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L&S Update

an e-update to clients from
Lakshmikumaran & **Sridharan**

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Revised Model GST Law - Place of Supply of Goods and Services

Place of Supply of Goods and Services

It may be recalled that a draft Model GST law was released earlier on the website of the Ministry of Finance (Department of Revenue), Government of India on June 14, 2016 inviting comments. A revised Model GST law has now been released on November 26, 2016.

The provisions in the revised Model GST law and the revisions made in respect of Place of Supply of Goods and Services are summarised below.

<u>Place of Supply for Services</u>

Place of supply (POS) of services have been categorised as under:

(i) Where the location of supplier of service **and** the location of the recipient of service is **<u>in India</u>**

(ii) Where the location of supplier of service **or** the location of the recipient of service is **<u>outside India</u>**

Under category (i) place of supply of specific services have been modified as under:

S.No.	Type of services	Model GST Law	Revised Model GST Law	Impact
1	Supply of services in relation to immovable property	Location at which the immovable property	In case immovable property is located outside India, POS shall be the location of recipient	Services in relation to immovable property will be taxable in India whether the immovable property is located within or outside India.
2	Supply of services by way of organization of event	B2B- Location of registered person receiving the service B2C- Place where the event is actually held	In case event is held outside India, POS shall be the location of recipient	Services by way of organisation of event will be taxable in India whether the event is held within or outside India.

POS of services for category (ii) are as under:

S.No.	Type of services	Model GST Law	Revised Model GST Law	Impact
1	General Services	B2B- Location of recipient registered person B2C- Location of the recipient where the address on record exists, and the location of the supplier of services in other cases.	Location of recipient Location of supplier if above is not available	-
2	Supply of services relating to actual performance in respect of goods	B2B- Location of recipient registered person B2C- Location of the recipient where the address on record exists, and the location of the supplier of services in other cases.	Location where the services are actually performed	Services performed in India will be taxable in India and services performed outside India will not be taxable.

3	**Supply of services to individual requiring their physical presence**	**Location where the services are actually performed**	**Location where the services are actually performed**	**-**
4	Supply of services in relation to immovable property	Location at which the immovable property	Location at which the immovable property	-
5	Supply of services related to admission to event or amusement park or any other place	Place where the event is actually held	Place where the event is actually held	-
6	Supply of services by way of organization of event	B2B- Location of registered person receiving the service B2C- Place where the event is actually held	Place where the event is actually held	Events organised by supplier located outside India will not be taxable in India.
7	Supply of banking and other financial services	Location of the recipient of services on the records of the supplier of services	Location of supplier of service	Banking services to recipient located outside India will also be taxable in India

8	**Supply of intermediary services and hiring of means of transport**	**B2B- Location of recipient registered person** **B2C- Location of the recipient where the address on record exists, and** **the location of the supplier of services in other cases.**	**Location of supplier of service**	**Such services provided to recipient located outside India will be taxable in India** **Such services provided by provider outside India will not be taxable in India**
9	Supply of services by way of transportation of goods, including by mail or courier	B2B- Location of registered person receiving the service B2C- Location at which such goods are handed over for their transportation	Location of destination of goods	Transportation services to recipient located outside India for export of goods will not be taxable in India
10	Supply of passenger transportation service	B2B- Location of registered person receiving the service B2C- Place where the passenger embarks on the conveyance for a continuous journey	Place where the passenger embarks on the conveyance for a continuous journey	Such services will not be taxable in India where passenger embarks outside India for continuous journey

11	**Supply of online information and database access or retrieval services**	**B2B- Location of recipient registered person** **B2C- Location of the recipient where the address on record exists, and** **the location of the supplier of services in other cases.**	**Location of recipient**	**-**

Place of Supply for Goods

Specific provisions have been framed for determining the place of supply of goods imported into, or exported from India as under:

i. Imported goods- POS is location of the importer
ii. Exported goods- POS is location outside India

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