

Amendments: CA/CMA/FINAL - GST
FOR MAY/JUNE 2024 EXAMS

"ONLINE MONEY GAMING"

Goods or
services
&
chargeability

Supplier

who makes supply of
goods/services and
also includes:
• Supplier of "Specified
Actionable claims" over
the app. for a
consideration (in money,
money worth or crypto)
will be the deemed
supplier.
(SECTION: 2 of CGST ACT)

online money
gaming app.

Recipient in
INDIA (UNREGISTERED)

(Legal or Illegal)

= Actionable
claims

= Goods

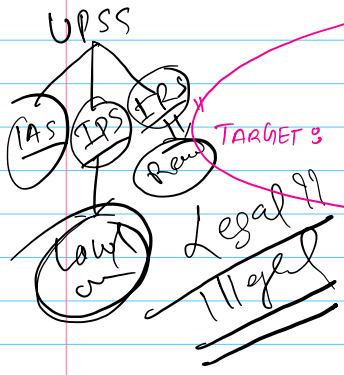
e.g. ZUPEE LUDO

Actionable claims = contingent Assets

- ✓ unsecured debts
- ✓ pending litigations etc

Specified Actionable claims

- ① Lottery, Betting, Gambling
- ② CASINO, HORSE RACING
- ③ online money gaming.



ROUGH PAGE

TARGET: ONLINE MONEY GAMING = GST काटने की जरूरत है

APP = online = money = Prize ✓

- Zupee LUDO
- Dream-11
- RummyCircle
- POKER
- LUDO

PROB

ENTRY: INR 100

Virtual DIRT ASSET MONEY

DIGITAL CURRENCY (Crypto) money form

Online gaming: Game on Internet
 + online money game
 + sites: only game e.g. Roblox

10000 ✓
3000

7000 etc
AV = entry fees (first)

28%

MODEP

Entry fees: (1) + (1)

SKILL / LUCK / GAMES

$$\frac{2}{1+2} = \frac{2}{3}$$

$$\frac{1.7}{1.7+1} = \frac{1.7}{2.7}$$

$$\frac{.3}{1}$$

Player WON: 2/7
1.7
1.30 @ Zupee LUDO

CONTINGENT ASSETS = Achievable claim

Withdraw
Fara - get entry ✓

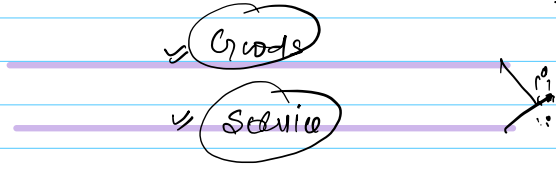
Not to withdraw
ajou 1.7 → Re-aw

Goods

ROUGH

CRUX ; online money game = Goods

✓ (S) Zupce lodo
 ✓ (R) Players. > PRIMA FLEW = Service
 लडके साडी पहरा की ई) Actual
Goaway

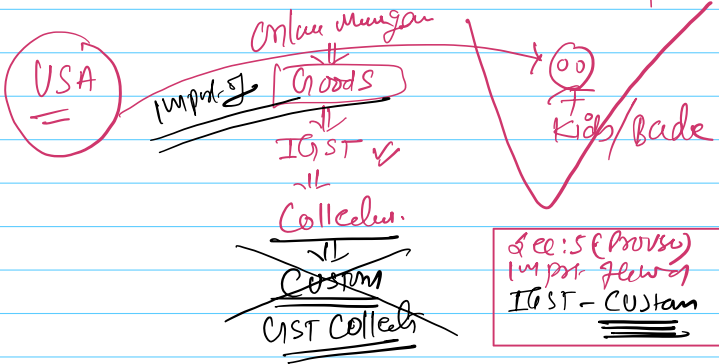


Defn = Achievable claim

IT
 Speaking
 Achievable
 claim

- dolby / belly / Gma
 - Online money claims..
 - CASIO, HORCE RACING
-
- bnspar dudu
 - Peter luv
 - llo

