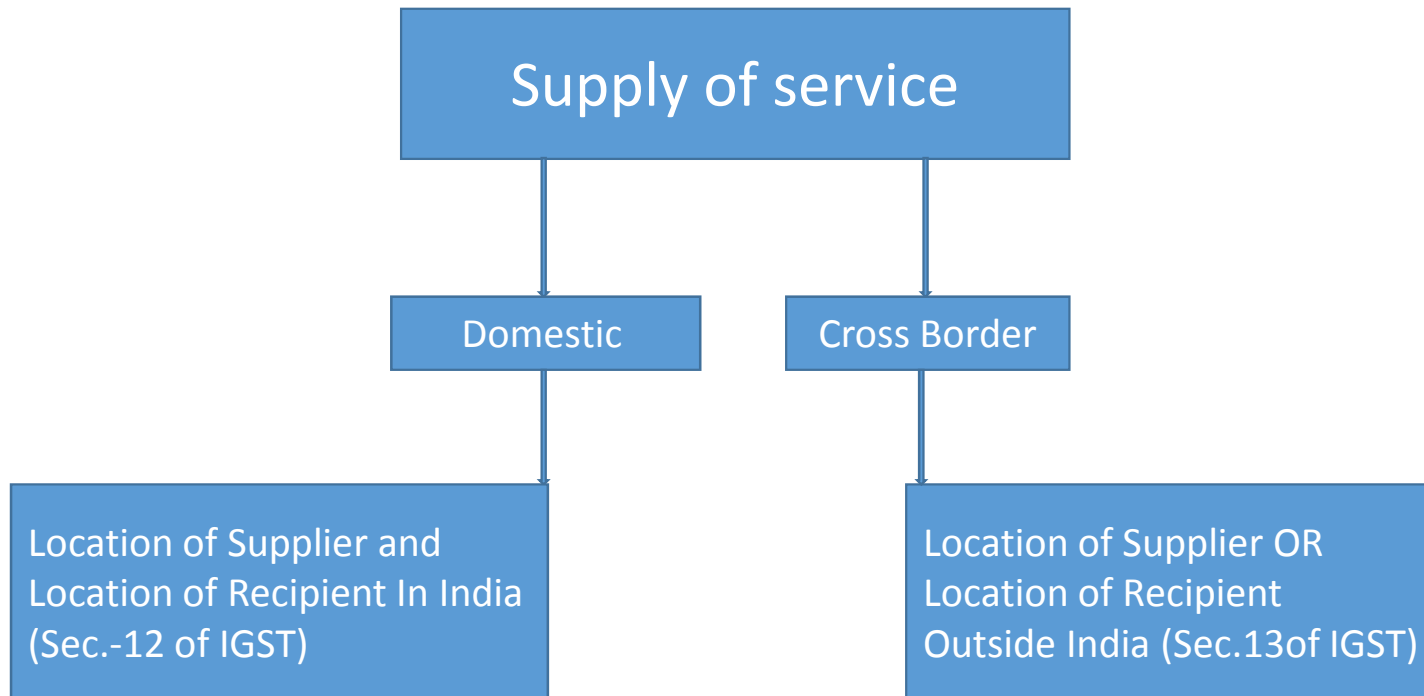


Place of Supply of Goods or Services or Both

**5 Day Refresh Course on GST
Organised By WIRC of ICAI**

“Place of Supply” of Services



Domestic Place of Supply of Service

- Section 12 of IGST Act provides the rules for determining “Place of Supply” of services where the location of the supplier and recipient in India. There are two kinds of rules:
 - “Special Rules” - for determining place of supply of services specified in sub-sections (3) till (14) of Section 12; and
 - “General Rule” - for determining place of supply of all remaining services [contained in sub section (2) of section 6]

Location of supplier of service

- Location of supplier of service is defined in Section 2(71) as:

location of supplier of service” means:

- (i) where a supply is made from a place of business for which registration has been obtained, the location of such place of business ;
- (ii) where a supply is made from a place other than the place of business for which registration has been obtained, that is to say, a fixed establishment elsewhere, the location of such fixed establishment;
- (iii) 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
- (iv) in absence of such places, the location of the usual place of residence of the supplier;

Basic Rule – Section 12(2) of IGST Act, 2017

Place of Supply (other than specified services)

SUPPLY MADE TO	PLACE OF SUPPLY
Registered Person (B2B)	Location of such registered Person
Other then registered person	
i. Where recipients address available in records of suppliers	Such Address
ii. Other cases	Location of supplier

Section 12(3) – Services in relation to immovable property

- Place of supply of services,-
 1. directly in relation to:
immovable property, including services provided by:
 - architects,
 - interior decorators,
 - surveyors,
 - engineers
 - and other related experts or estate agents,any service provided by way of grant of rights to use immovable property or for carrying out or co-ordination of construction work, or
 2. by way of lodging accommodation by a hotel, inn, guest house, home stay, club or campsite including a house boat or any other vessel; or

Section 12(3) – Services in relation to immovable property

3. By way of accommodation in any immovable property for organizing any marriage or reception or matters related therewith, official , social, cultural, religious, or business function including services provided in relation to such function at such property
4. Any service ancillary to the services above,
shall be the location at which the immovable property or boat or vessel is located or intended to be located.
provided that 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.

Section 12(4 & 5) – Services in relation to performance

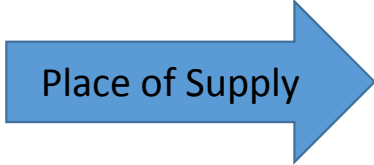
- Place of supply of:
 - Restaurant and catering services,
 - Personal grooming services,
 - Fitness services,
 - beauty treatment services, and
 - Health service including cosmetic and plastic surgery
shall be the location where the services are **actually performed**.
- Place of supply of services in relation to training and performance appraisal:
 - To a registered person – **shall be the location of such person**
 - To a person other than registered person – **shall be location where the services are actually performed**.

