

Central Board of Indirect Taxes and Customs (CBIC) issues procedures relating to sanction, post-audit and review of refund claims under GST regime

The Board has observed that different practices are being followed by the field formations regarding sanction, post-audit and review of refund claims . In certain Commissionerate, speaking orders are being issued for all refund claims whereas in others, no speaking orders are passed if full refund is sanctioned. Thus, the CBIC has issued instructions to ensure uniformity in procedure and enable effective monitoring for sanction, post-audit and review of refunds.

I. Sanction of refund

The Board provided detailed guidelines in order to ensure uniformity in processing of refund claims. Accordingly, the proper officer has to follow the principles of natural justice and, subsequently, pass a detailed speaking order. Also, the proper officer is required to upload the detailed speaking order along with sanction order and relevant documents on the ACES-GST portal for ready reference of the applicant as well as post-audit/reviewing authority.

Further, the CBIC has prescribed a comprehensive list of details required to be mentioned in the speaking order along with additional details required in case of certain category of refunds.

II. Post-audit and review of refund

Considering the large number of refund claims under GST, the Board has clarified that until further instruction, post-audit may be conducted only for refund claims amounting to **INR 1 lakh or more**.

Guidelines to conduct the post-audit and review of refunds

- All the refund orders shall be transmitted online on the review module wherein the review and post-audit officers shall have access to all such documents/statements pertaining to refund claims on ACES-GST portal.
- A post-audit cell must be created under Deputy/Assistant Commissioner along with one or two superintendents and inspectors.
- The post-audit should be concluded within three months from the date of issuance of order and the findings shall be communicated to the review branch within three months.
- The review of refund order shall be completed at least thirty days before the expiry of the period of filing the appeal.

Further, the CBIC has clarified that post-audit of refund order may be done in an offline mode, till the time online functionality is being developed. For this purpose, the refund order, along with relevant documents, may be provided to the post-audit cell within seven days from the issuance of the refund order.

