



GST Course for CA Students organized by WIRC of ICAI

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Topics to be Covered

Place of Supply of Goods

Place of Supply of Services

Taxability of Inter State Supply

Other Important IGST concepts

Basis of Discussion

Act

- Central Goods and Services Tax Act, 2017
- State Goods and Services Tax Act, 2017
- Integrated Goods and Services Tax Act, 2017
- Union Territory Goods and Services Tax Act, 2017

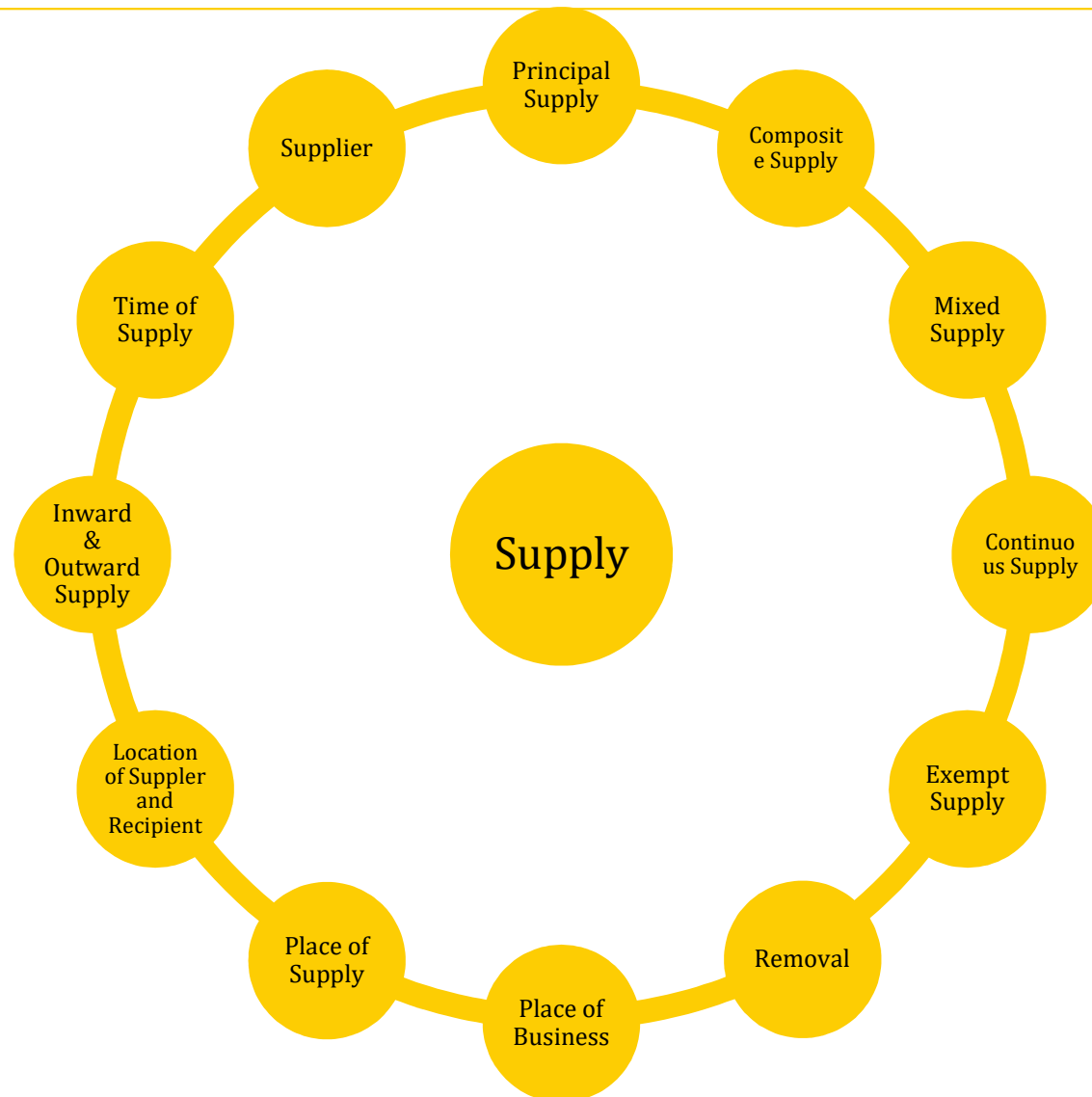
Place of Supply - Importance

Why an accurate determination of place of supply is important for businesses. The reasons for this are listed below:

- Wrong classification of supply between interstate or intra-state and vice-versa may lead to hardship to the taxpayer as per section 19 of IGST Act and section 70 of CGST Act
- Where wrong taxes have been paid on the basis of the wrong classification, refund will have to be claimed by the taxpayer
- The taxpayer will have to pay the correct tax along with interest for delay on the basis of revised/correct classification
- Also, correct determination of place of supply will help us in knowing the incidence of tax. As if place of supply is determined as a place outside India, then tax will not have to be paid on that transaction

Supply

Various terms defined relating to Supply



Scope of Supply

Sec 7 : Scope of Supply (CGST)

Includes

- All forms of supply of goods or services or both as Sale, Transfer, Barter, exchange, license, rental, lease or disposal for consideration in the course or furtherance of business
- Import of service (whether or not for furtherance of business)
- Activities specified in Schedule I (without consideration)
- Activities specified in Schedule II

Excludes

- Activities specified in Schedule III
- Activities undertaken by Government and its bodies

Nature of Supply (Sec 7, 8 & 9 of IGST)

Inter-State

Location of supplier and Place of supply are in Two different State / UT

Import of Goods till they cross customs Frontiers

Supplier in India and recipient outside India

Supply to or from SEZ developer or unit

Intra-State

Location of supplier and Place of supply is in same State or UT

Supply made to tourist and covered u/s 15 i.e. refund of tax to tourist

Subject to Sec. 10 (Goods) and Sec. 12 (Services)

Territorial Waters

If either supplier or recipient is located in Territorial waters then their location shall be deemed to be in state / UT where the nearest point of appropriate baseline is located

Supply in the course of Import

E.g. 1 High Sea Sales

Mrs. Swaraj Imported goods from U. S. . Mrs. Swaraj transferred the title in the goods to Mr. Goyal before they crossed the customs frontier of India.

E.g. 2 Sale after Import

Mrs. Swaraj (in Maharashtra) Imported goods from U. S. . Mrs. Swaraj Sold the goods to Mr. Goyal (In Maharashtra) after taking delivery at Mumbai Port.