Section 12(6) – Services in relation to admission to event/park

Admission to

- Cultural event
- Artistic event
- Sport event
- Scientific event
- Educational event
- Entertainment event
- Amusement park
- Or any other Place and service ancillary thereto

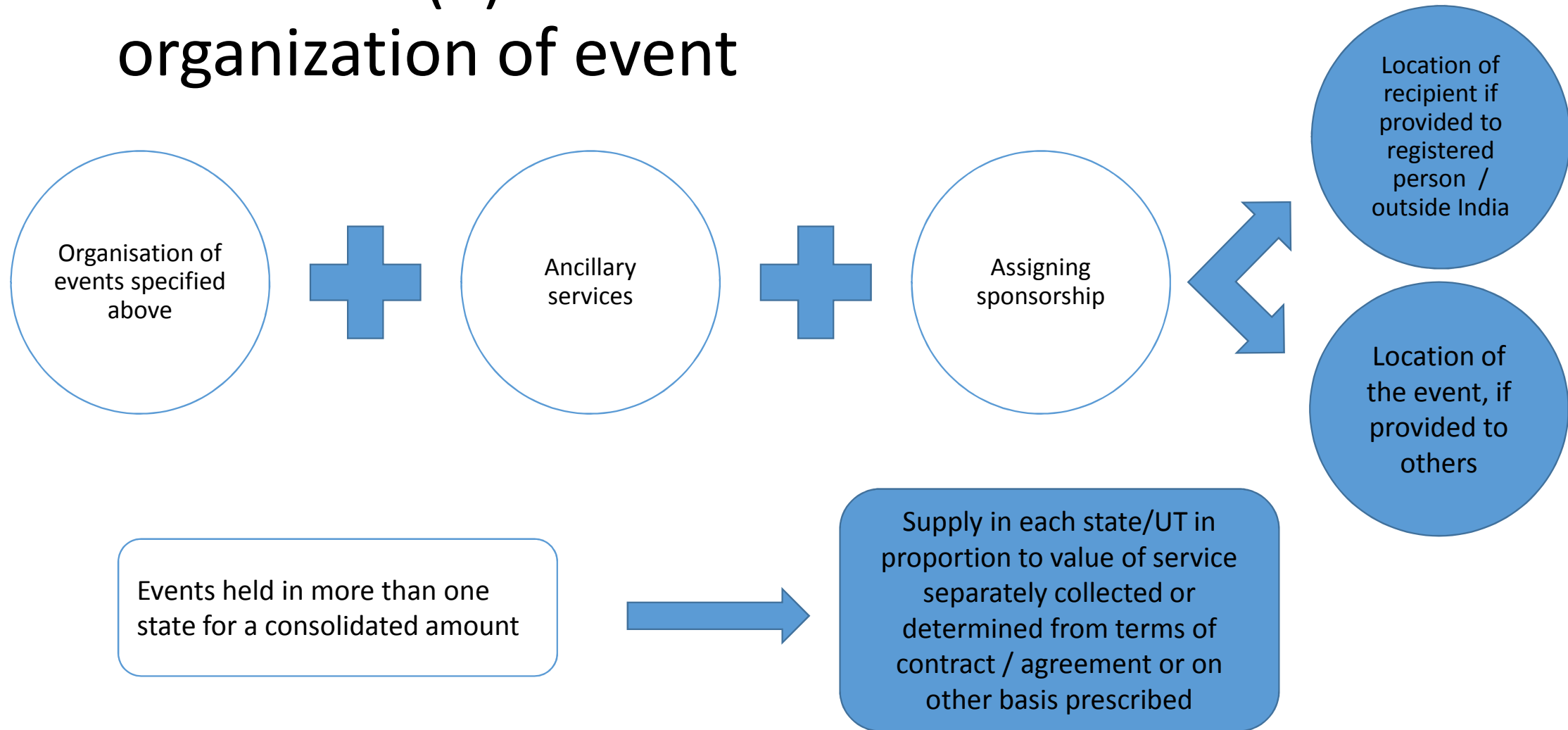
Place of Supply



Location of event



Section 12(7) – Services in relation to organization of event



Section 12(8) – Goods Transportation Services

Supply of	Place of supply
Goods transportation service (including by mail / courier) provided to - <ul style="list-style-type: none">• Registered person (B2B)• Unregistered person	<p>Location of such person</p> <p>Location where goods are handed over for transportation</p>

- Contradictory with the current Rule. As per the current rule place of supply of such services is the location where the goods are destined for.

Section 12(9) – Passenger Transportation Services

Supply to	Place of supply
Registered person (B2B)	Location of such person
Unregistered person (point of embarkation known)	Place where passenger embarks on conveyance for continuous journey*
Point of embarkation unknown <ul style="list-style-type: none">• Registered person• If address of recipient available in records of supplier• If address not available in records of supplier	Location of such person Such address Location of Supplier

***Return journey to be treated as separate journey**

Section 12(10)-On Board Conveyance Services

The place of supply of services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, shall be the location of the first scheduled point of departure of that conveyance for the journey.

Particulars	Place of supply
Anil has received internet services on board a flight from Delhi to London	Delhi (first departure point of the journey)
Flight from Delhi to US has a scheduled stopover at Dubai and Ajay has received the spa services after the Dubai stopover	Delhi (in our view even in case of stop over journey the first scheduled point would be Delhi location from where the journey is started)

Section 12(11)- Telecommunication Services

Supply of Service by way of	Place of Supply
Telecom line, leased circuits, internet circuit, cable / dish antenna	Location of installation for receipt of such services
Lease circuit installed in more than 1 state / UT and consolidated amount charged	Supply in each state/UT in proportion to value of service collected or determined from contract and in absence, on other basis as may be prescribed.
Post paid mobile connection for telecommunication / internet Services	Location of billing address of service receiver in supplier's records and if such address not available location of Supplier

<p>Prepaid mobile connection for telecommunication / internet services / DTH services on pre-payment –</p> <ul style="list-style-type: none"> • Through sale of SIM card or voucher by selling agent, Distributor, reseller • Provided to final subscriber • Through internet banking/ electronic Mode • Where address of recipient not available in record of supplier 	<p>Address of selling agent, distributor, reseller as per supplier’s record at time of supply.</p> <p>Location where prepayment received / voucher sold.</p> <p>Location of service receiver as available in record of supplier</p> <p>Location of supplier</p>
<p>Mobile connection for telecommunication/ internet services other than postpaid / prepayment basis</p>	<p>Address of recipient as per supplier’s record & if such address not available location of supplier</p>

Section 12(12)- Banking & Financial Services

Type of Supply	Place of Supply
Where Location of receiver available in supplier's record	Location of service receiver
Where Location of receiver not available in supplier's record	Location of supplier