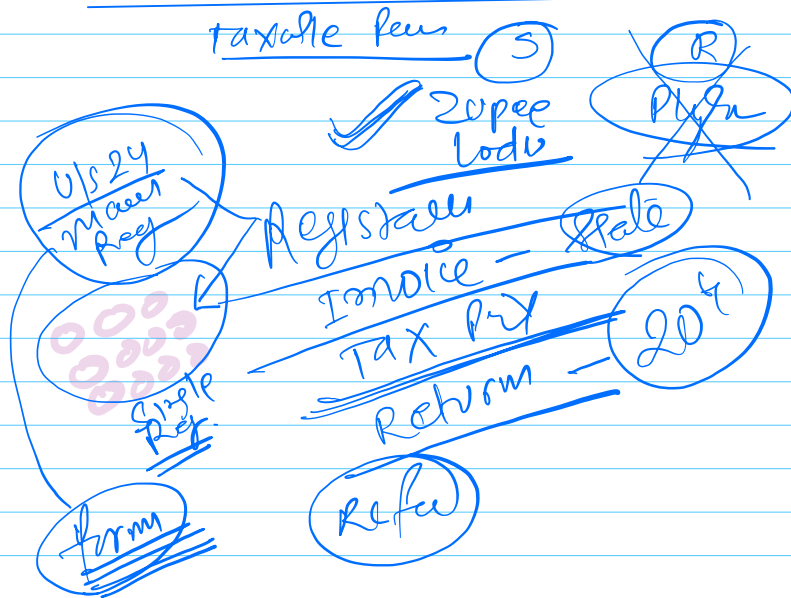
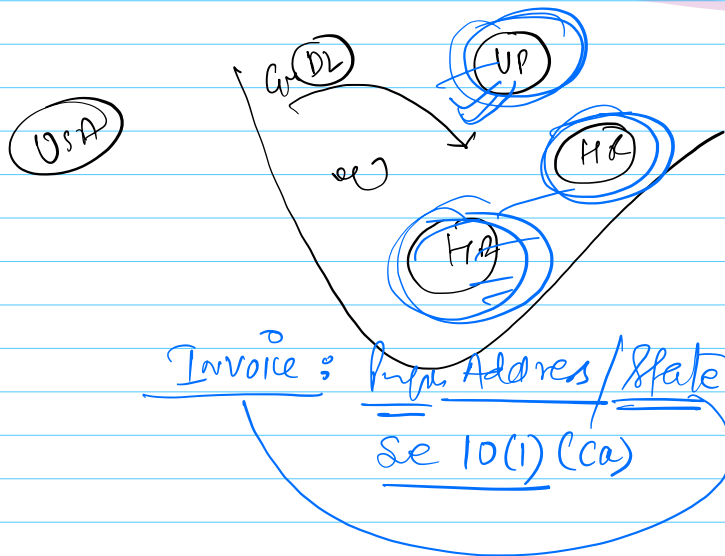
Goods
 Supply
 GSR
 X=Supply
 Goaway



USA

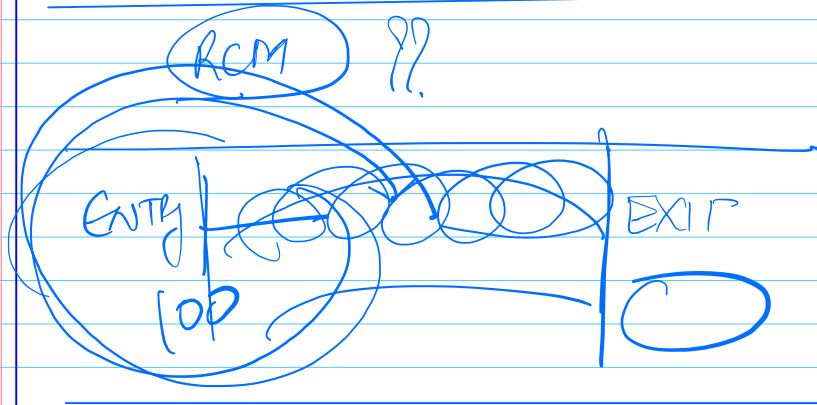
Impst

Rough!

