

# Care B4 cure



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# Law Knowledge

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Our organization has been formed to give knowledge of law and judicial process to the people! If people have knowledge of law and judicial process, then people will be able to avoid the pain of social and economic disorder, and if the advocates also have overall knowledge of judicial process in law, then they will be able to save people from harassment.

# INTEGRATED GOODS AND SERVICES TAX ACT, 2017

[13 OF 2017]\*

*An Act to make a provision for levy and collection of tax on inter-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto.*

BE it enacted by Parliament in the Sixty-eighth year of the Republic of India as follows:—

## CHAPTER I

### PRELIMINARY

#### Short title, extent and commencement.

- 1.** (1) This Act may be called the Integrated Goods and Services Tax Act, 2017.  
(2) It shall extend to the whole of India except the State of Jammu and Kashmir.  
(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette†, appoint:

**Provided** that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

#### Definitions.

- 2.** In this Act, unless the context otherwise requires,—
- (1) “Central Goods and Services Tax Act” means the Central Goods and Services Tax Act, 2017;
  - (2) “central tax” means the tax levied and collected under the Central Goods and Services Tax Act;

\*Assented by the President of India on 12-4-2017.

†**Notification No. 1/2017-Integrated Tax, dated 19-6-2017** - In exercise of the powers conferred by sub-section (3) of section 1 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government hereby appoints the 22nd day of June, 2017, as the date on which the provisions of sections 1, 2, 3, 14, 20 and 22 of the said Act shall come into force.

**Notification No. 3/2017-Integrated Tax, dated 28-6-2017** - In exercise of the powers conferred by sub-section (3) of section 1 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government hereby appoints the 1st day of July, 2017, as the date on which the provisions of sections 4 to 13, 16 to 19, 21, 23 to 25 of the said Act, shall come into force. 1. Enforced with effect from **22-6-2017**.

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- (3) “continuous journey” means a journey for which a single or more than one ticket or invoice is issued at the same time, either by a single supplier of service or through an agent acting on behalf of more than one supplier of service, and which involves no stopover between any of the legs of the journey for which one or more separate tickets or invoices are issued.

*Explanation.*—For the purposes of this clause, the term “stopover” means a place where a passenger can disembark either to transfer to another conveyance or break his journey for a certain period in order to resume it at a later point of time;

- (4) “customs frontiers of India” means the limits of a customs area as defined in section 2 of the Customs Act, 1962 (52 of 1962);
- (5) “export of goods” with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India;
- (6) “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; and
  - (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with *Explanation 1* in section 8;
- (7) “fixed establishment” means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services or to receive and use services for its own needs;
- (8) “Goods and Services Tax (Compensation to States) Act” means the Goods and Services Tax (Compensation to States) Act, 2017;
- (9) “Government” means the Central Government;
- (10) “import of goods” with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India;
- (11) “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;
- (12) “integrated tax” means the integrated goods and services tax levied under this Act;
- (13) “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

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persons, but does not include a person who supplies such goods or services or both or securities on his own account;

(14) “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;

(15) “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;

(16) “non-taxable online recipient” means any Government, local authority, governmental authority, an individual or any other person not registered and receiving online information and database access or retrieval services in relation to any purpose other than commerce, industry or any other business or profession, located in taxable territory.

*Explanation.*—For the purposes of this clause, the expression “governmental authority” means an authority or a board or any other body,—

- (i) set up by an Act of Parliament or a State Legislature; or
- (ii) established by any Government, with ninety per cent or more participation by way of equity or control, to carry out any function entrusted to a municipality under article 243W of the Constitution;

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(17) “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,—

- (i) advertising on the internet;