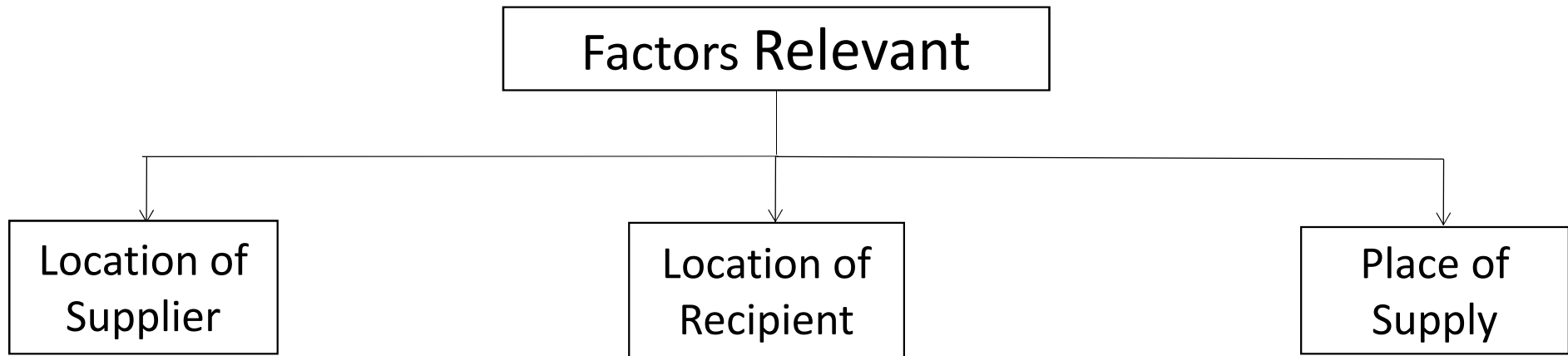
Section 12(13)- Insurance Services

Supply of	Place of Supply
Where Location of receiver available in supplier's record	Location of service receiver
Where Location of receiver not available in supplier's record	Location of supplier

Section 12(14)- Advertisement Services to Government

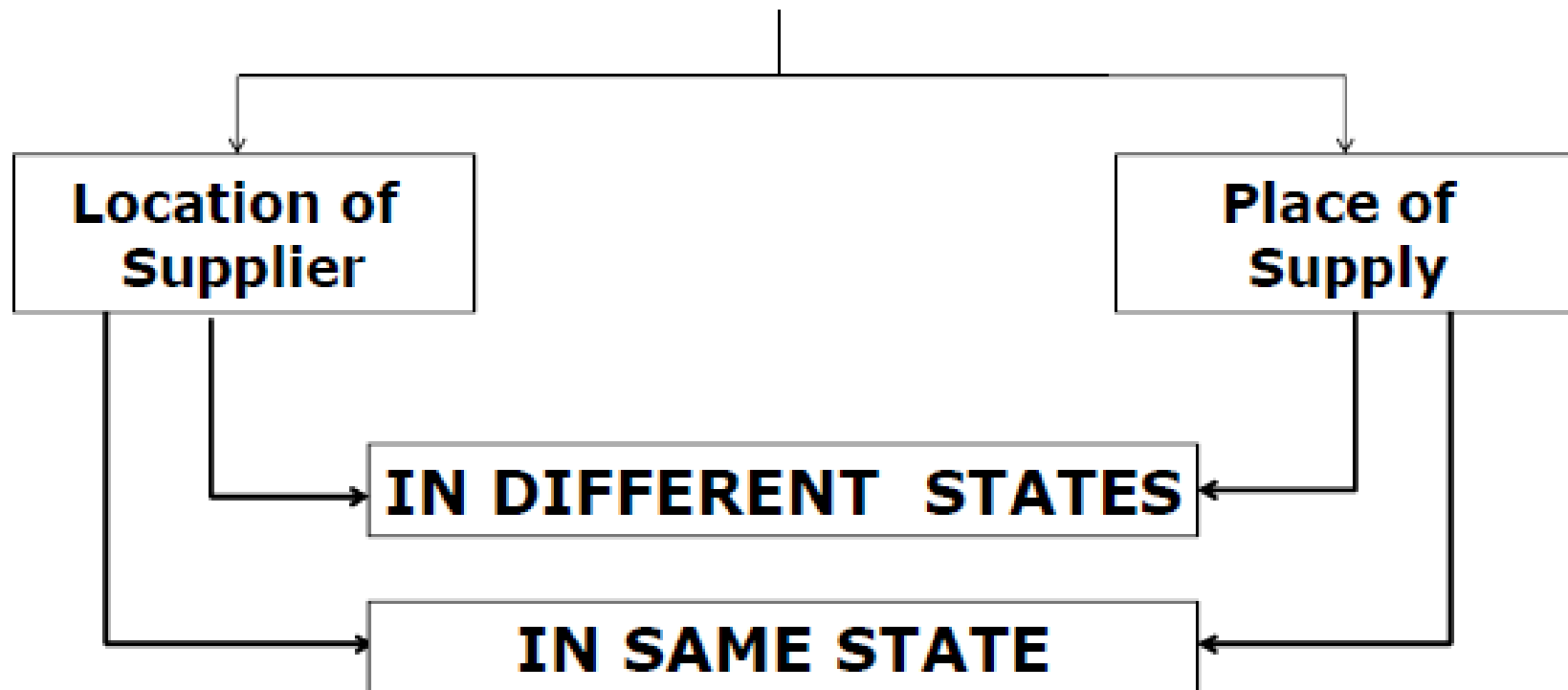
- Place of supply of Advertisement Services to Central Govt., State Govt., a statutory body or a local authority meant for identifiable states shall be taken as located in each of such states.
- Value attributable to each state shall be in proportion to amount attributable to service provided by way of dissemination in the respective states as may be determined in terms of :
 - The contract or agreement entered into in this regard or,
 - In the absence of such contract or agreement, on such other reasonable basis as may be prescribed in this behalf.