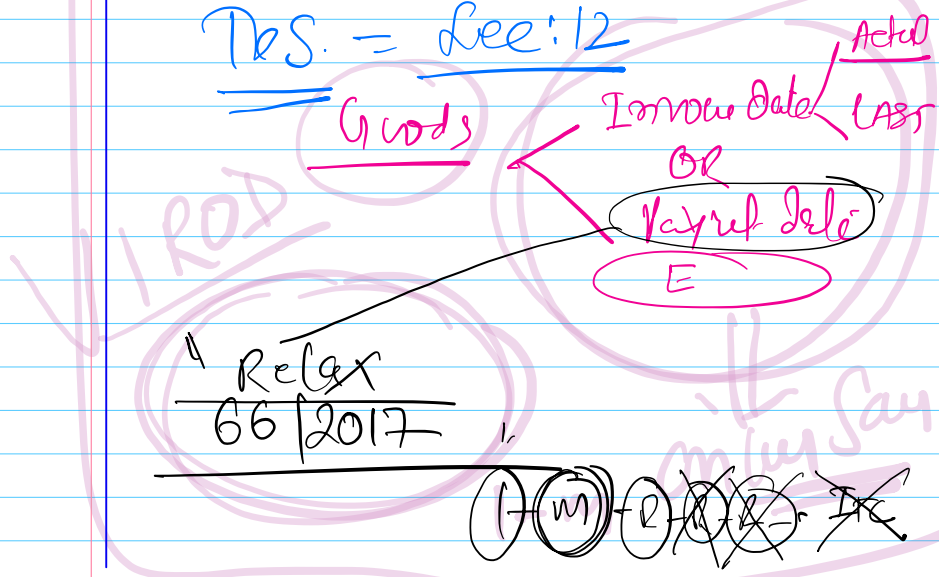


Rough

Exemption ; XII
valuation ??



TDS. = Sec:12



SECTION: 2 of IGST ACT

online gaming = Game on Internet

eg Roblox

eg Zupke Ludo ie online money Gaming

SECTION: 2 of IGST ACT: OIGAR Means

Service over the Internet

- Advertisement
- Cloud Services
- e-Books, movies etc
- Online gaming BUT EXCLUDING ONLINE MONEY Gaming. (which is a Goods)

Roblox

CRUX: * OIGAR: Ek Service:

* Online money Gaming: Ek Goods
(Both are on different TRACK)

Chargeability:

AS PER PROVISION TO SECTION 5 OF IGST ACT:
" on import of Goods - IGST is levied
U/S: 3(7) of C.T.A., 1975 -

But on import of "online money Gaming (Goods), IGST will be levied By secs of IGST ACT & collection of the same shall also be made By GST Deptt.

(Because Goods may not be physically crossing custom frontiers)

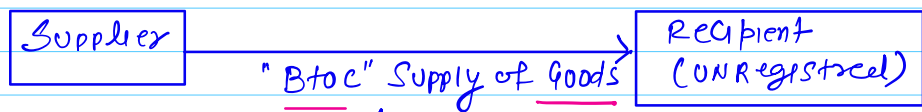
Supply

AS per schedule III read with section 7 of CEST ACT, following will not be a supply -

- Actionable claims
- However: Specified Actionable claims will be treated as supply.
 - ✓ Betting, gambling, lottery
 - ✓ CASINO, Horse Racing
 - ✓ online money gaming

Place of Supply
[over the Counter Sale, Migrant workers, TOURIST, CAR Purchase]

SECTION: 10(C)(CA)



ORIGIN = Location of Supplier
 DESTINATION (POS) = Address / STATE of (R), IF AVAILABLE
 otherwise: Location of (S)

IN CASE OF ONLINE MONEY GAMING: STATE NAME is mandatory to give by supplier on Invoice as per Rule 46. therefore Location of (R) will be the Place of Supplier.

Special Provision where (S) Location is in NTT [SEC:14A of IGST]

```

    graph LR
      S((S  
NTT)) -- "SUPER LUDO" --> R((R  
INDIA))
  
```

- Liable to pay GST ✓
- TAKE Single Registration ✓
- Appoint Agent to pay GST. (आम पेशा) ✓
- NON COMPLIANCE → APP BLOCKED.

Taxable Person

AS per section 24 of CGST ACT :
A person supplying " ONLINE Money Gaming" (Goods)
FROM NTT TO NTT - take mandatory Registration

Exemption

- Nothing -

Valuation & Rate (28%)

AS per section 15(5) of CGST ACT

AV = tariff value fixed By Government (of)

- ✓ ONLINE Gaming
- ✓ ONLINE money Gaming
- ✓ CASINO.

