

## Integrated GST

<b>Date on which provisions come into force:</b>		
<b>Sections of IGST Act</b>	<b>Date</b>	<b>Notification No.</b>
1, 2, 3, 14, 20 and 22	22-Jun-17	<a href="#">01/2017</a>
15	Not yet notified	-
<a href="#">IGST amendment Act, 2018</a>	01-Feb-19	<a href="#">01/2019</a>
All other sections	1-Jul-17	<a href="#">03/2017</a>

### 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**

	<b>Case</b>	<b>Place of supply</b>
10	<b>Place of supply of <u>goods</u></b>	
	Supply <b>involves movement</b> of goods	Place of goods at the <b>end of movement</b> for delivery
	Supply <b>does not involve movement</b> of goods	Place of the goods at the time of <b>delivery</b> to the recipient
	Goods are <b>assembled</b> or installed at site	Place of <b>such assembly</b> or installation
	Goods are <b>supplied on board a conveyance</b>	Place at which such goods are <b>taken on board</b>
11	<b>Export</b> of goods out of India	Location <b>outside India</b>
	<b>Import</b> of goods into India	Location of the <b>importer</b>
	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	<b>Place of supply of <u>services</u> where location of the supplier and the recipient is <u>in India</u>:</b>	
12(3)	<p>The following services &amp; services ancillary thereto:</p> <ul style="list-style-type: none"> <li>▶ directly in relation to an <b>immovable property</b>, including by estate agents, architects, interior decorators, surveyors, engineers etc., grant of rights to use property or for carrying out of construction work</li> <li>▶ by way of lodging <b>accommodation</b> including a house boat or other vessel</li> <li>▶ 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</li> </ul>	<p>Location at which the <b>property or boat or vessel is located</b></p> <p>If such location is outside India, then the location of the recipient</p>

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 post-paid basis	Location of the recipient
	Mobile telecommunication, home TV & internet services on pre-paid basis: <ul style="list-style-type: none"> <li>▶ Through a selling agent or a re-seller or a distributor re-charge voucher</li> <li>▶ By any person to the final subscriber</li> </ul>	<ul style="list-style-type: none"> <li>▶ Address of such person</li> <li>▶ Location where payment is received or vouchers are sold</li> </ul>
	In other cases	Location of the recipient
12(12)	Banking and other financial services, including stock broking services	Location of the recipient
<b>If following services are provided to registered person, place of supply is location of recipient, otherwise:</b>		
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,	Place of event. If event is outside India then

	exhibition etc. or ancillary services	place of recipient
12(8)	Services by way of <a href="#">transportation of goods</a> , including by mail or courier	Place at which <a href="#">goods are handed over</a> for transportation.
12(9)	<a href="#">Passenger transportation</a> service	Place where the <a href="#">passenger embarks on the conveyance</a>
12(13)	<a href="#">Insurance services</a>	Location of the recipient
12(2)	Any <a href="#">other cases</a>	
<ul style="list-style-type: none"> <li>▶ If <a href="#">address of the recipient is not available</a> with the supplier, the place of supply shall be <a href="#">location of the supplier</a>.</li> <li>▶ 12(9): Where point of embarkation is not known, the place of supply of such service shall be u/s 12(2).</li> <li>▶ 12(9): Return &amp; onward journey are treated as separate journey even if passage for both is issued at the same time.</li> <li>▶ 12(11): If pre-paid service is availed through e-payment, the place of supply is the location of the recipient.</li> <li>▶ 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.</li> <li>▶ 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 <a href="#">[Notification No. 12/2017]</a></li> </ul>		
13	<b>Place of supply of <u>services</u> where location of the supplier or the recipient is <u>outside India</u>:</b>	
13(3)	Services supplied in respect of <a href="#">goods which are required to be made physically available</a> by the recipient to the	Location of <a href="#">provision of services</a>

	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.	
	If such services are provided from a <a href="#">remote location</a> by electronic means	Place of <a href="#">goods at time of supply</a>
	<a href="#">Services</a> supplied which <a href="#">require the physical presence</a> of the recipient	Location of <a href="#">provision of services</a>
13(4)	Services supplied directly in relation to an immovable property	Location of such <a href="#">property</a>
13(5)	Services of <a href="#">admission to, or organisation of</a> cultural, sporting, scientific, entertainment <a href="#">event</a> etc., conference, fair, etc. and ancillary services	Location of <a href="#">event</a>
13(8)	Services supplied by <a href="#">banking company, financial institution</a> or NBFC to <a href="#">account holders</a> & intermediary services	Location of the <a href="#">supplier</a>
	Service of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to 1 month	
13(10)	<a href="#">Passenger transportation</a> services	<a href="#">Place where passenger embarks</a> on the conveyance
13(11)	Services provided <a href="#">on board a conveyance</a> during the course of a passenger transport operation	<a href="#">First scheduled point of departure</a> of that conveyance
13(12)	<a href="#">Online information &amp; database access or retrieval</a> services	Location of the <a href="#">recipient</a>
13(13)	Supply of <a href="#">research and development</a> services <a href="#">related to pharmaceutical sector</a> as specified in <a href="#">Notification No.04/2019</a>	Place of effective use and enjoyment of service
13(2)	Any <a href="#">other cases</a>	Location of the <a href="#">recipient</a>