Place of Supply of Service



- Location of Recipient
- Location of Immovable Property
- Location of Supplier
- Place of Performance
- Others

DOMESTIC INTER/INTRA STATE SUPPLY



Section 13-Cross Border Supply of Service

Sr. No.	Description of Service	Place of Supply of Service
1	Basic Rule	Location of supplier of service (outside India)
2	Basic Rule for Place of Supply of Service (except specified in below 3 to 13)	Location of recipient of service
3	Performance based Service	Location of performance of service
4	Service relating to Immovable Property	Location of the immovable property
5	Service relating to Events	Location of the event

6	Services (3,4,5 above) supplied at more than one location [including location in Taxable Territory]	Location of Taxable Territory
7	Services (2,3,4 above) supplied in more than one state or union territory.	<ul style="list-style-type: none"> •Respective State/ Union Territory •Value - Proportion to value of service separately or collected or based on contract/ agreement; and in case No contract – on prescribed basis
8	<p>Specified Services :</p> <ul style="list-style-type: none"> • Services supplied to account holders by banks, FIs, NBFC • Intermediary Services • Hiring means of transport, including yachts but excluding aircrafts & vessels, up to a month 	Location of Supplier of Services

9	Supply of service of Transportation of goods, other than by way of mail or courier	Location of destination of goods
10	Supply in case of passenger transportation services	Location where passenger embarks on the conveyance for a continuous journey
11	Service provided on board a conveyance during the course of passenger transport operation(including services intended to be wholly or substantially consumed while on board)	Location of first scheduled point of departure of that conveyance for the journey

12	Supply of online information and database access or retrieval services	Location of Recipient of services
13	Supply of services or circumstances specified in notification of Government (to prevent double taxation or non- taxation of the supply of service, or for uniform application of rules)	Location of effective use or Enjoyment of Service.

Section 13(3)-Performance Based Services

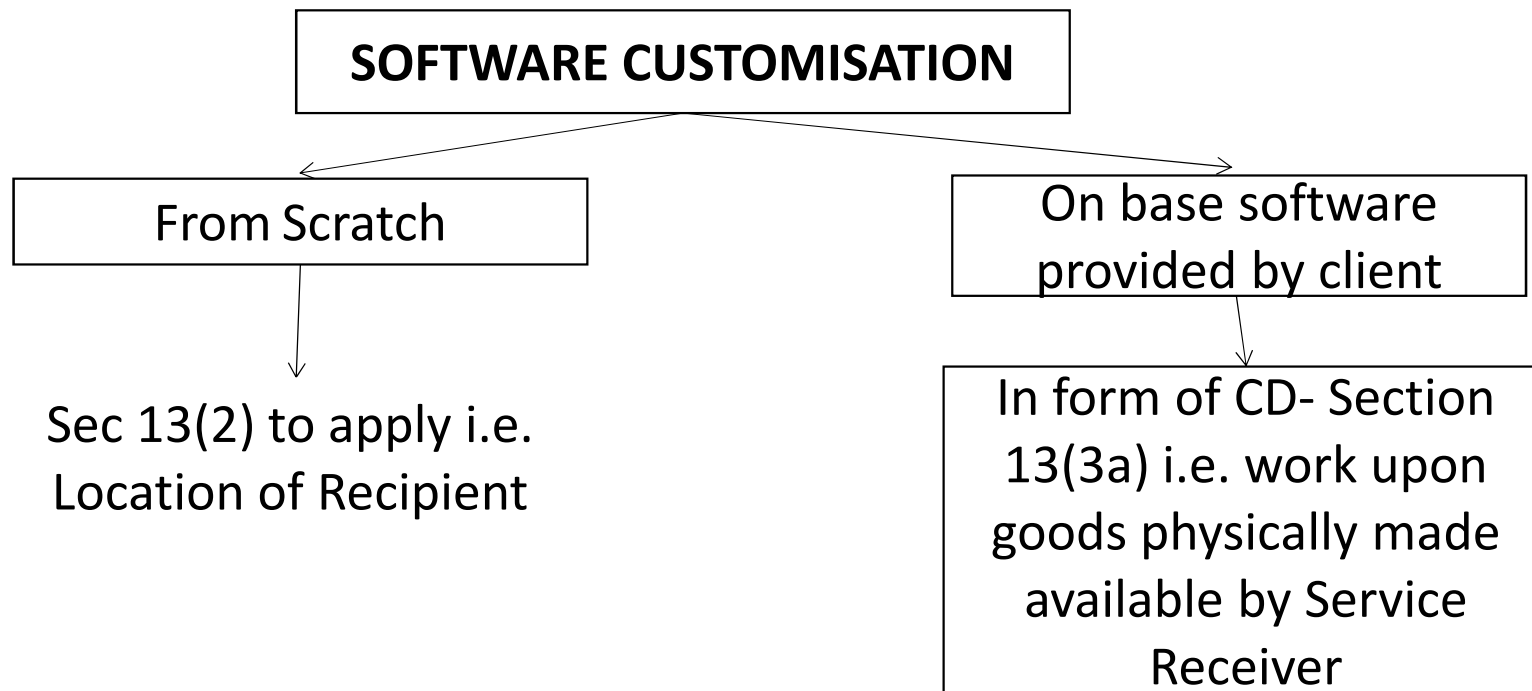
Place of Supply of Service - Location of Performance of Service

- **Work Upon Goods**

- Service Provider supplies services in respect of goods made physically available by Service Receiver in order to provide the Service, E.g. Repairs, Storage & Cargo handling.
- Exceptions:
 - Remote access – Location of goods at the time of supply of service
 - Goods temporarily imported into India for repair and re-exported subject to the condition that goods not put in use to India (except for repairs).

- **Work upon Individuals**

- Service supplied to individuals physically present in their personal capacity or on service recipients behalf
- E.g. Beauty Treatment, Plastic Surgery, Health & Fitness Center, classroom teaching &



Section 13(4)- Service relating to Immovable Property

Place of supply - Location of immovable property

- Services directly in relation to immovable property e.g. construction, estate agents, architects and Interior decorators.
- Services remotely connected not covered e.g. real estate feasibility studies, advice on capital gains.
- Services supplied by experts e.g. Legal, Civil engineering, Valuation.
- Provision of accommodation in hotels, inns, guest house, etc.
- Grant of rights to use immovable property.