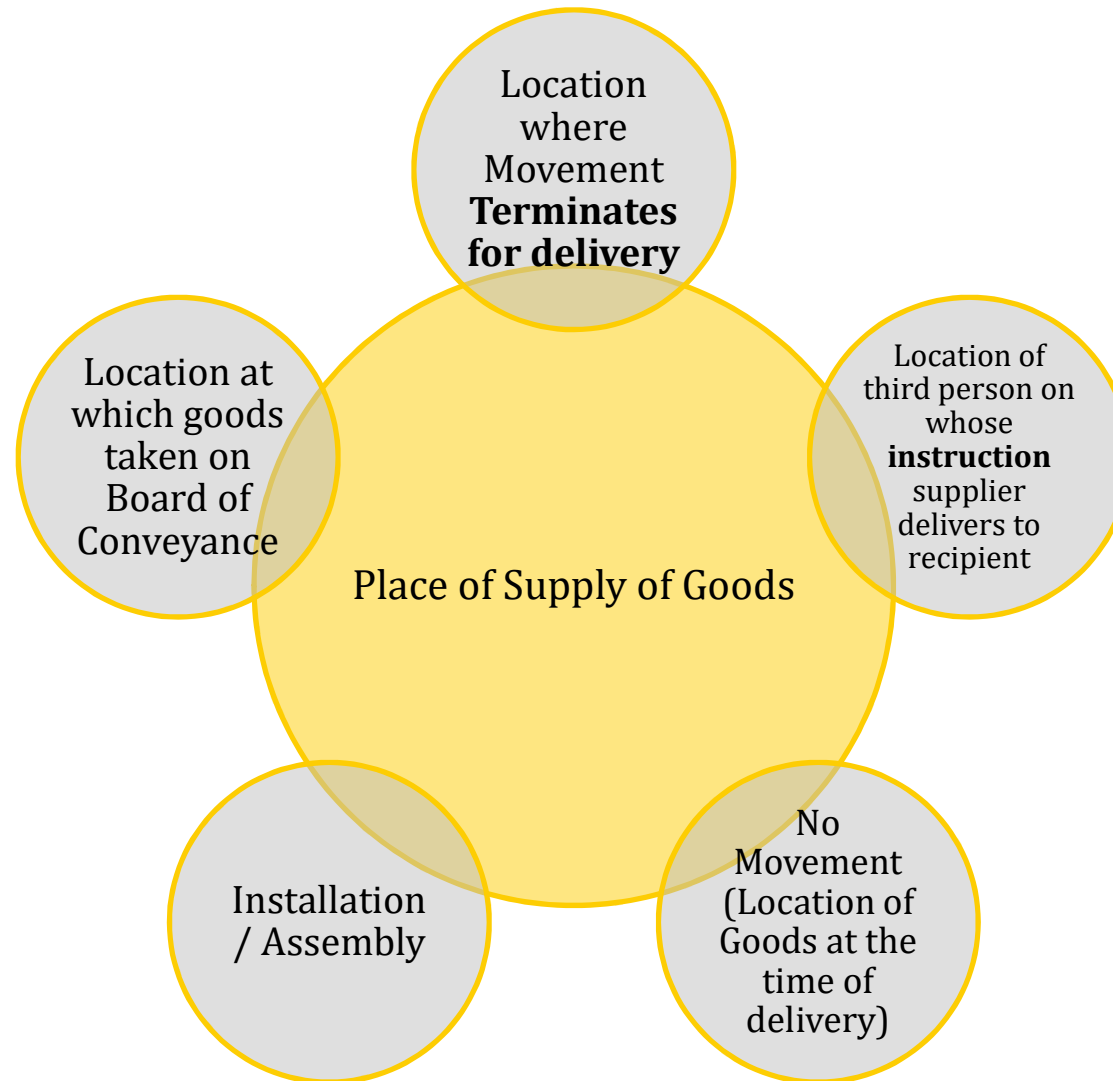
Supply in territorial waters

E.g. 3 Supply in Territorial Waters

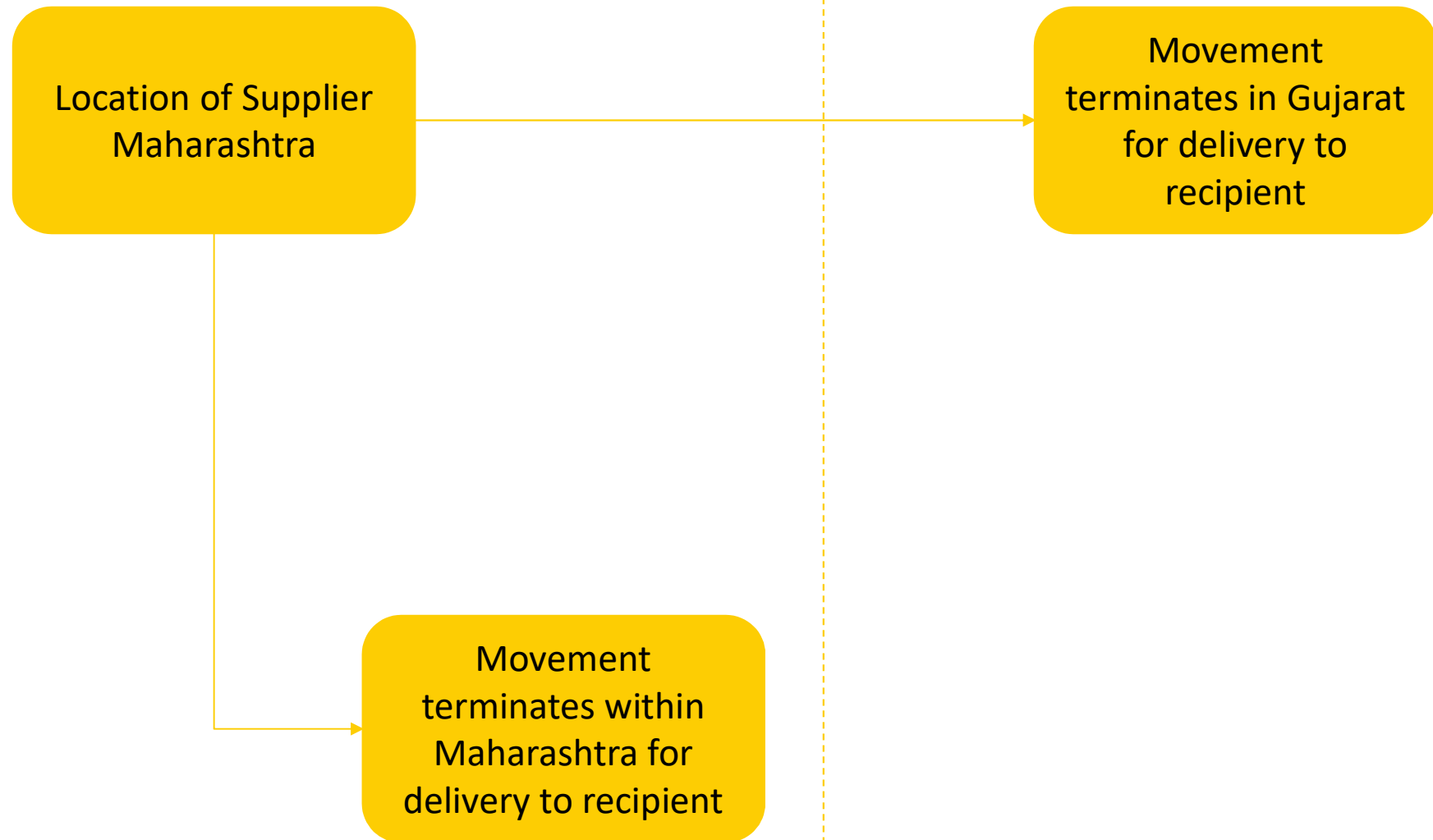
ONGC Limited allotted contract to Mr. Pradhan (located in Gujarat) for supply of Parts on Oil rig located at Bombay High.

Place of Supply – Goods

Place of Supply – Goods – Sec. 10 (IGST)



Location where movement terminates



Location where movement terminates

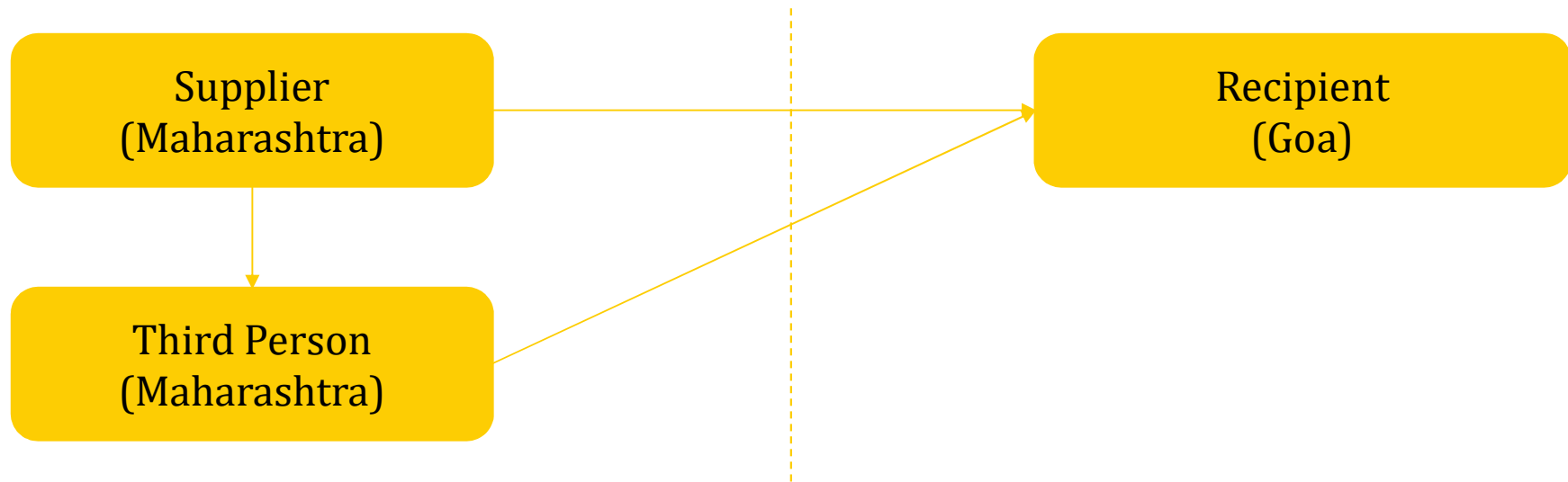
E.g. 1

Mr. Modi (from Gujarat) comes to Maharashtra buys goods from Mr. Jaitely. Mr. Jaitely loads the good in Mr. Modi's car. Mr. Modi with goods Leaves for Gujarat. What is the place of supply?

E.g. 2

Mr. Modi (from Gujarat) comes to Maharashtra buys goods from Mr. Jaitely. Mr. Jaitely arranges for transport and delivers the goods to Mr. Modi in Gujarat. What is the place of supply?

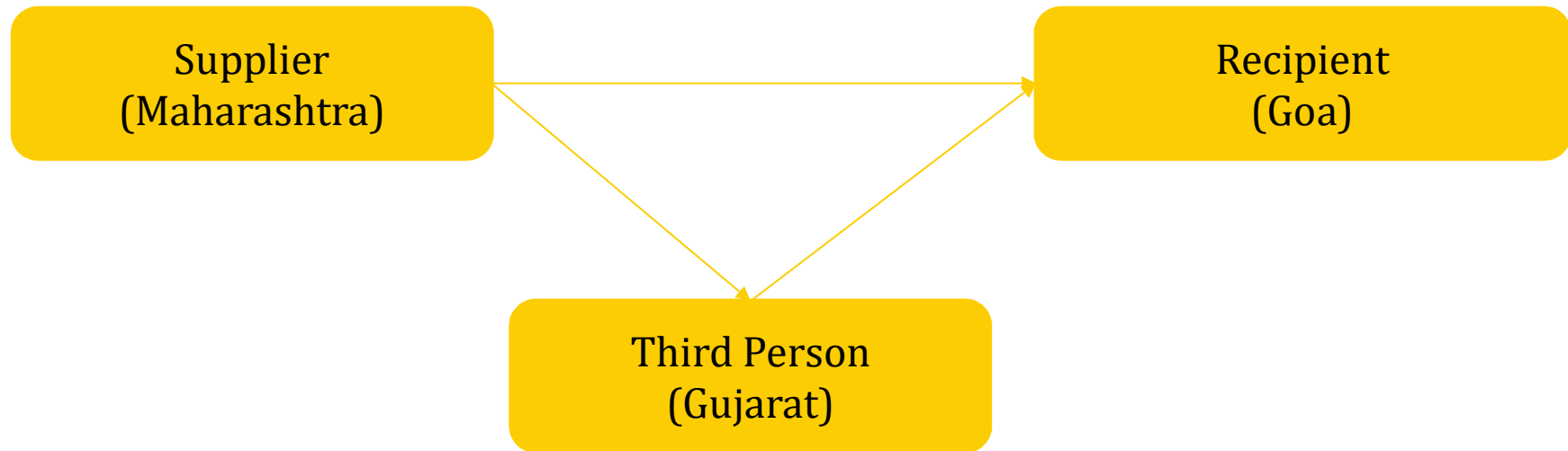
Location of Third person



E.g. 1

Mr. Fadnavis in Maharashtra buys goods from Mr. Jaitely (in Maharashtra). Mr. Fadnavis asks Mr. Jaitely to deliver the goods to Mr. Parikar in Goa.

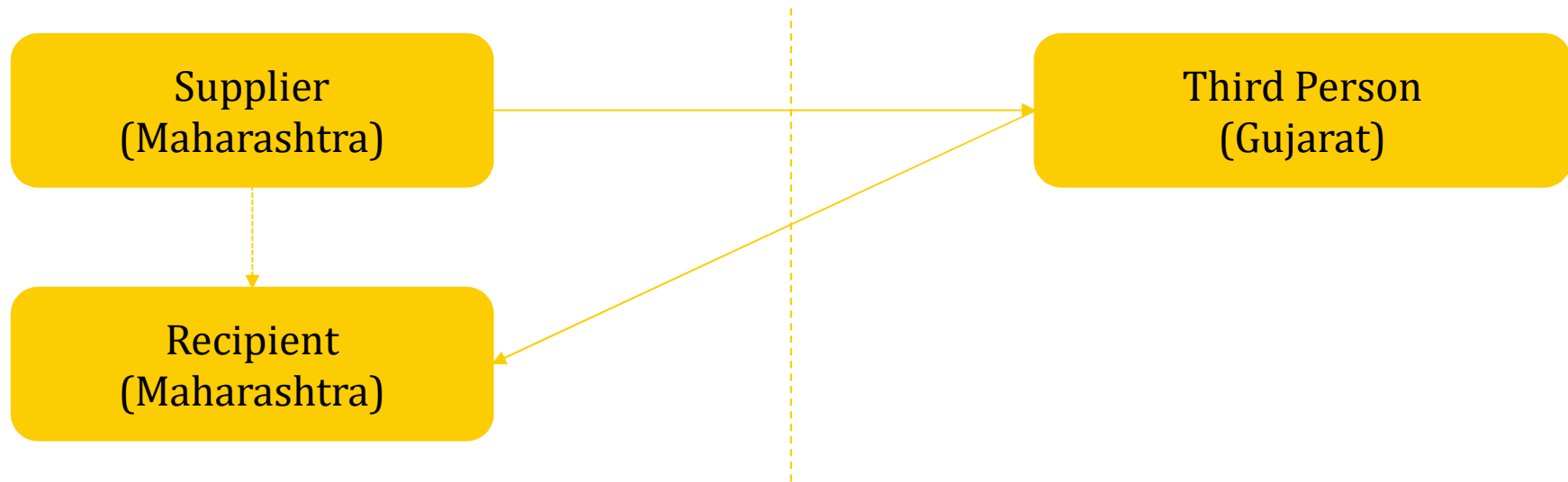
Location of Third person



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Location of Third person



E.g. 1

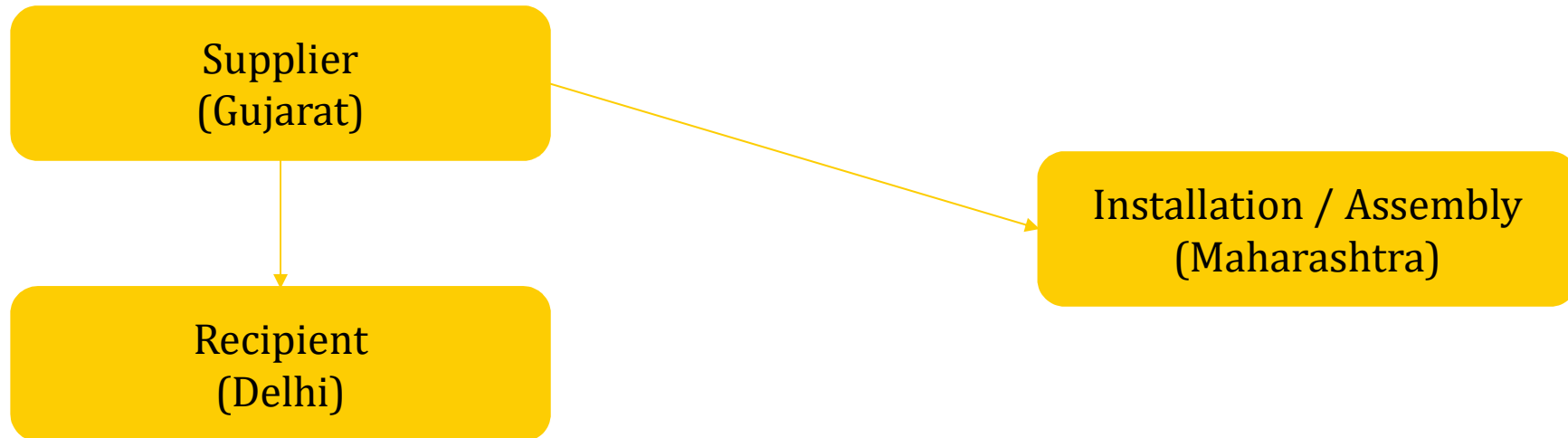
Mr. Modi (in Gujarat) buys goods from Mr. Jaitely (in Maharashtra). Mr. Modi asks Mr. Jaitely to deliver the goods to Mr. Pawar in Maharashtra.

