



Instruction No. 1 dt 30th May 24 regarding initiation of recovery proceeding before the normal 3 months period from date of service of order!

## Description

**Instruction No. 1 dt 30th May 24 regarding initiation of recovery proceeding before the normal 3 months period from date of service of order!**

Proviso to Sec. 78 gives power to proper officer to record reason in writing & ask taxable person for making payment within such period less than 3 months as specified, if it is expedient in interest of revenue.

**The Instruction issued by [@cbic\\_india](#) mentions the following in favour of Taxable Person :-**

- Jurisdictional DC/ACTO itself cannot initiate recovery proceedings before the normal period of 3 months in any circumstances. Matter need to be placed before Principal Commissioner/Commissioner.
- PC/C shall examine the reason/justification & if considered expedient in interest of revenue, shall record the reason in writing & ask taxable person to make payment in less than 3 months.
- PC/C should provide specific reasons, clearly outlining the reasons for asking taxable person for early payment. Such reasons could include high risk to revenue such as closure of business in near future, impending insolvency etc.
- Reason to believe the apprehension of risk should be based on credible evidences, which may be kept on record.
- Such directions for early payment **shall not be issued in MECHANICAL MANNER** & to be only issued when interest of revenue to be safeguarded in specific circumstances

**Link to Instruction No. 01/2024-GST:-** <https://taxinformation.cbic.gov.in/view-pdf/1000509/ENG/Instructions...>

**Subject: Guidelines for initiation of recovery proceedings before three months from the date of service of demand order- regarding**

Attention is invited to sub-section (1) of section 79 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the 'CGST Act'), which provides that where any amount payable by a person to the Government under any of the provisions of CGST Act or Rules made thereunder is not paid, the proper officer shall proceed to recover the amount by one or more of the modes specified in the said sub-section. Attention is further invited to Section 78 of the CGST Act, which provides for the time for initiation of such recovery proceeding. These sections are reproduced below for ease of reference:

***"Section 78: Initiation of recovery proceedings:-***

*Any amount payable by a taxable person in pursuance of an order passed under this Act shall be paid by such person within a period of three months from the date of service of such order failing which recovery proceedings shall be initiated:*

*Provided that where the proper officer considers it expedient in the interest of revenue, he may, for reasons to be recorded in writing, require the said taxable person to make such payment within such period less than a period of three months as may be specified by him."*

***"Section 79: Recovery of tax:-***

*"1. Where any amount payable by a person to the Government under any of the provisions of this Act or the rules made thereunder is not paid, the proper officer shall proceed to recover the amount by one or more of the following modes, namely:-*

## Category

1. GST

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