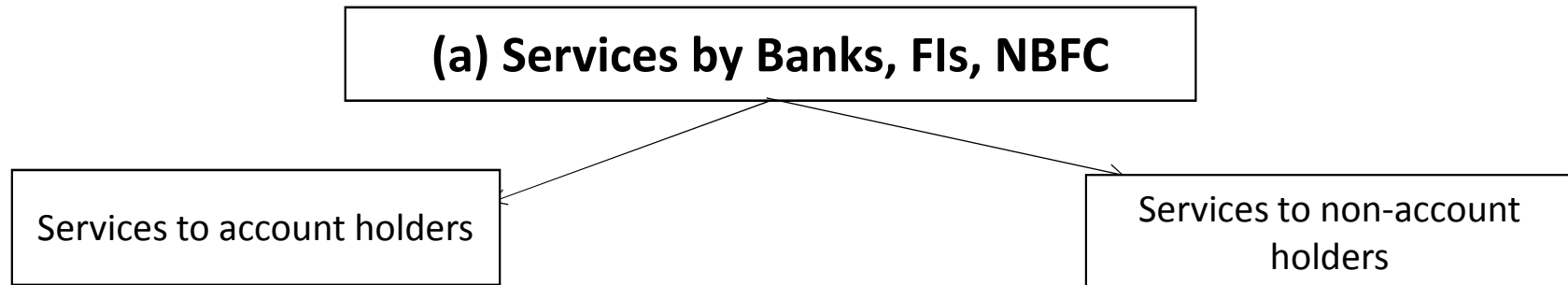
Section 13(5)- Service Relating to events

Place of Supply – Location of Event

- Services supplied by way of
 - Admission to event & services ancillary to admission
 - Organization of event or services ancillary to organization
- Examples
 - Convention Services
 - Event Management Services
 - Business Exhibition Services

Section 13(8)- Specified Services

Place of Supply - Location of Supplier of Services



- Account means an account bearing interest to the depositor and includes a NRE & NRO A/c.
- E.g. operation of bank a/c., lending, deposits, safe lockers, money transfer, etc.

- Service to non-account holder is an **exception** to this sub section, the place of supply shall be Location of Recipient of services
- E.g. Financial leasing, merchant banking services, Securities and FX broking, FX purchase or sale, asset management, depository services, advisory and other auxiliary financial services, banker to an issue service.

Section 13(8)(b)- Intermediary Services

- Intermediary means a person (broker/agent) who arranges or facilitates supply of services or supply of goods or securities between two or more persons.
- E.g. 1. Commission agent located in India liable
- E.g. 2. Two supplies involved-
 - Main Supply (service/goods/securities) between principal and third party(main service).
 - Intermediary services for which he receives commissionBut where main services or goods or securities supplied on own account it is not intermediary.

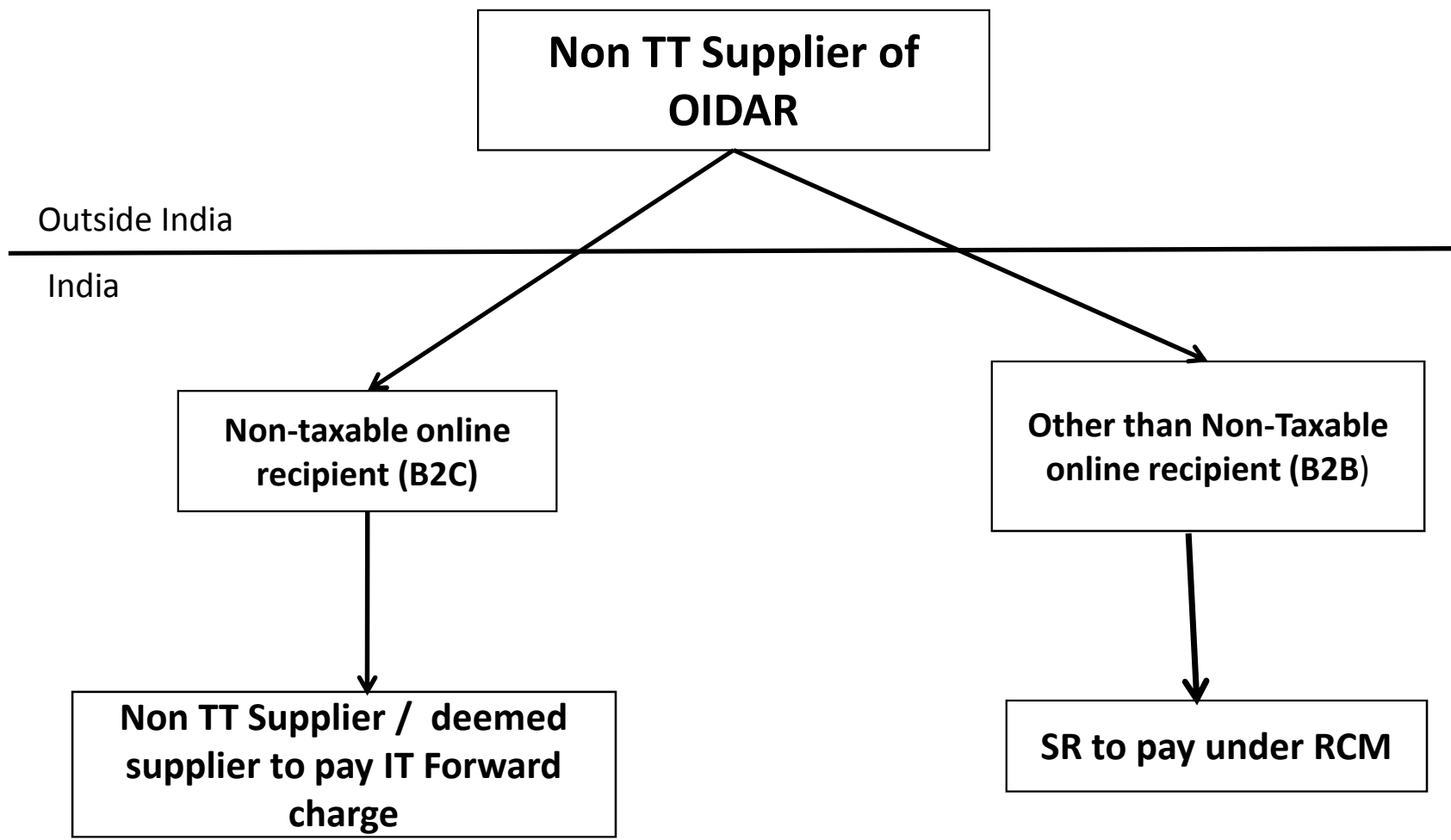
Section 13(12)- Online information and database access or retrieval services