No Movement of Goods

E.g. 1

Mr. Modi (in Gujarat) comes to Maharashtra to buy goods. Mr. Jaitely shows him the goods stored at third party warehouse in Maharashtra and Mr. Modi buys those goods and takes delivery in the same warehouse for further processing. What is the Place of Supply?

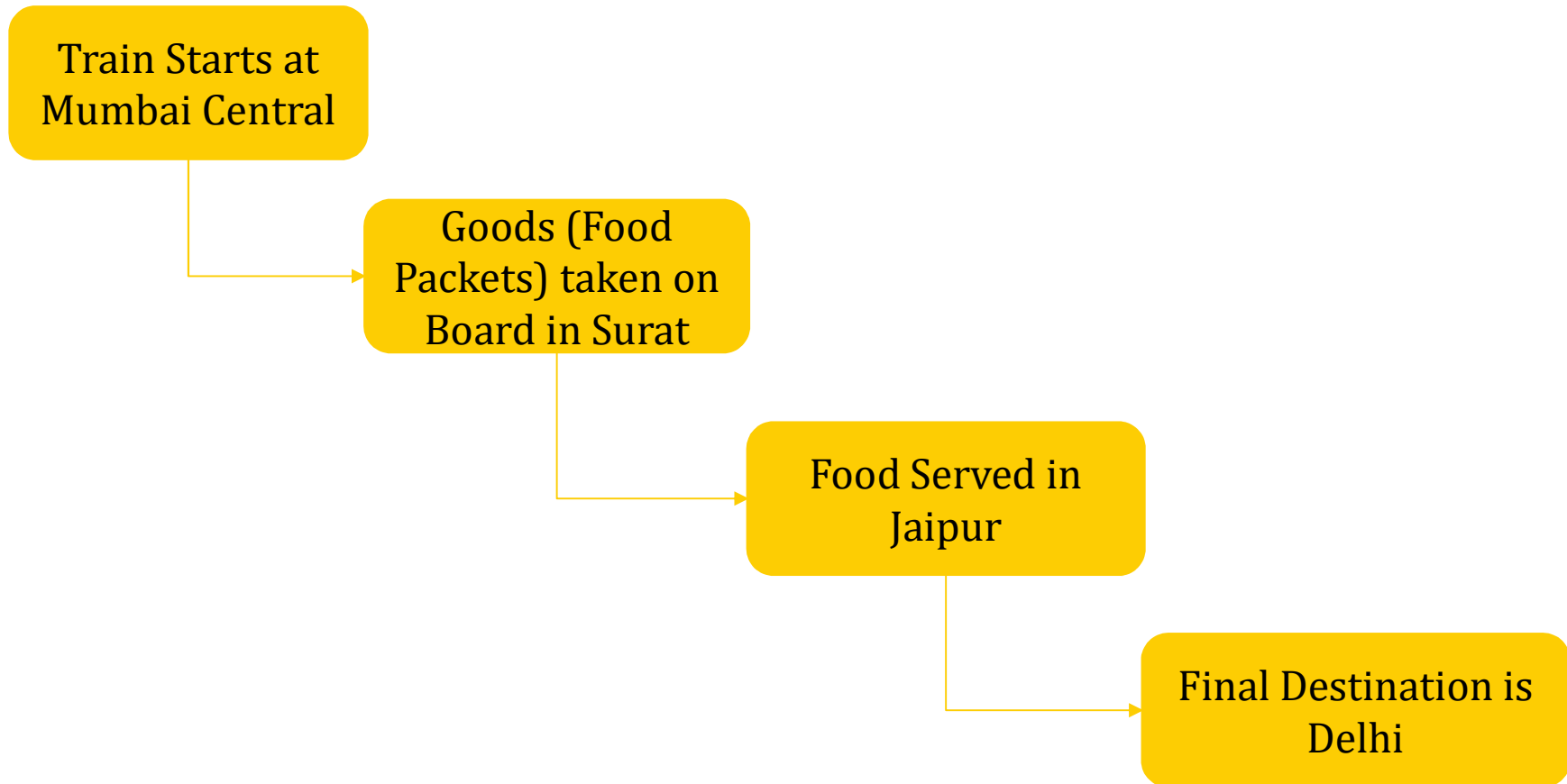
Installation / Assembly



E.g. 1

ONGC (located in Delhi) allots tender to ABC Ltd. (located in Gujarat) to install and/or assemble a few machines on its site located in Bombay high (Oil rig). What would be the place of supply?

Supply on Board of Conveyance



Place of Supply – Goods – Sec. 11 (IGST)

Export

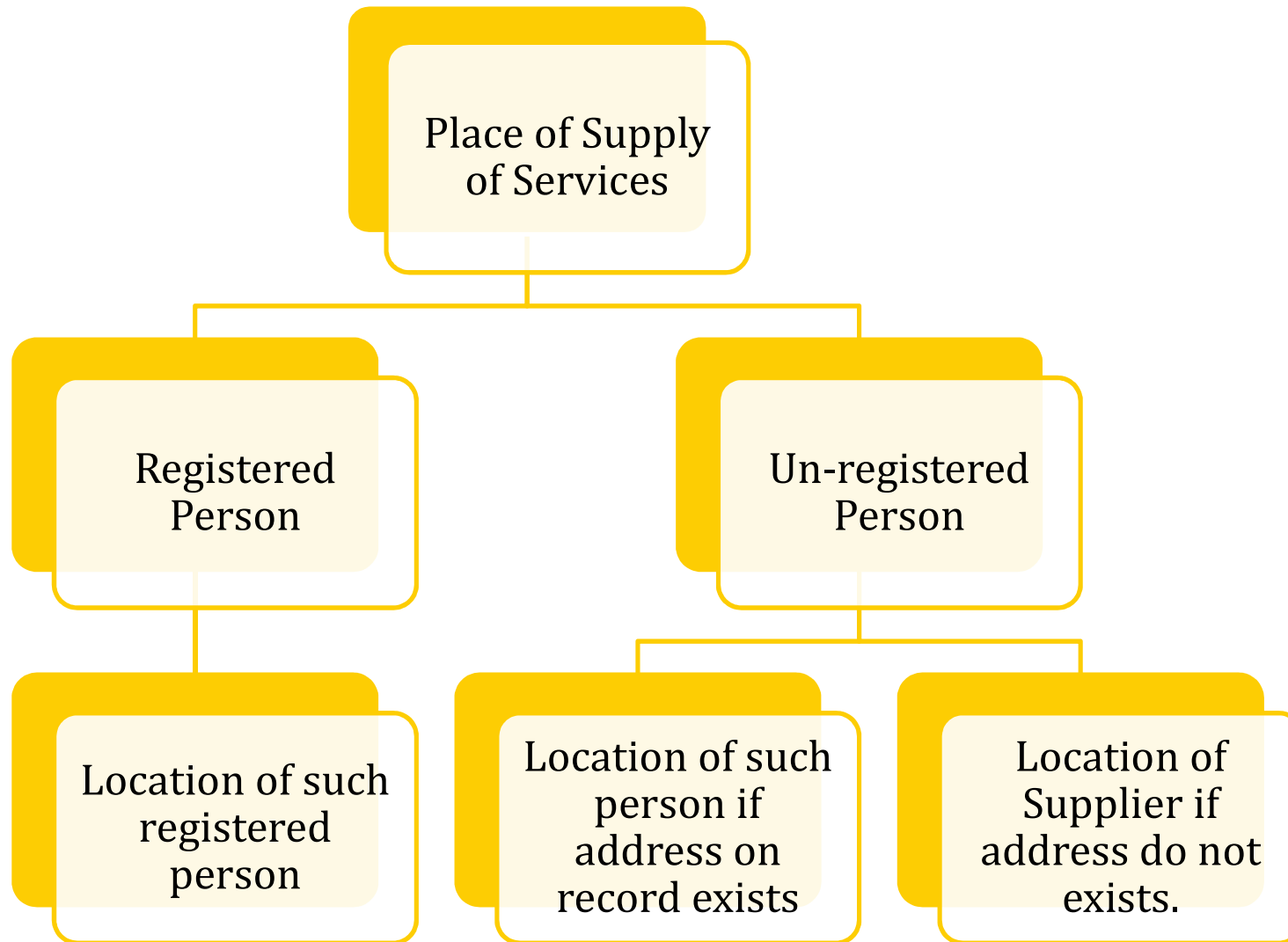
- Location outside India

Import

- Location of Importer

Place of Supply – Services

Place of Supply - Services - Sec. 12(2) (IGST)



Place of Supply – Services – Sec. 12(2) (IGST)

E.g. 1

ABC Limited (A registered person in Rajasthan) comes to Mumbai and avails services of a Chartered Accountant, Mr. Sunil (registered in Mumbai). What would be the place of supply for Sunil?

E.g. 2

Mr. Bharat (An un-registered person) having PAN Issued in Jaipur but working in Mumbai and has a place of residence in Mumbai avails the services of a Chartered Accountant Mr. Sunil (registered in Mumbai) for filling return he has both the address of Bharat i.e. Rajasthan and Mumbai. What should be the place of supply for Sunil?

E.g. 3

Mr. Bharat (An un-registered person) walks in to the office of Chartered Accountant Mr. Sunil (registered in Mumbai) and avails some consulting services. Mr. Sunil doesn't have address of Mr. Bharat. What would be the place of Supply?

Place of Supply – Services – Sec. 12 (IGST)



Sec 12(3)
to (14)

Place of Supply – Services – Sec. 12(3) (IGST)

Services in respect of Immovable property



if the location of the immovable property or boat or vessel is located or intended to be located outside India, the place of supply shall be the location of the recipient

Place of Supply – Sec 12 (4)

Hospitality and allied services :

- Restaurant & Catering Services
- Personal Grooming Services
- Fitness
- Beauty Treatment
- Health Service including Cosmetic and Plastic Surgery

Place of Supply is Location where the services are actually provided

Place of Supply – Sec 12 (4)

Example:

1. A Film Production Company (Registered in Maharashtra) hires Mr. Mickey Mehta (fitness trainer) (Registered in Maharashtra) to provide his services to the lead actors during their shoot in Goa. What is the Place of Supply?
2. ABC Limited (registered in Maharashtra) organizes a marketing event in Jaipur and organizes a dinner at a restaurant in Jaipur. What is Place of Supply?

Place of Supply – Sec 12 (5)

Supply of services in relation to training and performance appraisal

Services to a registered person, place of supply shall be the location of such person

Services to a person other than a registered person, Place of supply shall be the location where the services are actually performed.

