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Highlights

Circulars on....

- 1 ITC availed by ECOs where services specified u/s 9(5) are supplied through their platform
- 2 Availability of ITC in respect of goods which have been delivered by the supplier at his place of business under Ex-Works contract
- 3 Place of supply of Online Services supplied by the suppliers of services to un-registered recipients
- 4 Issues pertaining to GST treatment of Vouchers

Circulars

- ❖ **Clarification in respect of ITC availed by ECOs where services specified u/s 9(5) are supplied through their platform:** *(Circular No: 240/34/2024-GST dt. 31-12-2024)*
 - ✓ **ECO who is liable to pay tax under section 9(5) in respect of specified services is **not required to reverse ITC** on his inputs and input services, proportionately under section 17(1)/(2) **to the extent of supplies made under section 9(5).****
 - ✓ **ECOs will be required to **pay the full tax liability** on account of supplies under **section 9(5)** only through **electronic cash ledger** and the credit availed by them in relation to the inputs and input services used to facilitate such supplies cannot be used for discharge of tax liability under section 9(5).**
 - ✓ **However, such credit can be utilized by them for discharge of tax liability in respect of supply of services on their own account.**

Circulars

❖ **Clarification on availability of ITC as per section 16(2)(b) in respect of goods which have been delivered by the supplier at his place of business under Ex-Works Contract:** *(Circular No: 241/35/2024-GST dt. 31-12-2024):*

- ✓ A registered person can be considered to have “received” the goods **at the time of handing over of the same by the supplier** to him or to the transporter at the factory gate or at the place of business of the supplier in an **Ex-Works (EXW) contract** and accordingly, the goods can be construed to have been “received” by the said recipient **at the time of handing over the said goods** to the recipient or to the transporter, as the case may be, as per provisions of section 16(2)(b).
- ✓ **ITC** may be available to the registered person **on such receipt of goods** by the said registered person from the supplier at his (supplier’s) factory gate or business premises, subject to fulfilment of other conditions of section 16 and section 17, including the condition that the said goods are used or intended to be used in the course or furtherance of business by the said registered person.

Circulars

- ❖ **Clarification on place of supply of Online Services supplied by the suppliers of services to unregistered recipients:** *(Circular No: 242/36/2024-GST dt. 31-12-2024)*

Provisions of proviso to rule 46(f) shall apply in respect of all the online supplies of services supplied to an un-registered recipient, in addition to the supply of online money gaming and OIDAR services and if the supplier fails to issue invoice in accordance with the said provisions by not recording correct mandatory particulars including **recording of the name of the State of the unregistered recipient in respect of such supplies, he may be liable to a penal action under the provisions of section 122(3)(e).**

Proviso to rule 46 (f) provides that in cases involving the supply of online money gaming or involving supply of any taxable services by or through an electronic-commerce operator or by a supplier of online information and database access or retrieval services, to an unregistered recipient, irrespective of the value of the said supply, the tax invoice issued by the registered supplier must contain the recipient's State name. It has also been provided in the said proviso that such State name shall be deemed to be the address on record of the recipient.

Circulars

❖ **Clarification on various issues pertaining to GST treatment of vouchers:** *(Circular No: 243/37/2024-GST dt. 31-12-2024)*

- (a) Transaction in **vouchers** would be treated **neither** as a **"supply of goods"** nor as a **"supply of services"**.
- (b) **Distribution of vouchers on principal-to-principal basis shall not be subject to GST. However, where vouchers are distributed on principal-to-agent basis, the commission/fee or any other amount charged by the agent for such distribution is taxable under GST.**
- (c) **Additional services such as advertisement, co-branding, marketing and promotion, customization and technology support, customer support etc. related to vouchers would be leviable to GST on the amount paid for these services.**
- (d) **Unredeemed vouchers (breakage) would not be considered as supply under GST and no GST is payable on income booked in the accounts in respect of breakage.**

Section 12(4) and section 13(4) (provisions relating to time of supply of vouchers) and rule 32(6) (relating to valuation of vouchers) to be omitted.

Thank
you



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Disclaimer:

This presentation is clarificatory in nature. It is not to be construed as a legal explanation or interpretation of the Acts and the Rules.

For details please refer original Notifications & Circulars

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