Integrated GST

Date on which provisions come into force:

<table>
<thead>
<tr>
<th>Sections of IGST Act</th>
<th>Date</th>
<th>Notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1, 2, 3, 14, 20 and 22</td>
<td>22-Jun-17</td>
<td>01/2017</td>
</tr>
<tr>
<td>15</td>
<td>Not yet notified</td>
<td>-</td>
</tr>
<tr>
<td>IGST amendment Act, 2018</td>
<td>01-Feb-19</td>
<td>01/2019</td>
</tr>
<tr>
<td>All other sections</td>
<td>1-Jul-17</td>
<td>03/2017</td>
</tr>
</tbody>
</table>

Chapter III: Levy & collection of tax

5 IGST charging section:

► Integrated GST shall be at notified rate not exceeding 40% on all inter-State supplies except liquor.
► Tax on supply of petroleum, diesel etc. will be levied from date to be notified separately.
► Tax is to be paid by the recipient on reverse charge on supplies notified u/s 5(3) or 5(4)
► Tax shall be paid by e-commerce operator on notified intra-State services supplied through it.
► Tax on goods imported into India shall be levied u/s 3 of the Customs Tariff Act, 1975 on the value determined under said Act at the point when duties of customs are levied u/s 12 of the Customs Act, 1962.

Chapter IV: Determination of nature of supply

7 Supply is in the course of inter-State supply in the following circumstances:

► Location of the supplier and the place of supply are in 2 different States or Union territory or a State and a Union territory
► Goods imported into the territory of India, till they cross the customs frontiers of India
► Supplier is located in India and the place of supply is outside India
► To or by a SEZ developer or a SEZ unit
► In taxable territory, not being an intra-State supply and not covered elsewhere in this section
► Supplies made to a tourist referred to u/s 15

Chapter V: Place of supply

<table>
<thead>
<tr>
<th>Case</th>
<th>Place of supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Place of supply of goods</td>
</tr>
<tr>
<td></td>
<td>Supply involves movement of goods</td>
</tr>
<tr>
<td>Supply does not involve movement of goods</td>
<td>Place of the goods at the time of delivery to the recipient</td>
</tr>
<tr>
<td>Goods are assembled or installed at site</td>
<td>Place of such assembly or installation</td>
</tr>
<tr>
<td>Goods are supplied on board a conveyance</td>
<td>Place at which such goods are taken on board</td>
</tr>
</tbody>
</table>

11

| Export of goods out of India | Location outside India |
| Import of goods into India | Location of the importer |

If goods are delivered to any person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, it shall be deemed that the said third person has received the goods and the place of supply is the principal place of business of such person.

12

**Place of supply of services where location of the supplier and the recipient is in India:**

12(3) The following services & services ancillary thereto:
- directly in relation to an immovable property, including by estate agents, architects, interior decorators, surveyors, engineers etc., grant of rights to use property or for carrying out of construction work
- by way of lodging accommodation including a house boat or other vessel
- by way of accommodation in any immovable property for organising any official, social, cultural, religious or business function including services provided in relation to such function at such property

| Location at which the property or boat or vessel is located |
| If such location is outside India, then the location of the recipient |

12(4) Services of restaurant & catering, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery

Location where services are actually performed

12(6) Services of admission to a cultural, artistic, sporting, scientific, entertainment event etc. or amusement park or any other place & services ancillary thereto

Place of event or park or such other place is located

12(10) Services provided on board a conveyance

First scheduled point of departure of that conveyance

12(11) Services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna

Place of installation of such line, circuit etc.