Place of Supply – Sec 12 (5)

Example:

1. ABC Company, is into business of trainings registered at Indore. XYZ Company registered in Maharashtra and having place of business at Mumbai approached ABC to provide Corporate Training to its employees at Goa. In this scenario what is the Place of Supply?
2. ABC Company, registered at Indore is into performance appraisal business. M/s XYZ who is unregistered and having place of office at Mumbai approached ABC for performance appraisal of its top management. ABC collected the data and processed it in their own office at Indore and delivered the reports to XYZ from Indore. In this scenario what is the Place of Supply?

Place of Supply – Sec 12 (6)

Supply of services provided by way of admission to a cultural, artistic, sporting, scientific, educational, entertainment event or amusement park or any other place and services ancillary thereto

- Place where the event is actually held **OR**
- where the park or such other place is located

Place of Supply – Sec 12 (6)

Example:

1. Jaitley & co. (registered in Punjab) as a part of performance bonus arranges Tickets for day and night India v/s South Africa T20 match at Wankhede (Mumbai, Maharashtra). So what would be the Place of Supply?
2. Mr. B, from Mumbai goes on an audit assignment at Delhi along with his team members and on Sunday they visit an amusement park. So in this situation what would be the Place of Supply

Place of Supply – Sec 12 (7)

Place of supply of services provided by way of:

(a) organisation of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events; or

(b) services ancillary to organisation of any of the events or services

**Registered
Person**

Place of Supply shall be location of such person

**Other than
Registered
Person**

Place where the event is actually held and if the event is held outside India, the place of supply shall be the location of the recipient.

Place of Supply – Sec 12 (7)

In Case of an unregistered recipient, where the event is held in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such event

the place of supply of such services 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 the contract or agreement entered

Place of Supply in the absence of such contract or agreement, on such other basis as may be prescribed.

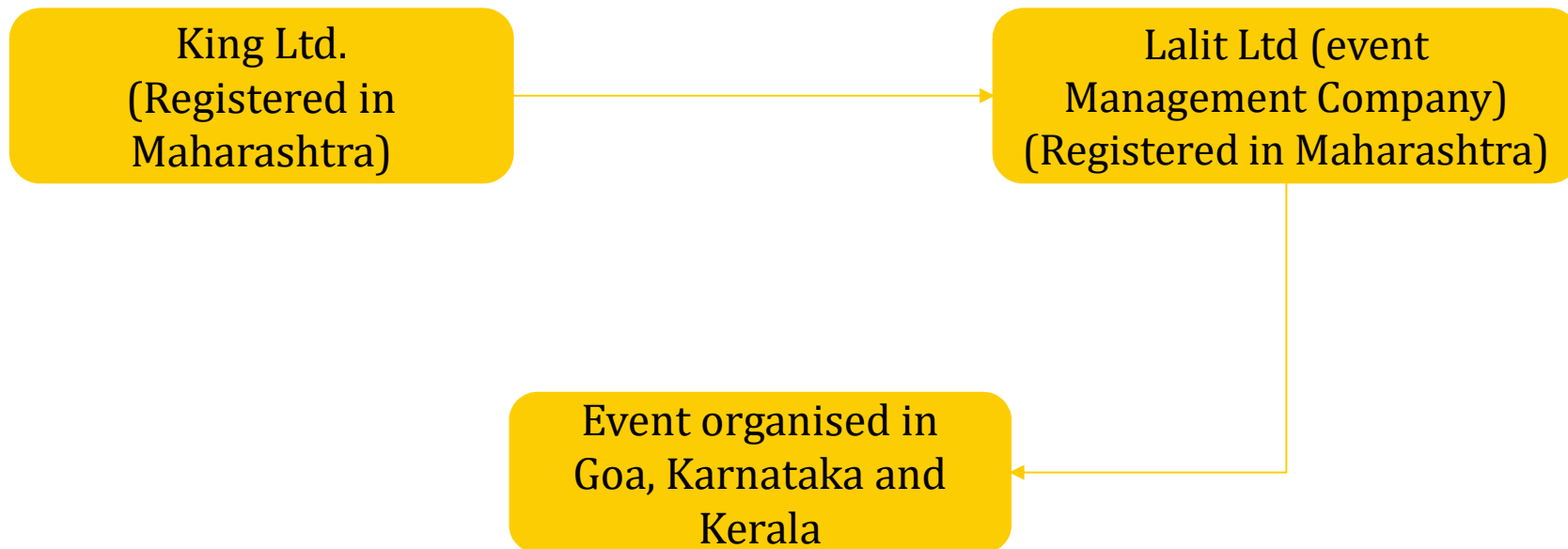
Place of Supply – Sec 12 (7)

Example:



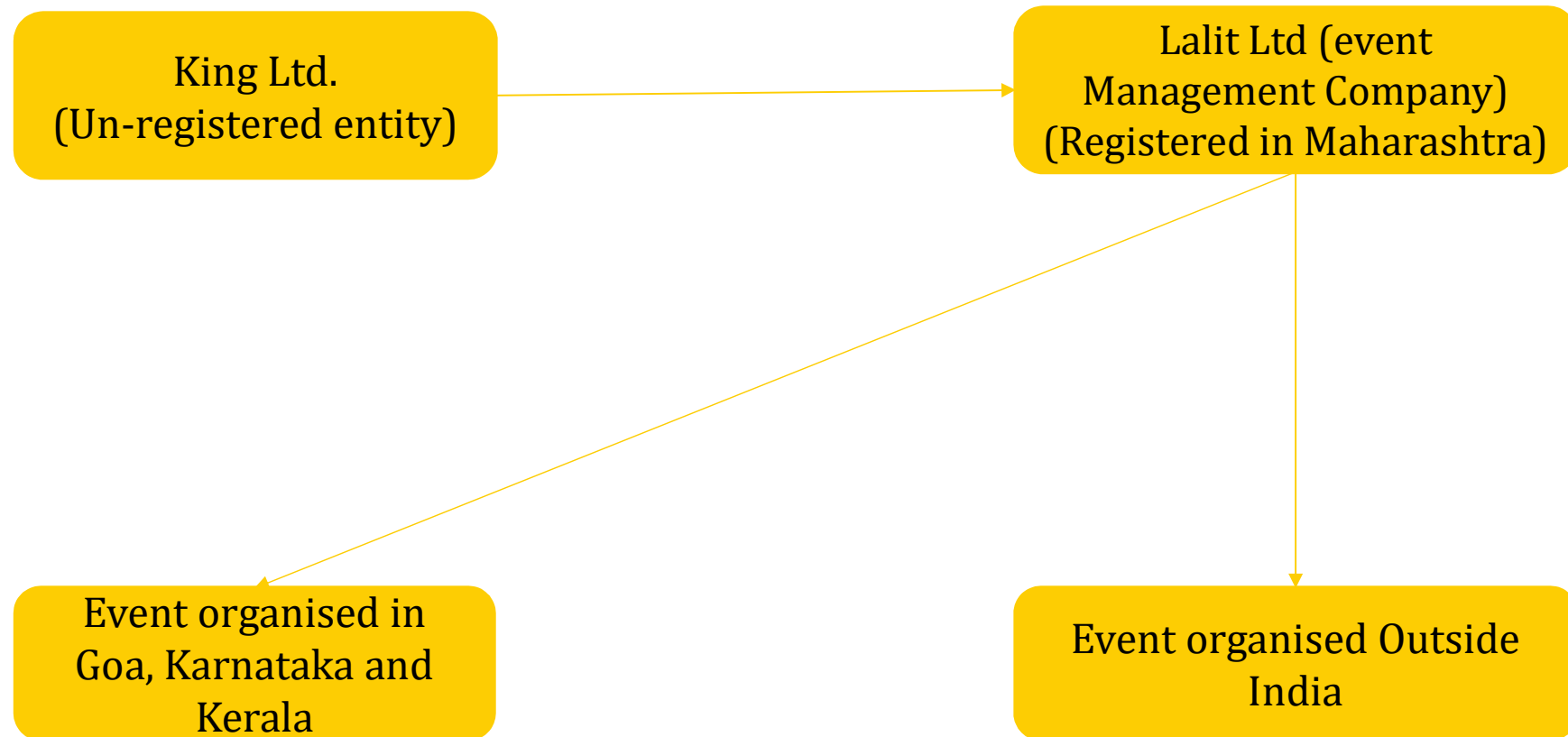
Place of Supply – Sec 12 (7)

Example:

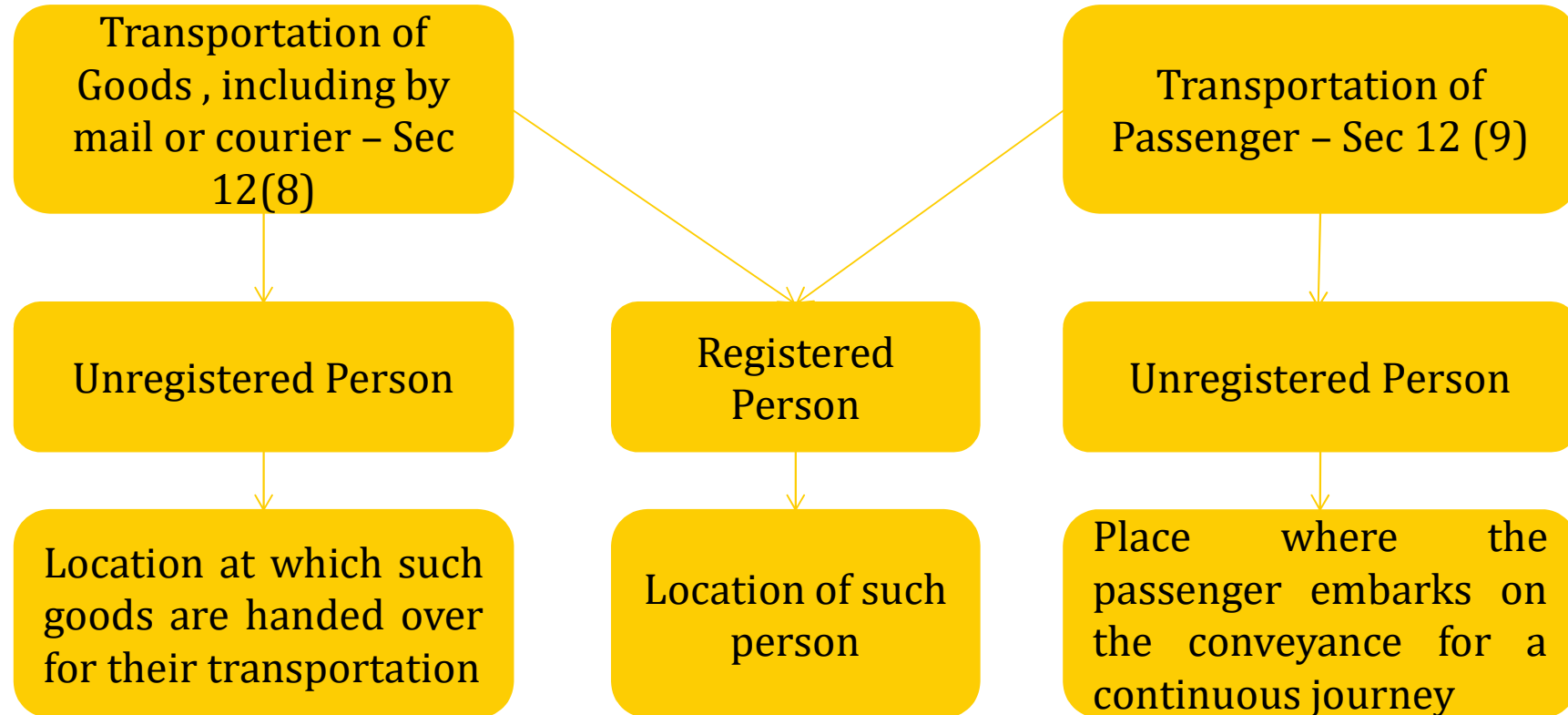


Place of Supply – Sec 12 (7)

