

# Ministry of Finance

## Regulation of irregularities in GST claims

Posted On: 11 FEB 2020 5:43PM by PIB Delhi

To identify cases of fraudulent claims under Goods & Services Tax (GST), the Government of India has taken measures to apply stringent risk parameters-based checks driven by rigorous data analytics and Artificial Intelligence (AI) tools based on which certain taxpayers are taken up for further verification. Moreover, a standard operating procedure has been prescribed for exporters vide Circular No. 131/1/2020-GST dated 23.01.2020 to mitigate the risk of wrongful refund claims of Integrated Goods and Services Tax (IGST). This was stated by Shri Anurag Singh Thakur, Union Minister of State for Finance & Corporate Affairs, in a written reply to a question in Rajya Sabha today.

Shri Thakur further stated that to curb cases of wrongful claims of input tax credit, sub-rule (4) of rule 36 has been inserted to Central Goods and Services Tax Rules, 2017 vide notification No. 49/2019 – Central Tax dated 09.10.2019. Vide notification No. 75/2019 – Central Tax dated 26.12.2019, rule 86A has been inserted to CGST Rules, 2017 which empowers tax officer, not below the rank of Assistant Commissioner, to block input tax credit available in the electronic credit ledger of a taxpayer if he has reasons to believe that such credit is ineligible or has been availed fraudulently.

Based on the valuable feedback and suggestions received from multiple stakeholders including State Governments, the GST Council makes recommendations and necessary action is taken by the Government.