

## Online refund processing and single authority disbursement : Advisory for taxpayers

The online processing of refund applications and single authority disbursement has been implemented. The taxpayers are advised to take note of the following changes:

1. Refund applications filed by the taxpayers in RFD-01 form shall be processed electronically/ online by the tax-officer and all communications between the tax officers and the taxpayers shall take place electronically.
2. Refund amount shall be disbursed by accredited bank of Central Board of Indirect Taxes and Customs (CBIC) through the Public Financial Management System (PFMS) after bank account validation.

The details of changes in various forms are illustrated below in the tables:

| Form                                 | RFD-01  |
|--------------------------------------|---|
| <b>Description</b>                   | Refund Application  |
| <b>Action by</b>                     | Taxpayer  |
| <b>Previous Processing Workflow</b>  | The taxpayers were filling refund application in form RFD-01A online.   |
| <b>Electronic/ Online Processing</b> | <p>The RFD-01A form has been disabled on the portal.</p> <p>The taxpayer shall be able to file his refund application in form RFD-01 now.</p> <p>However, the taxpayer shall be able to view the status of RFD-01A applications also along with the new ones.</p> <p>The bank account details mentioned in the refund application shall be validated by PFMS after filing of RFD-01. <b>The taxpayers must ensure that the bank account details selected in the refund application are valid and correct.</b></p> <p>The taxpayer will need to change/ edit the bank account details (through non-core amendment in registration in REG-14) if there is failure of bank account validation by PFMS. After performing this step, the taxpayer needs to enter the updated bank account by clicking on <b>'Update Bank Account'</b> functionality provided with the ARN of the refund application.</p> <p>The taxpayer shall be able to view the status of bank account validation on his dashboard. It will also be communicated through e-mail/ SMS.</p> |

| Form                                | RFD-02   |
|-------------------------------------|--|
| <b>Description</b>                  | Acknowledgement  |
| <b>Action by</b>                    | Tax Officer  |
| <b>Previous Processing Workflow</b> | The tax officer issued RFD-02 manually.  |
| <b>Electronic Processing</b>        | <p>The tax officer shall issue RFD-02 electronically to the taxpayer.</p> <p>The taxpayer shall be able to view the acknowledgement in RFD-02 on his dashboard.</p> <p>The taxpayer will also receive communication through email and SMS.</p> |

| Form                                | RFD-03   |
|-------------------------------------|--|
| <b>Description</b>                  | Deficiency Memo  |
| <b>Action by</b>                    | Tax Officer  |
| <b>Previous Processing Workflow</b> | The tax officer issued RFD-03 manually and there was no auto recredit of ITC/cash. |

|                              |  |
|------------------------------|--|
| <b>Electronic Processing</b> | <p>The tax officer shall issue RFD-03 electronically to the taxpayer.</p> <p>With the issuance of RFD-03, the ITC/ cash will get credited to the electronic credit/ cash ledger of the taxpayer.</p> <p>The taxpayer shall be able to view the deficiency memo in RFD-03 on his dashboard.</p> <p>Once RFD-03 has been issued against an ARN, the taxpayer is required to file a fresh refund application.</p> <p>The taxpayer will receive communication through email and SMS.</p> |
|------------------------------|--|

| <b>Form</b>                         | <b>RFD-04</b>  |
|-------------------------------------|--|
| <b>Description</b>                  | Provisional Refund Order   |
| <b>Action by</b>                    | Tax Officer  |
| <b>Previous Processing Workflow</b> | The tax officer issued RFD-04 manually.  |
| <b>Electronic Processing</b>        | <p>The tax officer shall issue RFD-04 electronically to the taxpayer.</p> <p>The taxpayer shall be able to view the provisional sanction order in RFD-04 on his dashboard.</p> <p>The taxpayer will receive communication through email and SMS.</p> |