Example:



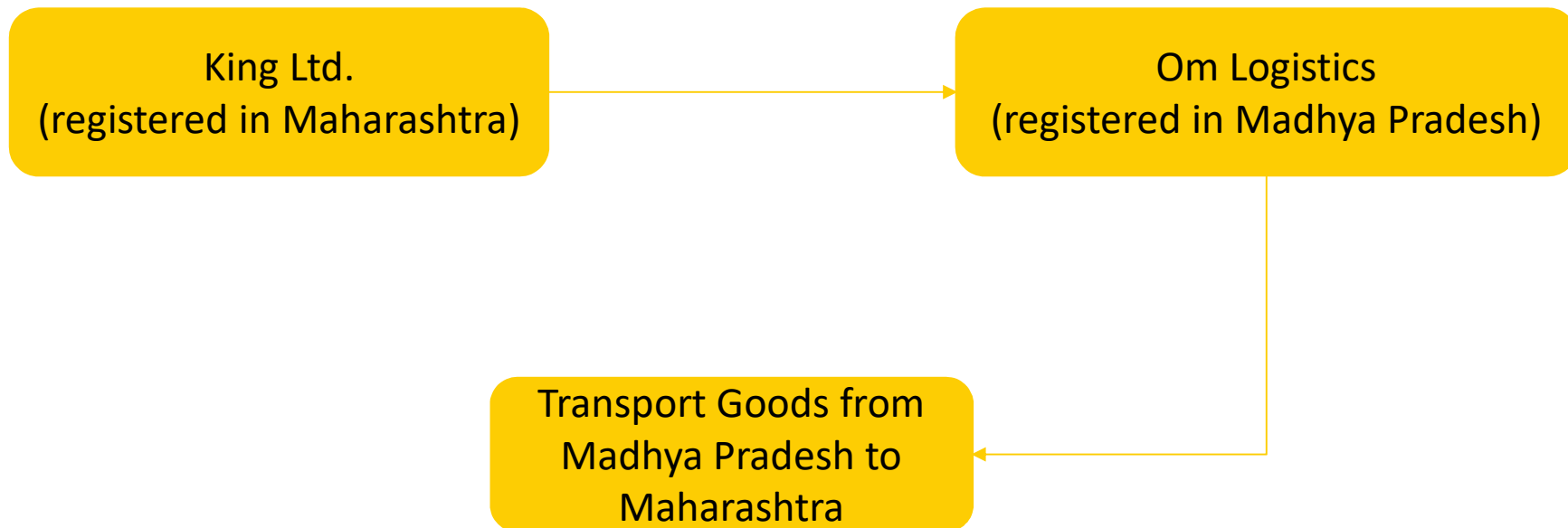
Place of Supply - Sec 12 (8) & (9)



Explanation: the return journey shall be treated as a separate journey, even if the right to passage for onward and return journey is issued at the same time

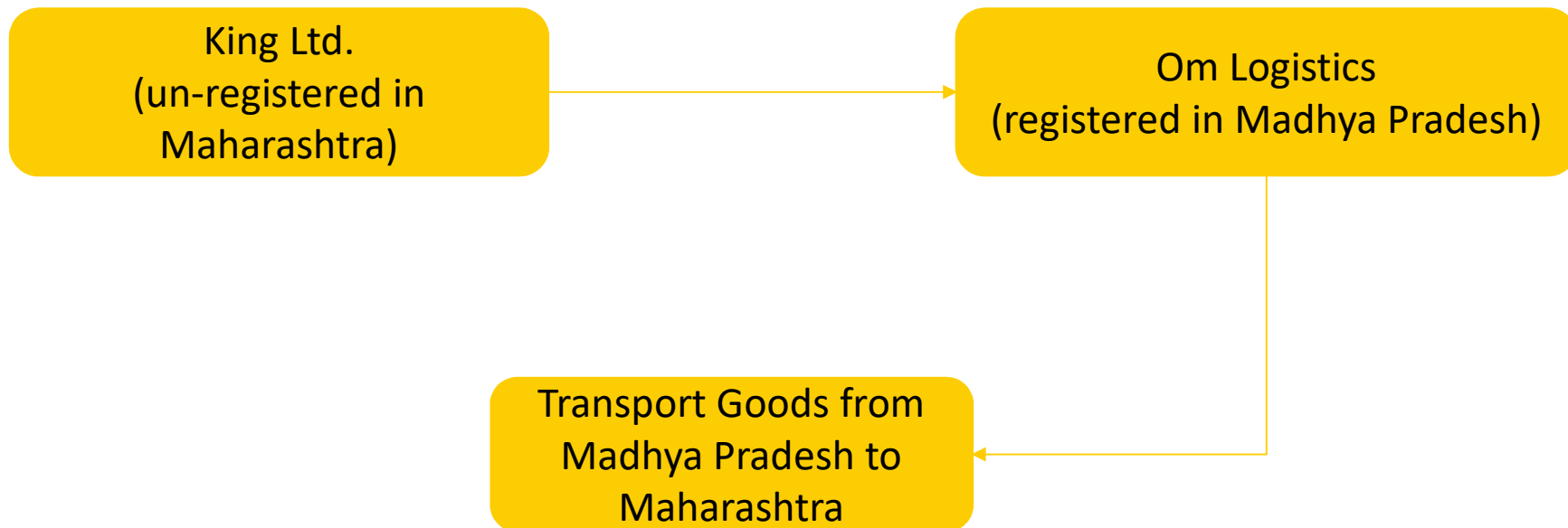
Place of Supply – Sec 12 (8)

Example:



Place of Supply – Sec 12 (8)

Example:



Place of Supply – Sec 12 (8) & (9)

Example: In case of Transportation of Passenger:

Transaction	Location of Supplier (Air India)	Location of Recipient	Location where passenger embarks for continuous journey	Place of Supply	Tax
Flight from Mumbai to Assam by Air India (Mumbai – Calcutta – Assam)	Mumbai	Director of a Co. ABC Ltd. registered in Delhi	Mumbai	Delhi	IGST
	Mumbai	Director of Co. XYZ Ltd., at Delhi is unregistered	Mumbai	Mumbai	SGST, CGST
	Mumbai	Director of Co. XYZ Ltd., at Delhi is unregistered	Calcutta	Calcutta	IGST

Place of Supply - Sec 12 (10)

Supply of services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle

Place of Supply Shall be **location of the first scheduled point of departure** of that conveyance for the journey

Transaction	1 st Scheduled point of departure	Location of supplier (Air India)	Place of Supply	Tax
Flight from Mumbai to Canada by Air India (Mumbai - Canada)	Mumbai	Delhi	Mumbai	IGST

Place of Supply - Sec 12 (11)

Supply of telecommunication services including data transfer, broadcasting, cable and direct to home television services to any person

services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna,

Location where it is installed for receipt of Services

mobile connection for telecommunication and internet services provided on post-paid basis

location of billing address of the recipient of services on the record of the supplier of services

Mobile, Internet, DTH Connection on pre-paid basis through voucher or any other basis

Through Selling Agent or a re-seller or a distributor of subscriber identity module card or re-charge voucher

Address of the selling agent or re-seller or distributor as per the record of the supplier at the time of supply

By any person to final subscriber

Location where such prepayment is received or Voucher is sold

Place of Supply – Sec 12 (11)

In other cases if the Place of Supply cannot be identified using the criteria mentioned in the above slide,

1. be the address of the recipient as per the records of the supplier of services and
2. where such address is not available, the place of supply shall be location of the supplier of services

Proviso 1: Where the address of the recipient as per the records of the supplier of services is not available, the place of supply shall be location of the supplier of services

Proviso 2: If such pre-paid service is availed or the recharge is made through internet banking or other electronic mode of payment, the location of the recipient of services on the record of the supplier of services shall be the place of supply of such services.

Explanation:

If leased circuit is installed in more than one state or union territory:

- If contract/agreement entered – supply deemed to be made in each of the state or union territory at proportionate value
- If contract/agreement not entered – reasonable basis as may be prescribed

Place of Supply - Sec 12 (12)

place of supply of **banking and other financial services, including stock broking services** to any person

location of the recipient of services on the records of the supplier of services

Proviso: if the location of recipient of services is not on the records of the supplier, the place of supply shall be the location of the supplier of services

Place of Supply – Sec 12 (12)

Example:

1. Mr. A, from Mumbai was on a business trip to Indore and due to some urgency had to visit a Bank in which he had his account opened in Mumbai. He availed the services of the Bank, so in this case what would be the Place of Supply.
2. Mr. B, from Delhi was on a business trip to Pune and due to some urgency had to visit a nearest Bank in which he was not having his account. He availed the services of the Bank, so in this case what would be the Place of Supply.

Place of Supply - Sec 12 (13)

Place of **Supply** of
Insurance Services

location of such
person

person other than a
registered person, be
the location of the
recipient of services
on the records of the
supplier of services

Here the principal of location of supplier is not there.

Place of Supply - Sec 12 (14)

Place of supply of advertisement services to the Central Government, a State Government, a statutory body or a local authority meant for the States or Union territories identified in the contract or agreement

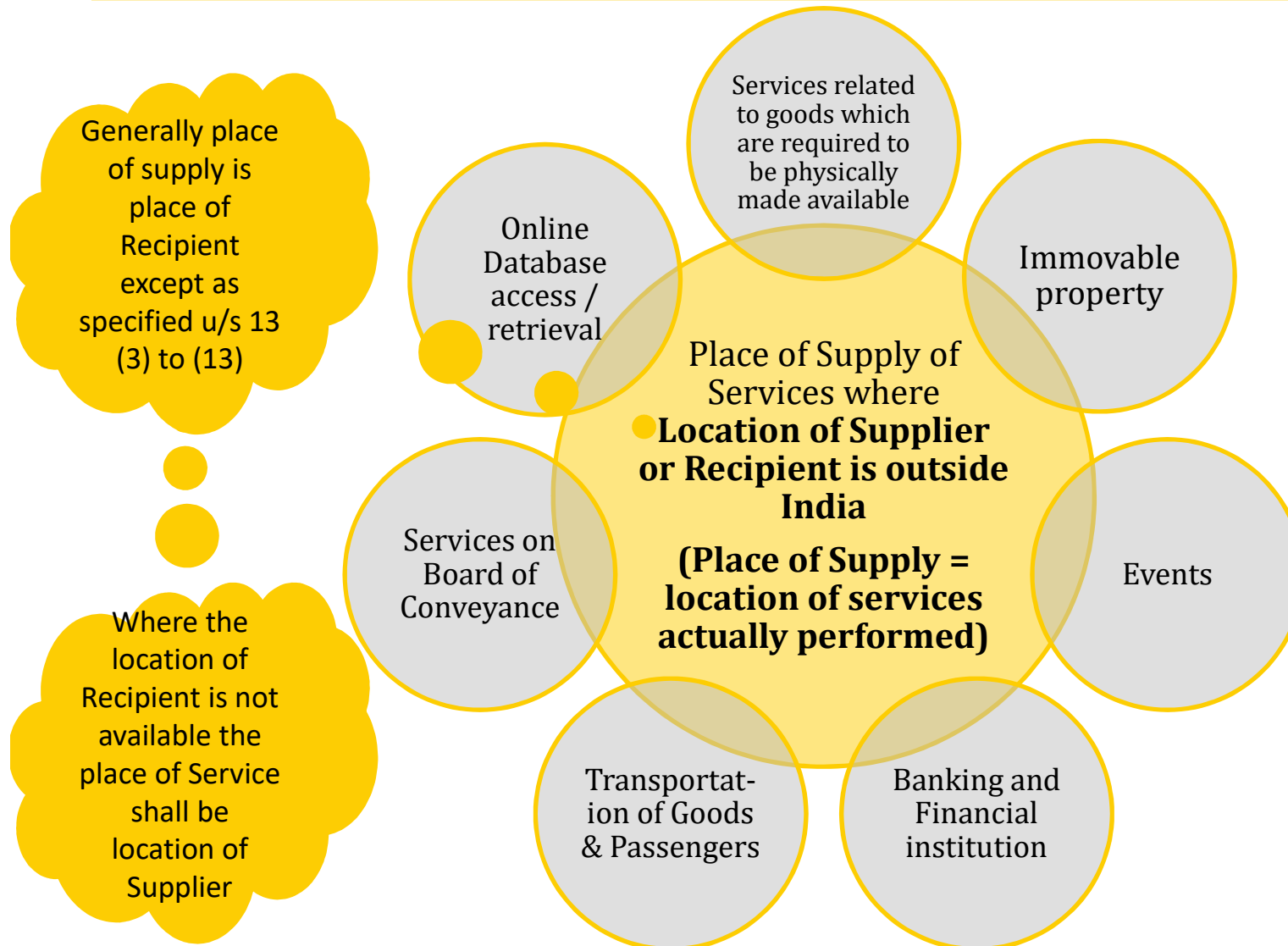


being in each of such States or Union territories and the value of such supplies specific to each State or Union territory shall be in proportion to the amount attributable to services provided by way of dissemination in the respective States or Union territories as may be determined in terms of the contract or agreement entered into



in the absence of such contract or agreement, on such other basis as may be prescribed