Mobile telecommunication & internet services provided on

Location of the recipient
<table>
<thead>
<tr>
<th>post-paid basis</th>
<th>Mobile telecommunication, home TV &amp; internet services on pre-paid basis:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▶ Through a selling agent or a re-seller or a distributor re-charge voucher</td>
</tr>
<tr>
<td></td>
<td>▶ By any person to the final subscriber</td>
</tr>
<tr>
<td></td>
<td>▶ Address of such person</td>
</tr>
<tr>
<td></td>
<td>▶ Location where payment is received or vouchers are sold</td>
</tr>
</tbody>
</table>

In other cases

| 12(12) | Banking and other financial services, including stock broking services | Location of the recipient |

If following services are provided to registered person, place of supply is location of recipient, otherwise:

| 12(5)  | Services in relation to training and performance appraisal | Location where services are actually performed |
| 12(7)  | Services of organisation or assigning of sponsorship of a cultural, artistic, sporting, scientific event etc., conference, exhibition etc. or ancillary services | Place of event. If event is outside India then place of recipient |
| 12(8)  | Services by way of transportation of goods, including by mail or courier | Place at which goods are handed over for transportation. If the place is outside India, then place of destination of such goods. |
| 12(9)  | Passenger transportation service | Place where the passenger embarks on the conveyance |
| 12(13) | Insurance services | Location of the recipient |
| 12(2)  | Any other cases | |

- If address of the recipient is not available with the supplier, the place of supply shall be location of the supplier.
- 12(9): Where point of embarkation is not known, the place of supply of such service shall be u/s 12(2).
- 12(9): Return & onward journey are treated as separate journey even if passage for both is issued at the same time.
- 12(11): If pre-paid service is availed through e-payment, the place of supply is the location of
► U/s 12(3), (7), (11), Where the immovable property or boat or vessel or event or leased circuit is installed in more than one State or Union territory and a consolidated amount is charged, the place of supply shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of an agreement entered, if any, or on other prescribed basis.

► 12(14): The place of supply of advertisement services to the Government, statutory body or a local authority meant for the States or Union territories in an agreement shall be taken as being in each of such States or Union territories and the value is in proportion to amount attributable to services in the respective States or Union territories. Refer [Notification No. 12/2017]

<table>
<thead>
<tr>
<th>Place of supply of services where location of the supplier or the recipient is outside India:</th>
</tr>
</thead>
<tbody>
<tr>
<td>13(3) Services supplied in respect of goods which are required to be made physically available by the recipient to the supplier. It excludes services provided in respect of goods temporarily imported into India for repairs, etc., and re-exported after such repairs without putting into use in India. Location of provision of services</td>
</tr>
<tr>
<td>If such services are provided from a remote location by electronic means Place of goods at time of supply</td>
</tr>
<tr>
<td>Services supplied which require the physical presence of the recipient Location of provision of services</td>
</tr>
<tr>
<td>13(4) Services supplied directly in relation to an immovable property Location of such property</td>
</tr>
<tr>
<td>13(5) Services of admission to, or organisation of cultural, sporting, scientific, entertainment event etc., conference, fair, etc. and ancillary services Location of event</td>
</tr>
<tr>
<td>13(8) Services supplied by banking company, financial institution or NBFC to account holders &amp; intermediary services Location of the supplier</td>
</tr>
<tr>
<td>Service of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to 1 month</td>
</tr>
<tr>
<td>13(9) Services of transportation of goods, other than by mail or courier Destination of such goods</td>
</tr>
<tr>
<td>13(10) Passenger transportation services Place where passenger embarks on the conveyance</td>
</tr>
<tr>
<td>13(11) Services provided on board a conveyance during the course of First scheduled point of departure of that</td>
</tr>
</tbody>
</table>
a passenger transport operation

conveyance

13(12) **Online information & database access or retrieval services**

Location of the recipient

13(13) **Supply of research and development services related to pharmaceutical sector** as specified in Notification No.04/2019

Place of effective use and enjoyment of service

13(2) **Any other cases**

Location of the recipient

► U/s 13(2), if location of the recipient is not available with the supplier, place of supply is the location of the supplier.

► Section 13(3) is not applicable in the case of services supplied for goods temporarily imported for repairs and exported after repairs without being put to any other use in India.

► Section 13(4) includes services supplied in this regard by experts & estate agents, supply of accommodation by a hotel, inn etc., grant of rights to use immovable property & services for carrying out construction work, including that of architects or interior decorators.