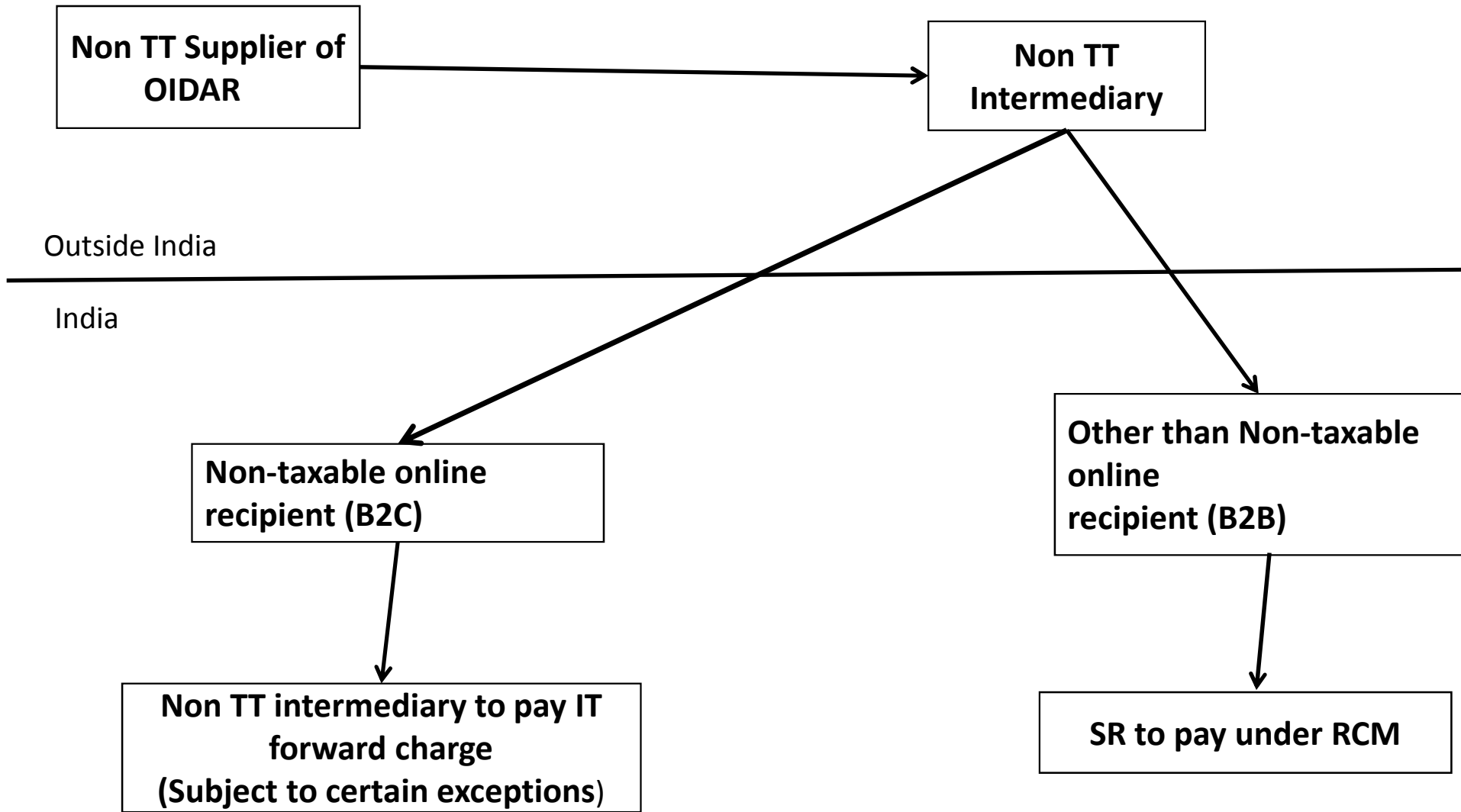
Place of Supply of Service-Location of Recipient of Service

- Person receiving such service shall be deemed to be located in taxable services, if any of the TWO non-contradictory conditions are satisfied:
 - (a) location of address presented by service recipient via internet is in taxable territory;
 - (b) credit card /debit card/ store value card/ charge card/ smart card/ any other card by which service recipient settles payment has been issued in taxable territory;
 - (c) Service recipient billing address is in taxable territory;
 - (d) Internet Protocol [IP] address of device used by service recipient is in taxable territory;

Section 13(12)- Online information and database access or retrieval services

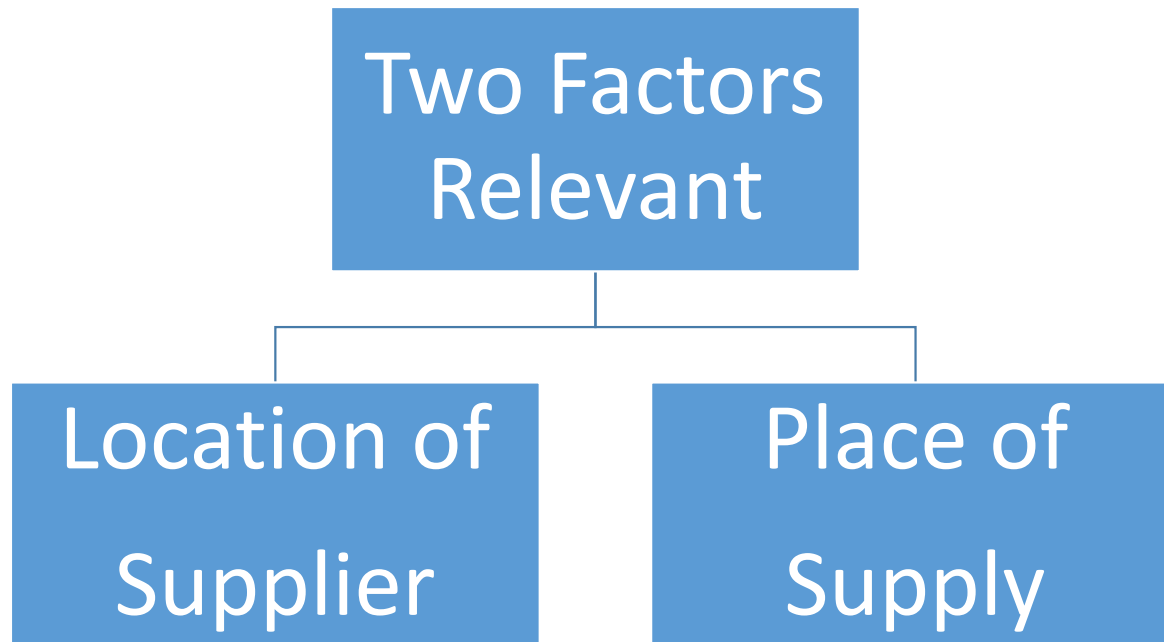
- (e) Service recipient bank account used for payment maintained in taxable territory;
- (f) Country code of SIM card used by Service recipient is of taxable territory;
- (g) Location of Service 's fixed land line through which service is received by person, is in taxable territory;