- ▶ 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

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- ▶ 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

	<p>appoint a person in the taxable territory for the purpose of paying integrated tax.</p> <ul style="list-style-type: none"> <li>▶ 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: <ul style="list-style-type: none"> <li>◆ Invoice issued by such intermediary clearly identifies the service in question and its supplier</li> <li>◆ Intermediary does not collect or processes payment &amp; is not responsible for the payment between the recipient and the supplier</li> <li>◆ Intermediary does not authorise delivery</li> <li>◆ General terms and conditions of the supply are not set by the intermediary</li> </ul> </li> </ul>		
<b>Chapter VII: Zero rated supply</b>			
16	<ul style="list-style-type: none"> <li>▶ <b>Zero rated supply</b> means: <ul style="list-style-type: none"> <li>◆ Export of supply</li> <li>◆ Supply to a SEZ unit or developer</li> </ul> </li> <li>▶ ITC may be taken for zero-rated supplies even if they are exempt, subject to section 17(5) of the Central GST Act.</li> <li>▶ 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: <ul style="list-style-type: none"> <li>◆ Under bond or Letter of Undertaking, without payment of integrated tax</li> <li>◆ On payment of integrated tax</li> </ul> </li> </ul>		
<b>Chapter VIII: Apportionment of tax &amp; settlement of funds</b>			
19	<ul style="list-style-type: none"> <li>▶ Integrated tax wrongly paid on an intra-state supply shall be refunded.</li> <li>▶ If Central or State or Union territory tax has been paid on inter-State supply instead of integrated tax, interest is not payable.</li> </ul>		
<b>Chapter IX: Miscellaneous provisions</b>			
20	<ul style="list-style-type: none"> <li>◆ Subject to the provisions of this Act and the rules made thereunder, following provisions of <b>Central GST Act</b> shall mutatis mutandis <b>apply to integrated GST</b>: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <li>▶ Scope of supply, composite and mixed supply</li> <li>▶ Time and value of supply</li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <li>▶ E-commerce</li> <li>▶ Assessment</li> <li>▶ Demands and recovery</li> </ul> </td> </tr> </table> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Scope of supply, composite and mixed supply</li> <li>▶ Time and value of supply</li> </ul>	<ul style="list-style-type: none"> <li>▶ E-commerce</li> <li>▶ Assessment</li> <li>▶ Demands and recovery</li> </ul>
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<ul style="list-style-type: none"> <li>▶ Registration</li> <li>▶ Tax invoice, credit and debit notes</li> <li>▶ Accounts and records, audit</li> <li>▶ ITC</li> <li>▶ Returns, other than late fee</li> <li>▶ Payment of tax, refunds</li> <li>▶ TDS, TCS</li> <li>▶ Liability to pay in certain cases</li> <li>▶ Job work</li> </ul>	<ul style="list-style-type: none"> <li>▶ Inspection, search, seizure and arrest</li> <li>▶ Advance ruling</li> <li>▶ Appeals and revision</li> <li>▶ Presumption as to documents</li> <li>▶ Offences and penalties</li> <li>▶ Transitional provisions</li> <li>▶ Miscellaneous provisions including the imposition of interest and penalty</li> </ul>
<ul style="list-style-type: none"> <li>◆ The deductor shall deduct <b>TDS at 2%</b> from the payment made or credited to the supplier.</li> <li>◆ The operator shall collect <b>TCS</b> at notified rate <b>not exceeding 2%</b> of the net taxable supplies.</li> <li>◆ The <b>value of a supply</b> shall <b>include any taxes</b>, duties, cesses etc. levied <b>under any existing law or GST (Compensation to States) Act, if charged separately</b> by the supplier.</li> <li>◆ If penalty is leviable under the other GST Acts, penalty leviable under this Act is the sum of such penalties.</li> <li>◆ 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.</li> </ul>	
21	<p><b>Import of services</b> 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.</p>

[5: IGST charging section](#)

[7: Inter-State supply](#)

[10 to 13: Place of supply](#)

[14: Online info services \(OIDAR\)](#)

[16: Export](#)

[20: Applicability of CGST Act](#)