- (ii) providing cloud services;
  - (iii) provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;
  - (iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;
  - (v) online supplies of digital content (movies, television shows, music and the like);
  - (vi) digital data storage; and
  - (vii) online gaming;
- (18) “output tax”, in relation to a taxable person, means the integrated tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;
- (19) “Special Economic Zone” shall have the same meaning as assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005);
- (20) “Special Economic Zone developer” shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005) and includes an Authority as defined in clause (d) and a Co-Developer as defined in clause (f) of section 2 of the said Act;
- (21) “supply” shall have the same meaning as assigned to it in section 7 of the Central Goods and Services Tax Act;
- (22) “taxable territory” means the territory to which the provisions of this Act apply;
- (23) “zero-rated supply” shall have the meaning assigned to it in section 16;
- (24) words and expressions used and not defined in this Act but defined in the Central Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act shall have the same meaning as assigned to them in those Acts;
- (25) any reference in this Act to a law which is not in force in the State of Jammu and Kashmir, shall, in relation to that State be construed as a reference to the corresponding law, if any, in force in that State.

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**CHAPTER II**

**ADMINISTRATION**

**Appointment of officers.**

<sup>13</sup>3. The Board may appoint such central tax officers as it thinks fit for exercising the powers under this Act.

**Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances.**

<sup>24</sup>24. Without prejudice to the provisions of this Act, the officers appointed under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such exceptions

and conditions as the Government shall, on the recommendations of the Council, by notification, specify.

### CHAPTER III

## LEVY AND COLLECTION OF TAX

### Levy and collection.

<sup>25.</sup> <sup>3</sup>(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the integrated goods and services tax on all inter-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding forty per cent, as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person:

**Provided** that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 (51 of 1975) on the value as determined under the said Act at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962 (52 of 1962).

(2) The integrated tax on the supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel shall be levied with effect from such date as may be notified by the Government on the recommendations of the Council.

(3) The Government may, on the recommendations of the Council, by notification<sup>3</sup>, specify categories of supply of goods or services or both, the tax on which

1. Enforced with effect from **22-6-2017**.

2. Enforced with effect from **1-7-2017**.

3. See Notification No. 1/2017-Integrated Tax (Rate) for notified IGST Rate Schedule.

See Notification No. 4/2017, dated 28-6-2017-Integrated Tax (Rate) for Reverse Charge on certain specified supplies of goods u/s 5(3).

See Notification No. 8/2017-Integrated Tax (Rate), dated 28-6-2017 for Notified rates for supply of services under Integrated Goods and Services Tax Act.

See Notification No. 10/2017- Integrated Tax (Rate), dated 28-6-2017 for Categories of services on which tax will be payable under reverse charge mechanism.

See Notification No. 14/2017-Integrated Tax (Rate), dated 28-6-2017 for Notified categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator.

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shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

(4) The integrated tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

(5) The Government may, on the recommendations of the Council, by notification, specify categories of services, the tax on inter-State supplies of which shall be paid by the

electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services:

**Provided** that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:

**Provided further** that where an electronic commerce operator does not have a physical presence in the taxable territory and also does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax. **Power to grant exemption from tax.**<sup>1</sup>

<sup>2</sup>6. (1) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally, either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.

(2) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from payment of tax any goods or services or both on which tax is leviable.

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1. *See* Notification No. 2/2017-Integrated Tax (Rate), dated 28-6-2017 for IGST exempt goods, dated 28-6-2017.  
*See* Notification No. 3/2017-Integrated Tax (Rate), dated 28-6-2017 for 5% concessional Integrated Goods and Services Tax rate for supplies to Exploration and Production notified under section 6(1).  
*See* Notification No. 7/2017-Integrated Tax (Rate), dated 28-6-2017 for exemption to Supply of goods by the CSD to unit run canteens and supplied by CSD/unit run canteens to authorised customers.  
*See* Notification No. 9/2017-Integrated Tax (Rate), dated 28-6-2017 for Exemptions on supply of services under Integrated Goods and Services Tax Act.  
*See* Notification No. 18/2017-Integrated Tax (Rate), dated 5-7-2017 for Exemption to all services imported by a unit or a developer in the Special Economic Zone.
  2. Enforced with effect from **1-7-2017**.