| <b>Form</b>                         | <b>RFD-05</b>   |
|-------------------------------------|---|
| <b>Description</b>                  | Payment Order   |
| <b>Action by</b>                    | Tax Officer   |
| <b>Previous Processing Workflow</b> | The tax officer issued RFD-05 manually and sent a copy to the central nodal authority and state AAs respectively for disbursement.  |
| <b>Electronic Processing</b>        | <p>The tax officer shall issue RFD-05 electronically to the taxpayer. <b>The tax officer is not required to send the copy of RFD-05 to the central nodal authority and state AAs.</b></p> <p>The taxpayer shall be able to view the payment order in RFD-05 on his dashboard.</p> <p>The bank account details mentioned in the refund application shall be validated by PFMS after issuance of RFD-05 by the tax-officer.</p> <p>The taxpayer will need to change/ edit the bank account details (through non-core amendment in registration in REG-14) if there is failure of bank account validation by PFMS. After performing this step, the taxpayer needs to enter the updated bank account by clicking on 'Update Bank Account' functionality provided with the ARN of the refund application.</p> <p>The taxpayer shall be able to view the status of bank account validation and disbursement on his dashboard.</p> <p>The taxpayer will receive communication through email and SMS.</p> |

| <b>Form</b>                         | <b>RFD-06</b>                           |
|-------------------------------------|---|
| <b>Description</b>                  | Final Refund Sanction/ Rejection Order  |
| <b>Action by</b>                    | Tax Officer                             |
| <b>Previous Processing Workflow</b> | The tax officer issued RFD-06 manually. |

|                                     |   |
|-------------------------------------|---|
| <b>Electronic Processing</b>        | The tax officer shall issue RFD-06 electronically to the taxpayer.<br>The taxpayer shall be able to view the final sanction/ rejection order in RFD-06 on his dashboard.  |
| <b>Form</b>                         | <b>RFD-7B</b>   |
| <b>Description</b>                  | Withholding Order   |
| <b>Action by</b>                    | Tax Officer   |
| <b>Previous Processing Workflow</b> | The tax officer issued RFD-07B manually.  |
| <b>Electronic Processing</b>        | The tax officer shall issue RFD-07B electronically to the taxpayer.<br>The taxpayer shall be able to view the withhold order in RFD-07B on his dashboard.<br>The taxpayer will receive communication through email and SMS. |

|                                     |   |
|-------------------------------------|---|
| <b>Form</b>                         | <b>RFD-08</b>   |
| <b>Description</b>                  | Show Cause Notice   |
| <b>Action by</b>                    | Tax Officer   |
| <b>Previous Processing Workflow</b> | The tax officer issued RFD-08 manually.   |
| <b>Electronic Processing</b>        | The tax officer shall issue RFD-08 electronically to the taxpayer.<br>The taxpayer shall be able to view the show cause notice in RFD-08 on his dashboard.<br>The taxpayer is expected to give reply to the SCN within 15 days of receipt of the SCN. If the taxpayer doesn't respond within 15 days of the issuance of SCN, the tax officer can take action on the refund application.<br>The taxpayer will receive communication through email and SMS. |

|                                     |   |
|-------------------------------------|---|
| <b>Form</b>                         | <b>RFD-09</b>   |
| <b>Description</b>                  | Reply to Show Cause Notice by the Taxpayer  |
| <b>Action by</b>                    | Taxpayer  |
| <b>Previous Processing Workflow</b> | The taxpayers were submitting reply to the show cause notice manually to the tax officer.   |
| <b>Electronic Processing</b>        | The taxpayer is required to reply the SCN electronically/online in RFD-09 form which would be available on his dashboard.<br>The taxpayer shall be able to reply to the SCN and upload supporting documents electronically through RFD-09.<br>The tax officer may not process the reply to the SCN if not given electronically in RFD-09 by the taxpayer. |

|                                     |  |
|-------------------------------------|--|
| <b>Form</b>                         | <b>PMT-03</b>  |
| <b>Description</b>                  | Order for Recredit of Rejected Amount  |
| <b>Action by</b>                    | Tax Officer  |
| <b>Previous Processing Workflow</b> | The tax officer uploaded the refund order details in RFD-01B and then the ITC got recredited to the taxpayer's ITC ledger. |

|                                     |   |
|-------------------------------------|---|
| <p><b>Electronic Processing</b></p> | <p>The tax officer shall issue PMT-03 electronically.</p> <p>With the issuance of PMT-03, the inadmissible ITC shall get recredited to the electronic credit ledger of the taxpayer automatically.</p> <p>The taxpayer is required to give an undertaking that he will not file an appeal against the refund order if he/she desires to get a recredit of the rejected amount. This undertaking has to be submitted to the tax officer manually.</p> <p>The taxpayer shall be able to view the recredit order in PMT-03 on his dashboard.</p> |
|-------------------------------------|---|

Best Wishes  
Team GSTN