

FAQs > Provisional Assessment and Release of Security

1. What is Provisional Assessment?

If taxpayer is unable to determine either the value or tax rate or both for the goods/ services dealt in by him/her, then he/ she can file an application for provisional assessment to the Tax Official.

2. What are the steps involved in filing application for provisional assessment and release of security?

Steps for filing application for provisional assessment and release of security is explained below:

1. Filing of application for provisional assessment by taxpayer in Form GST ASMT-01
2. Issue of notice for seeking additional information by Tax Official in Form GST ASMT-02, if needed
3. Furnishing of reply by taxpayer in Form GST ASMT-03 to the notice issued in Form GST ASMT-02
4. Issue of order accepting the Provisional Assessment in Form GST ASMT-04 prescribing security and bond therein or to Reject the application
5. Furnishing of security and bond by taxpayer in Form GST ASMT-06 & taxpayer to physically handover the Bank Guarantee and bond to Tax official
6. Acceptance of security by Tax Officer, Process of correction of security, Resubmission of Security
7. Taxpayer can start selling the goods or providing the services as per Provisional Assessment Order and pay the tax amount as per rate or valuation mentioned in Provisional Assessment Order.
8. After period of provisional assessment is over, notice for seeking clarification in Form GST ASMT-06 to be issued to seek clarification for issue of final assessment order
9. Seeking extension of AC/JC for a period of six months if order is not issued within six months of issue of provisional order in Form GST ASMT-04
10. Further extension of Commissioner can be sought if order is not being issued within extended period
11. Issue of Final Assessment order in Form GST ASMT-07
12. Taxpayer to apply for release of security in Form GST ASMT-08
13. Issue of order for release of security in Form GST ASMT-09
14. Tax Official to physically handover the Bank Guarantee and bond to taxpayer

3. From where can I file an application for Provisional Assessment?

Navigate to **Services > User Services > My Applications > Provisional Assessment ASMT-01 > NEW APPLICATION** option.

4. From where can I view filed application for Provisional Assessment?

Navigate to **Services > User Services > My Applications > Provisional Assessment ASMT-01 > SEARCH > Click ARN** option.

5. From where can I view notice issued for Provisional Assessment?

Navigate to **Services > User Services > View Additional Notices/ Orders > NOTICES** option

6. From where can I reply to notice issued for Provisional Assessment?

Navigate to **Services > User Services > View Additional Notices/ Orders > REPLIES** option.

7. Does a taxpayer get any intimation about the notice or order issued to them?

Taxpayer will get intimation of all notices and orders issued to him/her through SMS and e-mail.

8. Can I apply for provisional assessment of more than one good/ service with one application?

Yes, you can apply for provisional assessment of more than one good/ service with one application.

9. In which situations, Tax Official can ask for Resubmission of Security and Submission of Additional Security?

If Tax Official finds some discrepancies in security furnished by taxpayer i.e. bank guarantee amount is not sufficient as required in provisional assessment order or reference number is not valid or time duration of bond/guarantee has expired or for any other reason, then he may ask for re-submission of security or submission of additional security amount.

10. Provisional Assessment Order can be issued by which date?

If Tax Official accepts the application for Provisional Assessment, then 'Provisional assessment order' will be issued within 90 days of filing application to pay tax on provisional basis and Tax Official will specify the amount of bond/ surety required to be furnished.

If Tax Official rejects the application, then order of rejection will be issued.

11. If Provisional Assessment Order is issued, does a taxpayer need to submit the security in offline mode?

In case, application is accepted and provisional assessment order is issued, taxpayer need to capture the details of security online on GST Portal and also submit it manually to the authority/ Tax Official (both online and offline) and can start making payment of tax on the value/tax rate on provisional basis as specified in the order.

12. By which date Final Assessment Order can be issued by Tax Official?

Final assessment order needs to be issued within 6 months from date of issue of provisional order.

Period of 6 months may be extended by Additional Commissioner /Joint Commissioner (AC/JC) for a further period not exceeding 6 months and by Commissioner/ Competent authority for such further period not exceeding 4 years.