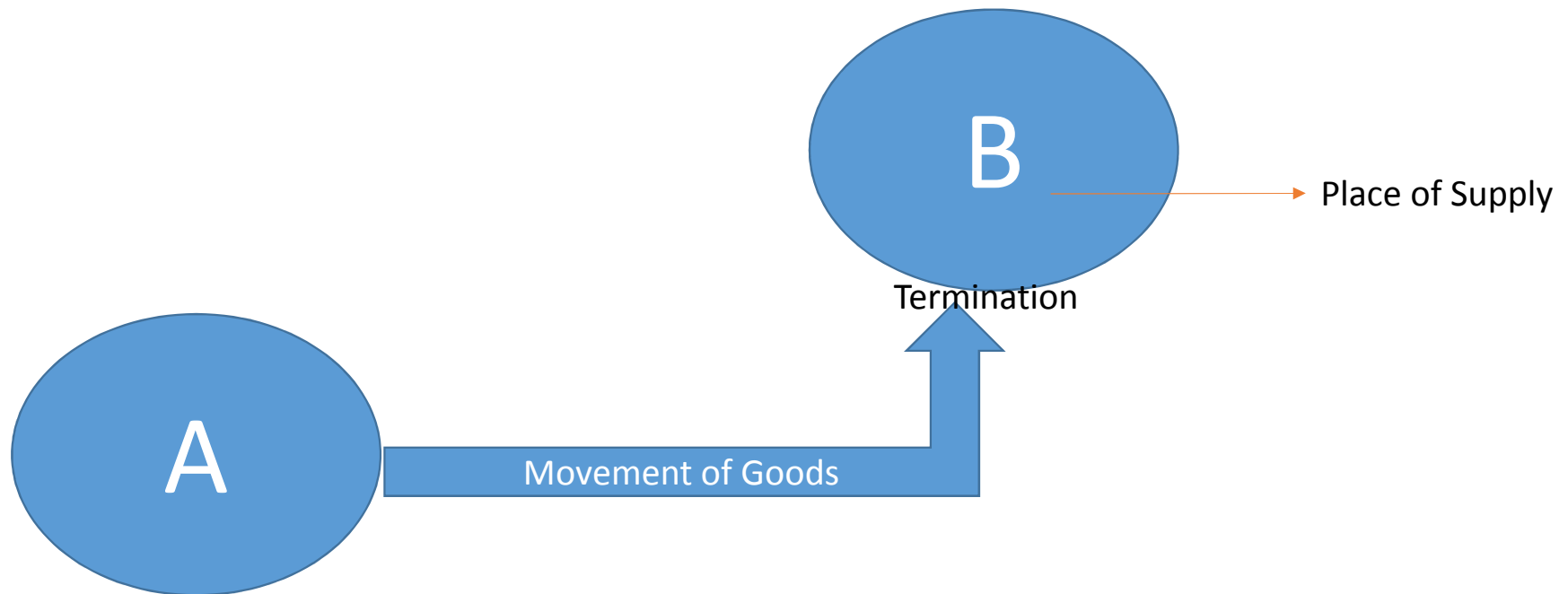
Place of Supply of Goods

Section 10 of the IGST Act provides for the rules for determining “place of supply” of goods other than goods imported into, or exported from India.



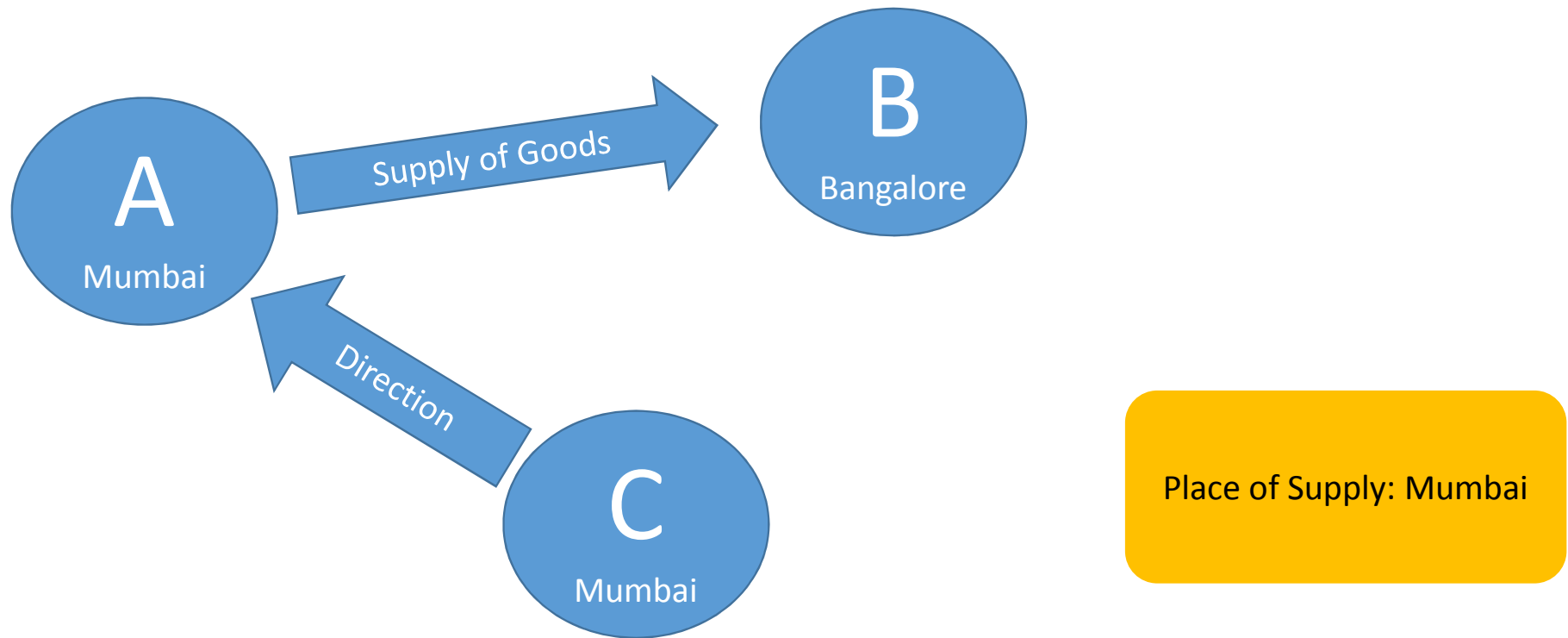
Domestic Place of Supply of Goods S. 10(1)(a)