Place of Supply – Services – Sec. 13 (IGST)



Place of Supply – Sec 13 (3)

Services supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services

Not Applicable for the services in respect of the goods temporarily imported into India for repairs and exported after such repairs

Services supplied to an individual, or agent, which requires physical presence of receiver, with the supplier for supply of services

Proviso: When such services are provided from a remote location by way of electronic means, the **Place of Supply** shall be the location where goods are situated at the time of supply of services

Place of Supply in the above case shall be the location where the **Services are actually performed**

Place of Supply – Sec 13 (3)

Transaction	Location of Supplier	Location Recipient	Services Performed at	Place of Supply	Tax
Beautician services to film producer for film shoot at Goa	UK	Mumbai	Goa	Goa	IGST

Transaction	Location of Supplier	Location Recipient	Services Performed at	Place of Supply	Tax
Software maintenance (provided from remote location)	Mumbai	Software in Karnataka	From Mumbai digitally	Karnataka	IGST

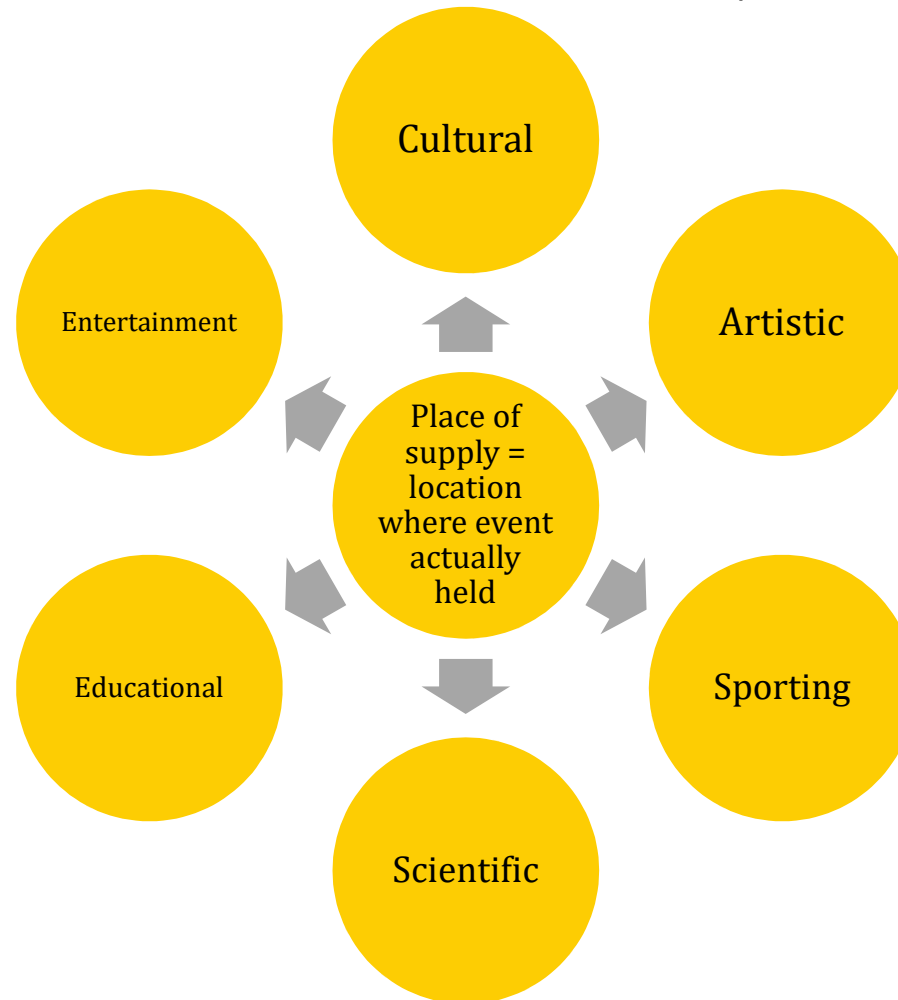
Place of Supply – Services – Sec. 13(4) (IGST)

Services in respect of Immovable property



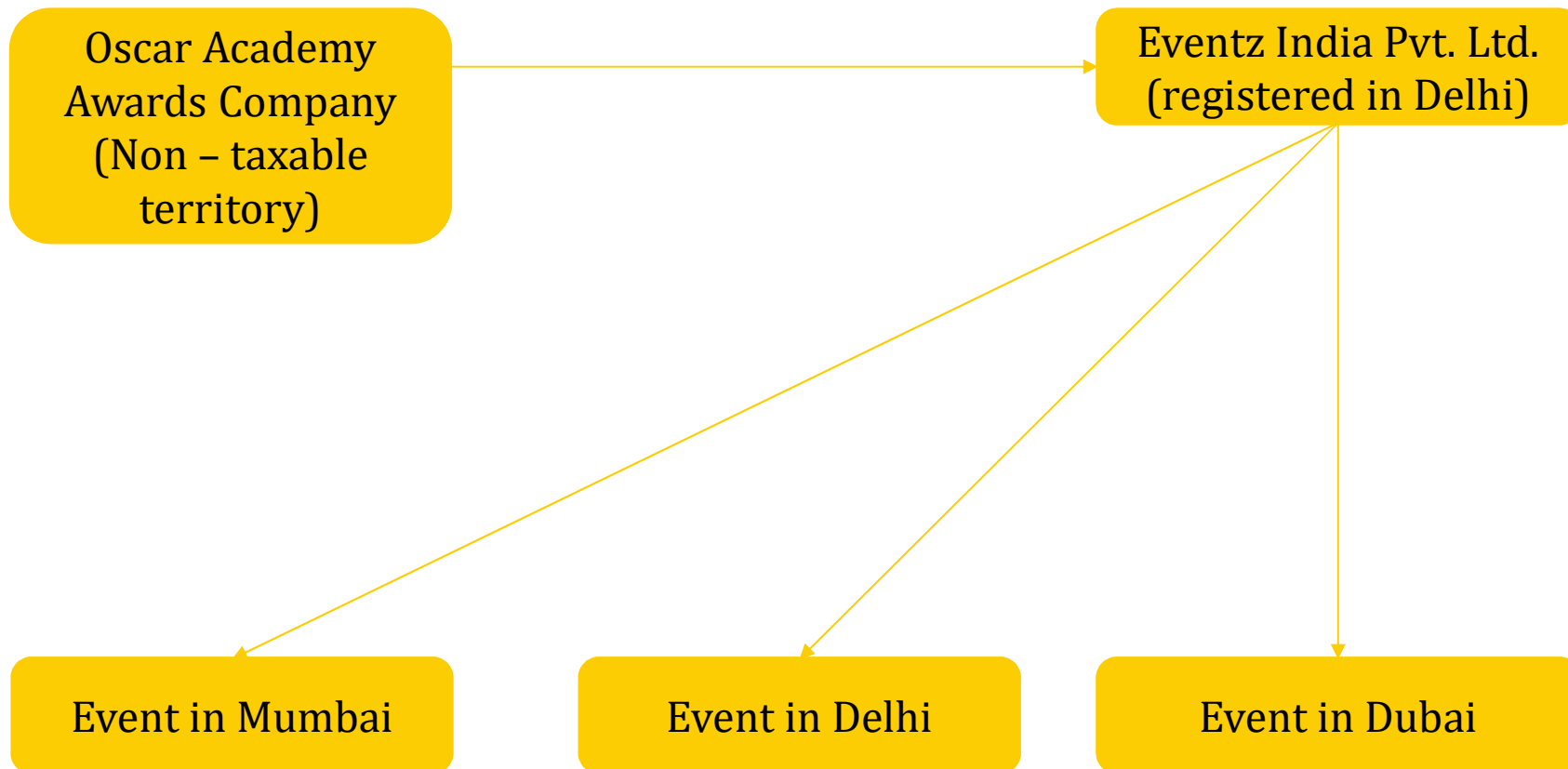
Place of Supply – Services – Sec. 13(5) (IGST)

Event / Celebration / Conference / Fair / Exhibition (Admission / organisation)



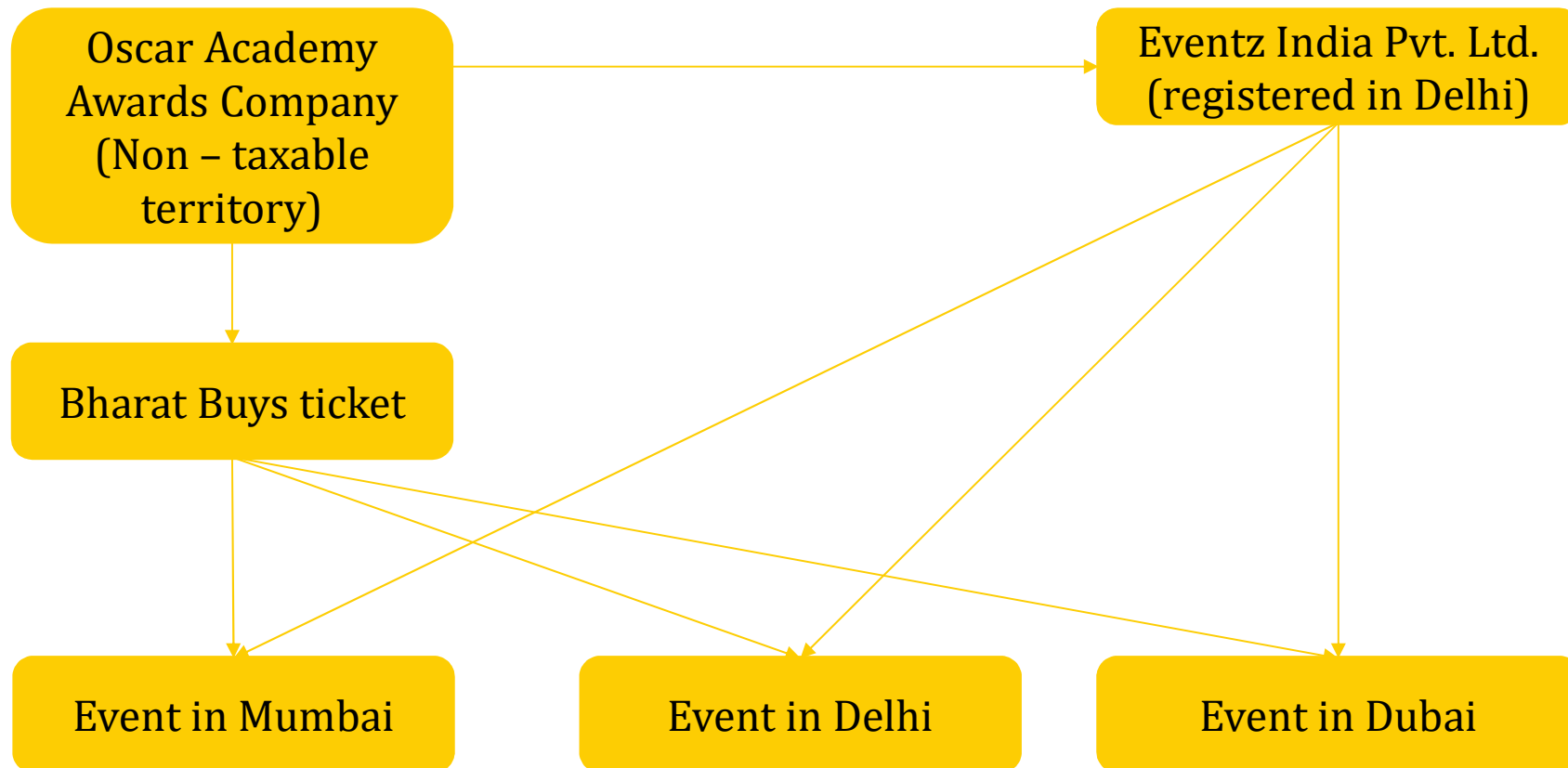
Place of Supply – Services – Sec. 13(5) (IGST)

