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CBIC; Withdrawal of circular No. 212/6/2024-GST on Mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the supplier

Section 15(3)(b)(ii) of the CGST Act, 2017 addresses the conditions under which a discount given after the supply of goods or services can be excluded from the taxable value.

The core requirement of Section 15(3)(b)(ii)

For a post-supply discount to be excluded from the value of supply, the recipient must reverse the input tax credit (ITC) that is attributable to that discount.

This provision is part of a larger condition under Section 15(3)(b) for post-supply discounts. For the discount to be validly excluded from the value of supply, two conditions must be satisfied:

(i) The discount was established by an agreement entered into at or before the time of supply and is specifically linked to relevant invoices.

(ii) The recipient of the supply has reversed the input tax credit (ITC) attributable to the discount.

Recent developments and withdrawal of Circular 212

There has been a recent change regarding the procedure for verifying the ITC reversal:

On June 26, 2024, the CBIC issued Circular No. 212/6/2024-GST, which prescribed a mechanism for suppliers to obtain proof of the recipient's ITC reversal. This included a certificate from a Chartered Accountant (CA) or Cost Accountant (CMA) or, for smaller discounts (up to ₹5,00,000 tax), an undertaking from the recipient.

However, the GST Council subsequently recommended an amendment to the law and on October 1, 2025, the CBIC officially withdrew Circular No. 212/6/2024-GST.

The effect of this withdrawal is that the specific procedural requirement for suppliers to obtain a CA/CMA certificate or an undertaking is no longer mandatory.

Implications of the withdrawal of Circular 212/2024

The withdrawal has important implications for businesses:

Reduced compliance burden: Suppliers no longer need to obtain certificates or undertakings from recipients to prove ITC reversal.

Ease of doing business: The removal of procedural hurdles makes it easier for businesses to offer and process post-supply discounts.

Focus on the law itself: The position is now aligned with the direct text of Section 15(3)(b)(ii), without the extra procedural requirements that had been imposed by the circular.

Mechanism for providing evidence of compliance with conditions of Section ...

26 Jun 2024 — * Circular No.: 212/6/2024-GST. Date: 26th June, 2024. Subject: Mechanism for providing evidence of compliance with conditions of Section 15(3)(b)

Circular No. 253/10/2025 – GST

F. No. CBIC-20001/3/2025-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing
****

North Block, New Delhi
Dated the 1st October, 2025

To

The Principal Chief Commissioners / Chief Commissioners (All)

The Principal Director Generals / Director Generals (All)

Madam/ Sir,

Subject: Withdrawal of circular No. 212/6/2024-GST dated 26th June, 2024 – reg.

Kind attention is invited to circular No. 212/6/2024-GST dated 26th June, 2024 wherein clarifications were given in relation to mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers.

2. In order to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by section 168(1) of the Central Goods and Services Tax Act, 2017, hereby withdraws, circular No. 212/6/2024-GST dated 26th June, 2024. Therefore, the procedure prescribed vide the aforesaid circular for providing evidence of compliance of conditions of Section 15(3)(b)(ii) shall not be required.

3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in implementation of this circular may please be brought to the notice of the Board.

Yours faithfully,

(Gaurav Singh)
Commissioner (GST)