► If services referred to u/s 13(3), (4) or (5) are supplied at more than one location, one of which is in taxable territory, place of supply shall be the location in the taxable territory.

► If services referred to u/s 13(3), (4), (5) are supplied in more than one State or Union territory, the place of supply shall be taken as being in each of the respective States or Union territories and the value shall be in proportion to the value separately determined under an agreement, if any, or on other prescribed basis.

► U/s 13(12), person receiving such services shall be deemed to be located in the taxable territory, if any two of the following addresses is in taxable territory:

- Location of address presented by the recipient through internet
  - Place of issue of credit, debit or smart card etc. by which the recipient settles payment
  - Billing address of the recipient
  - IP address of the device used by the recipient
  - Address of the bank of the recipient used for payment
  - Country code of the subscriber identity module card used by the recipient
  - Location of the fixed land line through which the service is received by the recipient

14

► On supply of **online information and database access or retrieval services** by a supplier located in a non-taxable territory to a non-taxable online recipient, the supplier shall be liable for paying integrated tax.

► Any person located in the taxable territory representing such supplier for any purpose shall get registered and pay integrated tax on behalf of the supplier.

► If such supplier does not have a physical presence or a representative, he may appoint a person in the taxable territory for the purpose of paying integrated tax.

► If an intermediary located in the non-taxable territory arranges or facilitates the supply, he shall be deemed to be the recipient except when following conditions are satisfied:
• Invoice issued by such intermediary clearly identifies the service in question and its supplier
• Intermediary does not collect or processes payment & is not responsible for the payment between the recipient and the supplier
• Intermediary does not authorise delivery
• General terms and conditions of the supply are not set by the intermediary

### Chapter VII: Zero rated supply

16
• **Zero rated supply** means:
  - Export of supply
  - Supply to a SEZ unit or developer

• **ITC may be taken** for zero-rated supplies even if they are exempt, subject to section 17(5) of the Central GST Act.

• **Refund of unutilised ITC may be claimed** u/s 54 of the Central GST Act or the rules thereunder, subject to conditions, under either of the following options:
  - Under bond or Letter of Undertaking, without payment of integrated tax
  - On payment of integrated tax

### Chapter VIII: Apportionment of tax & settlement of funds

19
• Integrated tax **wrongly paid** on an intra-state supply shall be refunded.

• If Central or State or Union territory tax has been paid on inter-State supply instead of integrated tax, interest is not payable.

### Chapter IX: Miscellaneous provisions

20
• Subject to the provisions of this Act and the rules made thereunder, following provisions of **Central GST Act** shall mutatis mutandis **apply to integrated GST**:

  - Scope of supply, composite and mixed supply
  - Time and value of supply
  - Registration
  - Tax invoice, credit and debit notes
  - Accounts and records, audit
  - ITC
  - Returns, other than late fee
  - Payment of tax, refunds
  - TDS, TCS
  - Liability to pay in certain cases
  - Job work

  - E-commerce
  - Assessment
  - Demands and recovery
  - Inspection, search, seizure and arrest
  - Advance ruling
  - Appeals and revision
  - Presumption as to documents
  - Offences and penalties
  - Transitional provisions
  - Miscellaneous provisions including the imposition of interest and penalty

• The deductor shall deduct **TDS at 2%** from the payment made or credited to the
- The operator shall collect TCS at notified rate **not exceeding 2%** of the net taxable supplies.
- The **value of a supply** shall include **any taxes**, duties, cesses etc. levied **under any existing law or GST (Compensation to States) Act**, if charged separately by the supplier.
- If penalty is leviable under the other GST Acts, penalty leviable under this Act is the sum of such penalties.
- If appeal is to be filed before the Appellate Authority or the Appellate Tribunal, the amount payable shall not exceed Rs.50 crore and Rs.100 crore respectively.

| 21 | Import of services made on or after the appointed day shall be liable to tax even if invoice or payment, either in full or in part, has been received or made before the appointed day unless tax is paid under existing law. |