Filers:** Taxpayers declaring specified premises for the first time must file Annexure VII for FY 2026-27 between January 1, 2026 and March 31, 2026.

**Source:** <https://services.gst.gov.in/services/advisoryand-releases/read/645>

## ADVISORY ON RSP-BASED VALUATION OF NOTIFIED TOBACCO GOODS UNDER GST

From February 1, 2026, specific tobacco products must be valued based on Retail Sale Price (RSP) instead of actual transaction value, creating a mismatch with existing GST reporting systems.

**Covered Products:** Pan masala, unmanufactured tobacco, cigars/cigarettes, manufactured tobacco products, and nicotine/tobacco inhalation products (HSN codes 2106 90 20, 2401-2404).

### Key Problem:

- Tax must be calculated on RSP (printed on package), not actual sale price
- Formula:  $\text{Tax} = (\text{RSP} \times \text{Tax Rate}) / (100 + \text{Tax Rate})$
- This creates a situation where taxable value + tax amount can exceed total invoice value, triggering system errors

### Example Given:

- RSP: ₹1,00,000
- Actual sale value: ₹60,000 (after discounts)
- Tax (IGST @40%): ₹28,571.43 (calculated on RSP)
- Problem: ₹71,428.57 (deemed taxable value) + ₹28,571.43 (tax) > ₹88,571.43 (total invoice)

**Reporting Solution:** For e-Invoice, e-Way Bill, and GSTR-1/1A/IFF:

- Report **Net Sale Value** (actual commercial consideration) as taxable value: ₹60,000
- Report **RSP-based calculated tax:** ₹28,571.43
- Total invoice value: ₹88,571.43 (sum of above two)
- Manually correct system-calculated values if needed

This is a facilitation measure to bypass system validation issues while ensuring correct tax discharge based on RSP.

**Source:** <https://services.gst.gov.in/services/advisoryand-releases/read/646>

## ADVISORY ON INTEREST COLLECTION AND RELATED ENHANCEMENTS IN GSTR-3B

From January 2026 period onwards, few enhancements have been made in filing of GSTR-3B

### 1. Enhanced Interest Calculation (Major Change)

- Interest computation now gives benefit of **minimum cash balance** in Electronic Cash Ledger (ECL)
- Formula:  $\text{Interest} = (\text{Net Tax Liability} - \text{Minimum Cash Balance in ECL from due date to payment date}) \times (\text{Days delayed} / 365) \times \text{Interest Rate}$
- This aligns with Rule 88B(1) proviso of CGST Rules, 2017
- Reduces interest burden** if taxpayer had sufficient cash in ECL

### 2. Non-Editable Auto-Populated Interest (Table 5.1)

- System auto-calculates and displays interest in Table 5.1
- Cannot be edited **downward** by taxpayers
- Can only be edited **upward** if taxpayer assesses higher liability
- Auto-populated amount is **minimum** interest payable

### 3. Auto-Population of Tax Liability Breakup Table

- System automatically populates breakup of supplies from previous periods reported in current period
- Based on document dates from GSTR-1/1A/IFF
- Helps in accurate interest calculation per Section 50 of CGST Act
- Values are suggestive and can be modified upward

### 4. IGST ITC Cross-Utilization Update (Table 6.1)

- After IGST ITC is fully used, taxpayers can pay IGST liability using CGST or SGST ITC in **any sequence** (more flexibility)

### 5. Interest Collection in GSTR-10

- For cancelled taxpayers, if last GSTR-3B was filed late, interest will be collected through Final Return (GSTR-10)

**Source:** <https://services.gst.gov.in/services/advisoryand-releases/read/647>