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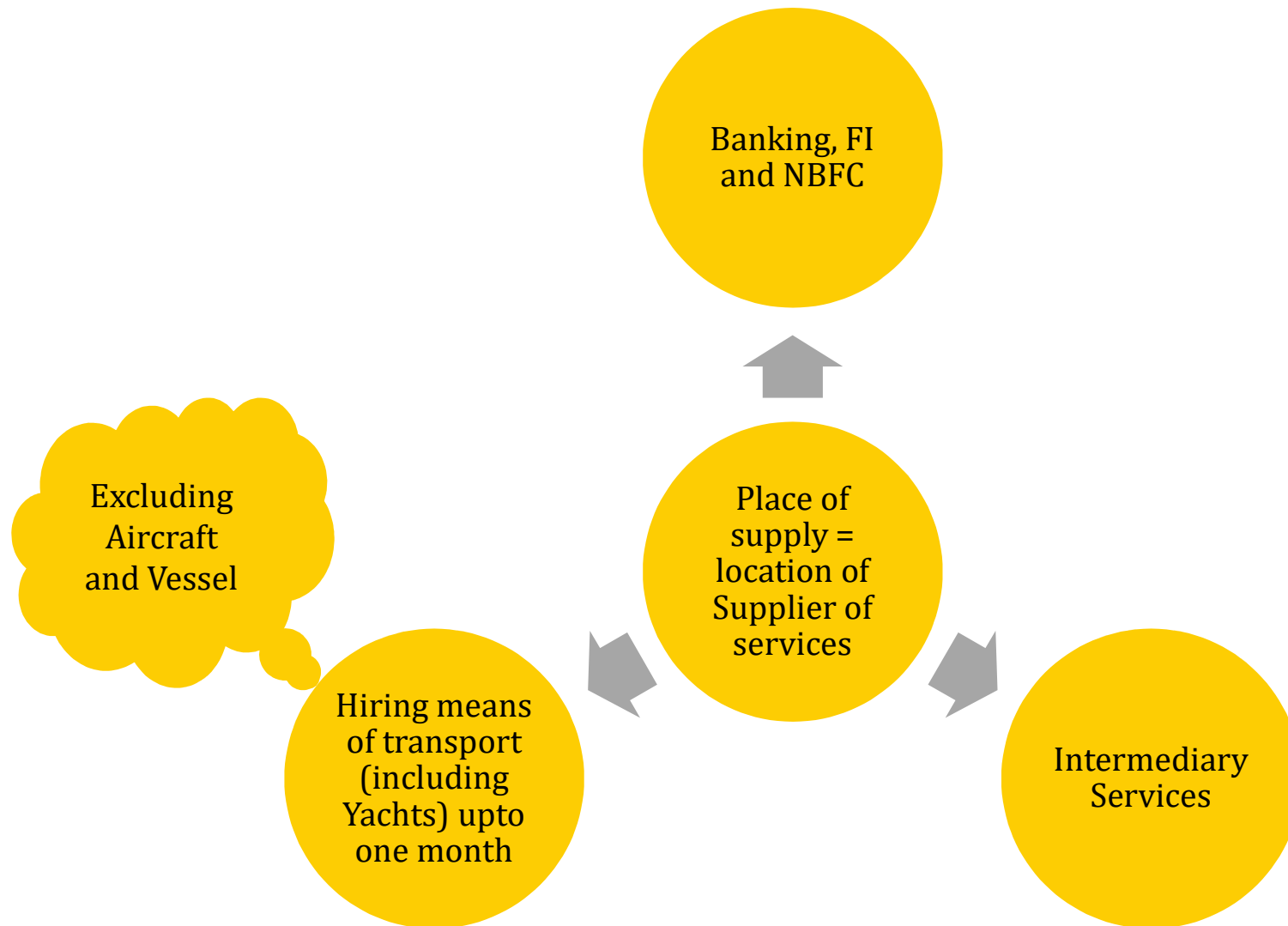


Place of Supply – Services – Sec. 13(5) (IGST)


Event / Celebration / Conference / Fair / Exhibition (Admission / organisation)



Place of Supply – Services – Sec. 13(8) (IGST)



Place of Supply – Services – Sec. 13(9) (10) & (11) (IGST)



Goods Transportation	<ul style="list-style-type: none">• Place of Destination of Goods• Excludes mail or courier
Passenger Transportation	<ul style="list-style-type: none">• Place where passenger embarks for a continuous journey
Services on Board a Conveyance	<ul style="list-style-type: none">• First Schedule point of Departure• Wholly or substantially consumed on Board

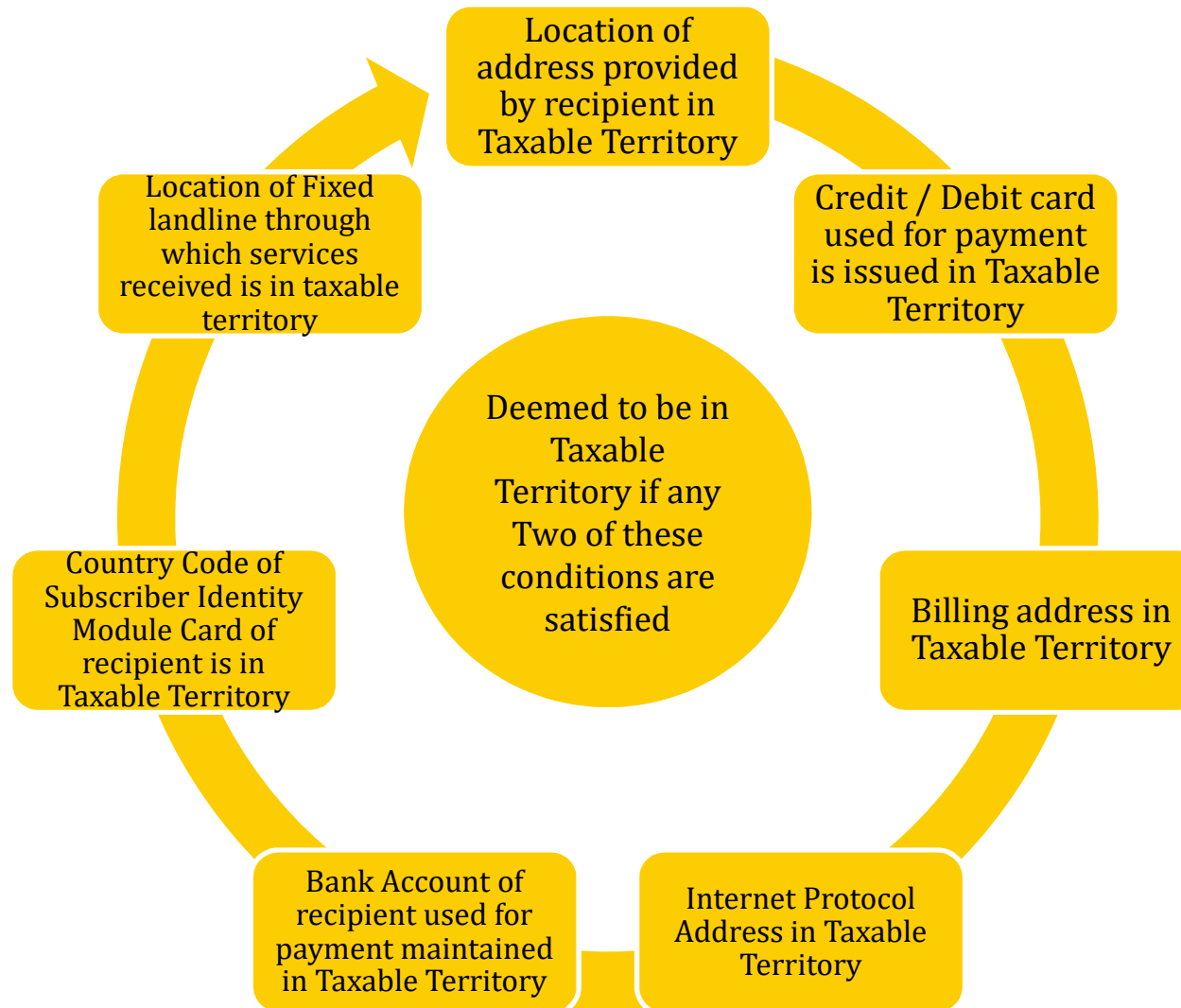
Place of Supply – Services – Sec. 13(12) (IGST)