13. What a taxpayer needs to do in case final assessment order determines higher rate/ value than provisionally assessed values?

If final assessment order determines higher rate/ value than provisionally assessed values, then the taxpayer need to deposit the differential tax along with applicable interest.

14. What a taxpayer needs to do in case final assessment order determines lower rate/ value than provisionally assessed values?

If final assessment order determines lower rate/ value than provisionally assessed, then the taxpayer can apply for refund of the excess amount paid by him on the subject goods and /or services supplied by him during pendency of provisional assessment proceedings.

15. When can a taxpayer file for release of security?

After finalization of provisional assessment process with the issue of final assessment order, taxpayer can file application for release of security. Tax Official will verify the request and check whether the purpose for which security was furnished has been accomplished. If the purpose is not accomplished, an intimation will be sent to the taxpayer that security cannot be released and order for rejecting the application will be issued. If purpose is accomplished, then release order will be issued after seeking approval of competent authority and Tax Official will handover the security to taxpayer.

16. What will happen after release of security?

Once the security is released by Tax Official, online Release order will be generated and intimation of issue of order will be sent via email and SMS to taxpayer. Order will also be available at the dashboard of taxpayer for view, print and download.

17. From where can I furnish the security for Provisional Assessment?

Navigate to **Services > User Services > My Applications > Provisional Assessment ASMT-01 > SEARCH > SECURITY** option.

18. From where can I apply for release of security for Provisional Assessment?

Navigate to **Services > User Services > My Applications > Provisional Assessment ASMT-01 > SEARCH > SECURITY** option.

19. What are the various statuses for Provisional Assessment?

Various statuses for Provisional Assessment updated automatically by GST Portal are:

1. Pending for action by tax officer: Status of ARN when application is submitted successfully by taxpayer and is in list of applications received for provisional assessment in queue of tax officer
2. Pending for reply by taxpayer: Status of ARN upon issue of notice to taxpayer to seek clarification
3. Reply furnished, Pending for provisional order: Status of ARN upon reply received from taxpayer and pending for order by tax official
4. Reply not furnished, pending for order: Status of ARN, if person does not attend PH/ furnish explanation on date specified in SCN or Extended date and pending for order by tax official
5. Rejected: Status of ARN upon rejection of application by tax official
6. Provisional order issued, security pending: Status of ARN upon issue of provisional assessment order by tax official & subject to furnishing of security
7. Security furnished, pending approval: Status of ARN upon furnishing of security and pending for approval by tax official

8. Security furnished: Status of ARN if Adjudicating Authority accepts the security furnished by taxpayer
9. Security furnished: Status of ARN if Adjudicating Authority accepts the modified details of security furnished by taxpayer
10. Pending for re-submission of security: Status of ARN if A/A has asked for re-submission of security to the taxpayer
11. Pending for final reply by taxpayer: Status of ARN upon issue of notice to taxpayer, for final clarification, for finalizing the provisional assessment
12. Reply furnished, pending for final order: Status of ARN upon reply given by taxpayer and pending for order by tax official
13. Final order issued: Status of ARN upon finalization of provisional assessment by tax official by issuance of an order

20. What are the various statuses for Release of Security?

Various statuses for Release of Security updated automatically by GST Portal are:

1. Pending for action by tax officer on Release: Status of ARN when an application is submitted by taxpayer for release of security
2. Pending for reply by taxpayer on Release notice: Status of ARN upon issue of notice to taxpayer to seek clarification on his application for release of security
3. Reply furnished, pending for order: Status of ARN upon reply received from taxpayer and pending for order by tax official
4. Approval granted, pending for release order: Status of ARN/Case id if approval is granted by Commissioner/ Competent authority for release of security and is pending for order by tax official
5. Proposal for release rejected: Status of ARN/Case id if approval is not granted by Commissioner/ Competent authority for release of security
6. Order for release of security issued: Status of ARN/Case id upon issue of order for release of security
7. Reply not furnished, pending for order: Status of ARN/ Case id and RFN, if taxpayer does not attend PH/ furnish explanation on date specified in SCN or Extended date and pending for order by tax official