<i>Nature of supply</i>	<i>Place of supply</i>
Supply involving movement of Goods	Location of goods at time of termination of movement for delivery to recipient



Domestic Place of Supply of Goods S. 10(1)(b)

<i>Nature of supply</i>	<i>Place of supply</i>
Supply of Goods on Direction of third person	Principal Place of Business of third person



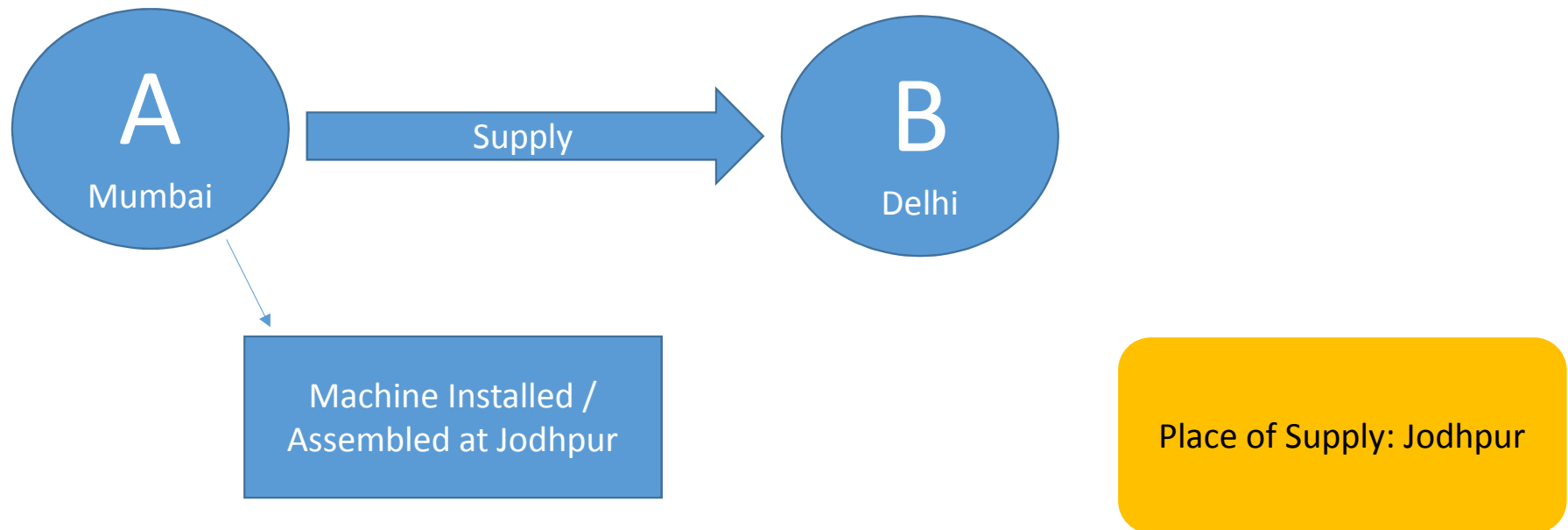
Domestic Place of Supply of Goods S. 10(1)(c)

<i>Nature of supply</i>	<i>Place of supply</i>
Supply not involving movement of goods	Location of goods at the time of delivery to the Recipient

1. This sub section would mainly cover Over The Counter (OTC) supplies of goods.
2. Where a person purchases a T-shirt from a shop, supply is complete at the shop itself when the T- shirt is delivered to the buyer and the price is paid. In this case place of supply would be determined under sub-section 3 and not under sub section 2.
3. Other cases where no movement - job worker making capital goods for the principal but himself uses for making goods for the principal.

Domestic Place of Supply of Goods S. 10(1)(d)

<i>Nature of supply</i>	<i>Place of supply</i>
Supply by assembly / installation at site	Place of Installation / assembly



Domestic Place of Supply of Goods S. 10(1)(e)

<i>Nature of supply</i>	<i>Place of supply</i>
Supply on board a conveyance (vessel, aircraft, train etc.)	Location where goods are taken on board

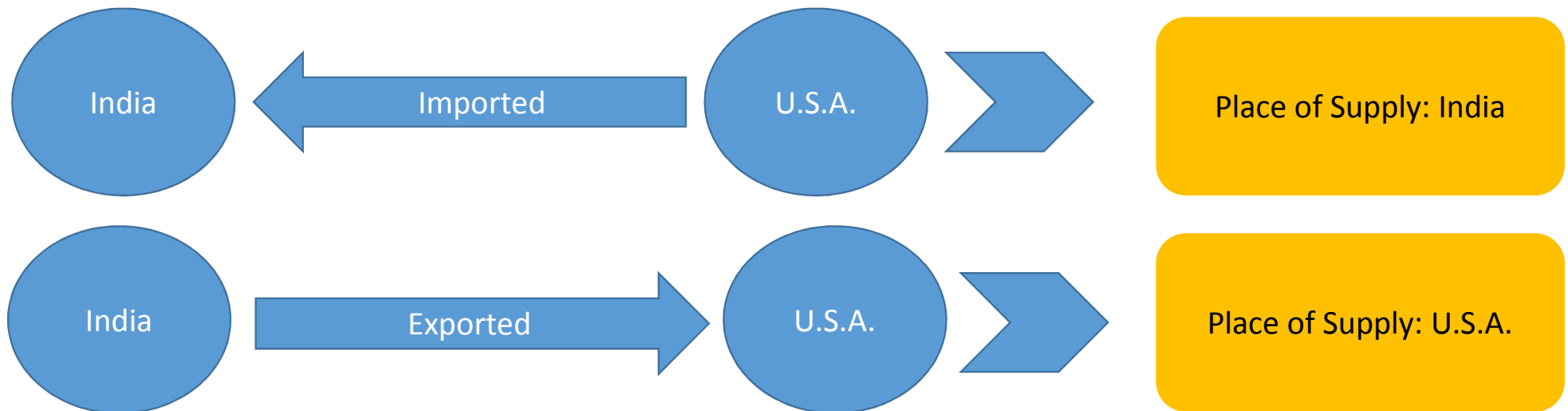


Mr. "A" board on flight from Jaipur and buy goods in Flight

Place of Supply: Mumbai

Cross Border - Place of Supply of Goods S. 11

<i>Nature of supply</i>	<i>Place of supply</i>
Goods imported into India	Location of Importer
Goods exported from India	Location outside India



Thank You!

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