Online Information and Database Access / Retrieval Services

Places of Supply = Location of Recipient of Service

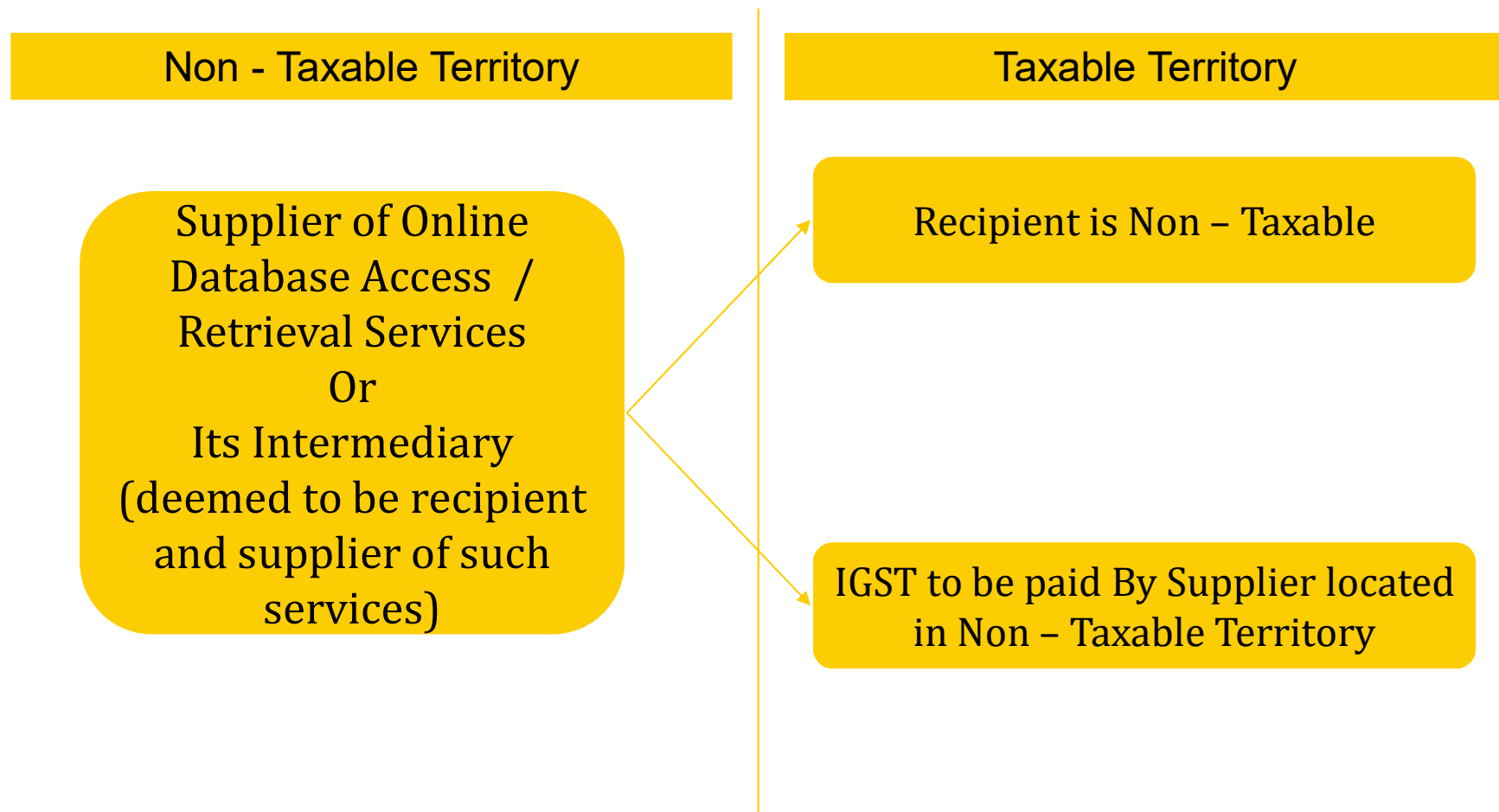
Location of Recipient of Service shall be deemed to be in taxable territory if any two conditions prescribed are satisfied.

Recipient of Online Database Access / Retrieval of Services



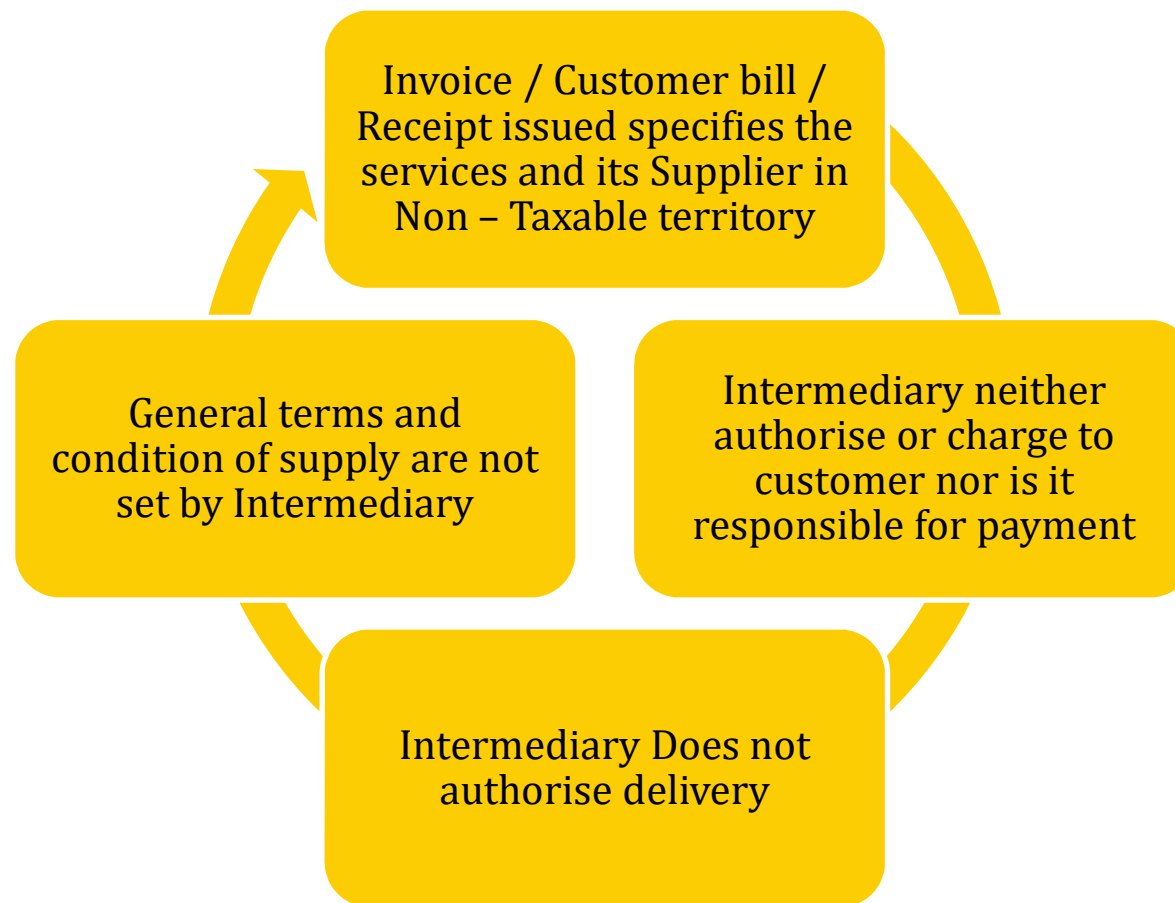
Special Provision with respect to Online Database Access / Retrieval Services

Sec. 14 : Special provision for payment of tax by a supplier of online information and database access or retrieval services.



Special Provision with respect to Online Database Access / Retrieval Services

Intermediary as discussed in earlier slide is not liable to pay IGST if following conditions fulfilled

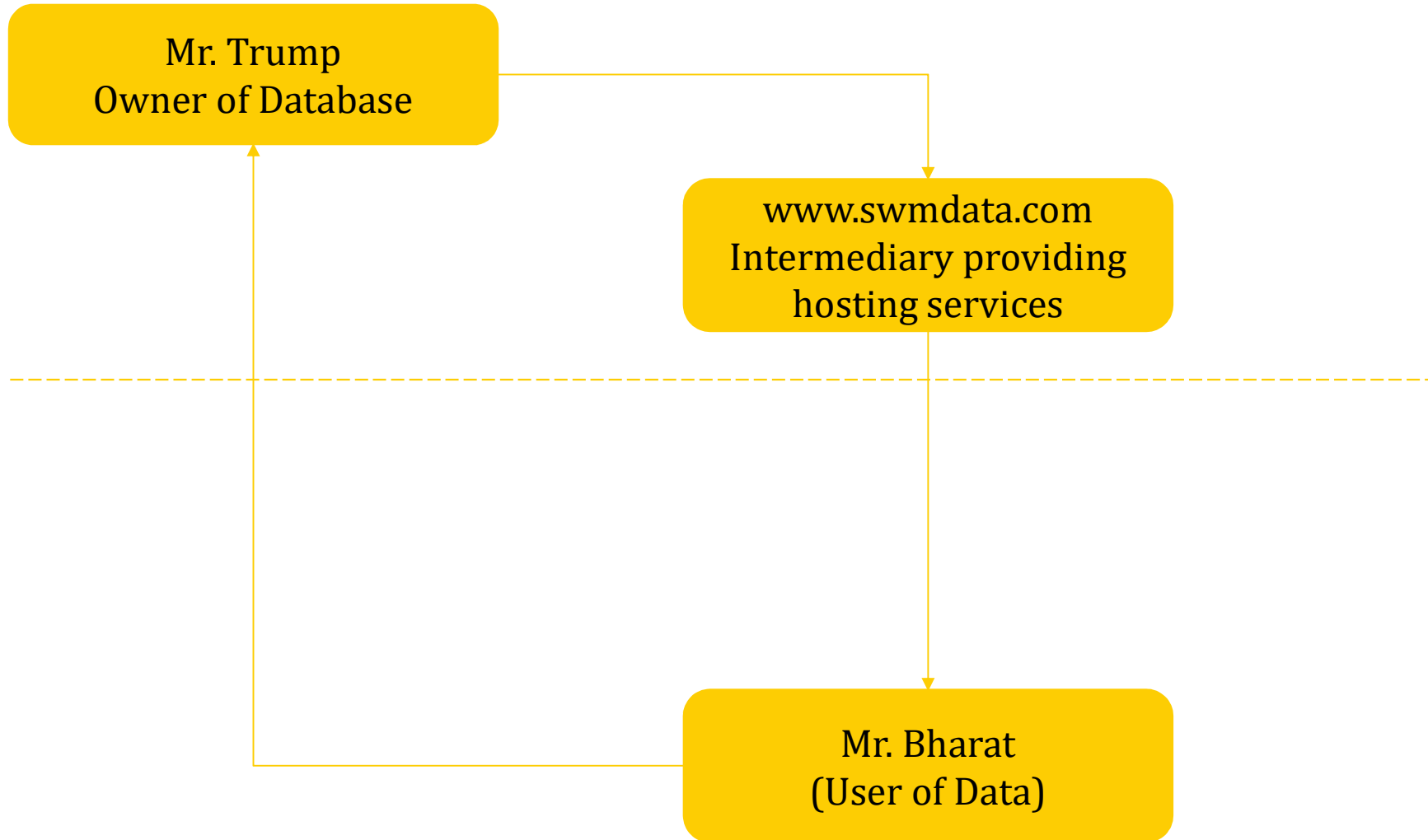


Special Provision with respect to Online Database Access / Retrieval Services

Structure of Transaction



Special Provision with respect to Online Database Access / Retrieval Services



Special Provision with respect to Online Database Access / Retrieval Services

Compliance for Online Database Access / Retrieval Service providers

- Take single registration under Simplified Registration Scheme for payment of IGST
- If they have a person representing them in taxable territory such person shall get registered and pay IGST on behalf of supplier
- If they do not have a physical presence / representative in taxable territory; appoint a person in taxable territory for the purpose of payment of IGST and such person shall be liable for payment of such tax

IGST Concepts

IGST Concepts

Location of the recipient of services” means:

- (a) where a supply is received at a place of business for which the registration has been obtained, the location of such place of business;
- (b) where a supply is received at a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;
- (c) where a supply is received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply; and
- (d) in absence of such places, the location of the usual place of residence of the recipient;

Location of the supplier of services” means:

- (a) where a supply is made from a place of business for which the registration has been obtained, the location of such place of business;
- (b) where a supply is made from a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;
- (c) where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provision of the supply; and
- (d) in absence of such places, the location of the usual place of residence of the supplier;

IGST Concepts

Export of goods with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India;

Export of services means the supply of any service when,

- (i) the supplier of service is located in India;
- (ii) the recipient of service is located outside India;
- (iii) the place of supply of service is outside India;
- (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange;

Import of goods with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India;

Import of services means the supply of any service, where--

- (i) the supplier of service is located outside India;
- (ii) the recipient of service is located in India; and
- (iii) the place of supply of service is in India;

IGST Concepts

Online information and database access or retrieval services means

Services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention and impossible to ensure in the absence of information technology and includes electronic services such as,--

- advertising on the internet;
- providing cloud services;
- provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;
- providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;
- online supplies of digital content (movies, television shows, music and the like);
- digital data storage; and
- online gaming;

Intermediary means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services or both or securities on his own account;



Any Questions?



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THANK YOU !