RULES

Rule 31B
IN CASE OF
- ONLINE Gaming
- ONLINE money Gaming

Rule = 31C
IN CASE OF CASINO

AV = Total Amount Paid or payable or Deposited with Supplier to PLAY i.e. ENTRY Fees

AV = Total Amount Paid or payable or Deposited for purchase of Token, CHIPS, COIN, Tickets etc i.e. ENTRY Fees

from Entry Fee

NOTE : Any Amount Returned or Refunded etc then No Deduction of the same i.e. ONCE ENTRY Fees is paid @ Always liable to GST.

Example: PLAYER: RAJ

PLAYER: STUDENT

Entry fee = 1/-

1/-

Prize = 1.70/- [30ps Kept By Zupac]

PLAYER: RAJ WON & GET = 1.70

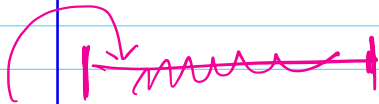
↓

NOW MR. RAJ RE-ENTERED TO PLAY

NOW 1.70 NOT AGAIN LIABLE TO GST

AS IT'S PART OF RS = 2/- THAT HAS

ALREADY GST PAID. =



NCM OR RCM

NCM ie Forward charge ie (S) liable to pay GST.

Time of Supply

In General ToS of Goods U/s: 12

Time of Supply = Invoice (Actual date) OR Invoice (LAST date) as the case may be

OR
payment date

WHICH EVER IS EARLIER

In General Payment "payment date" condition has been relaxed By NIN: 66/2017, BUT remain applicable in case of "Specified Actionable claims" - ie Lottery, Betting, Gambling

- CASINO HORSE RACE
- ONLINE MONEY GAMING.

I-M-
R-R-R
ITC

INVOICE:

As per Rule = 46 where supply made to unregistered person (Btoc) then Invoice shall contain :-

" Address / STATE " in case of

See: 10C1 (CA)
Igst - Act
POS

- ✓ ECO Invoice
- ✓ OIDAR Service
- ✓ online money Gaming

Manner of Payment:

As per Rule = 87: There are various mode to deposit in E-cash ledger like Debit / credit card, Net Banking etc.

Moreover: OIDAR wale (NTT) ✓

: online money Gaming (NTT) ✓

may also make deposit through " International money transfer " through Society for world wide Inter Bank Financial Telecommunication Payment NETWORK.

REGISTRATION

Normally Registration is PAN BASED @ STATE WISE [FORM = REG-1
RC = REG-6]

BUT for " ONLINE MONEY Gaming " @ single registration for All India, Application in specific form REG # 10 and RC in REG # 6.

FILING OF RETURNS:

NRTP

FORM GSTR-5A

Due DATE 20th OF NEXT MONTH

FOR: ✓ NRTP (NTT)

✓ OIDAR (NTT)

✓ ONLINE MONEY Gaming (NTT)

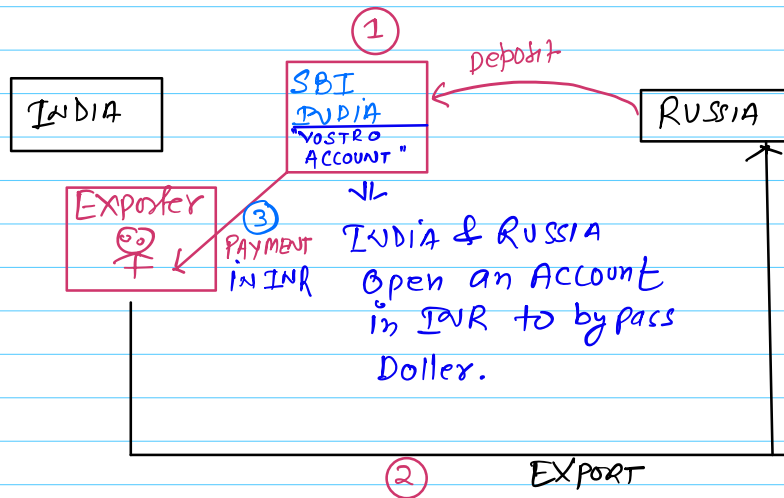
EXPORT OF SERVICE CHAPTER Definition

* AS per Section 2 of IUST ACT - For a service to be called as "Export of service" one of the important condition is that "consideration must be realised in foreign currency" or IN INDIAN CURRENCY wherever RBI Permitted.

Q: WHAT if consideration received from "Special Rupee VOSTRO ACCOUNT" ?

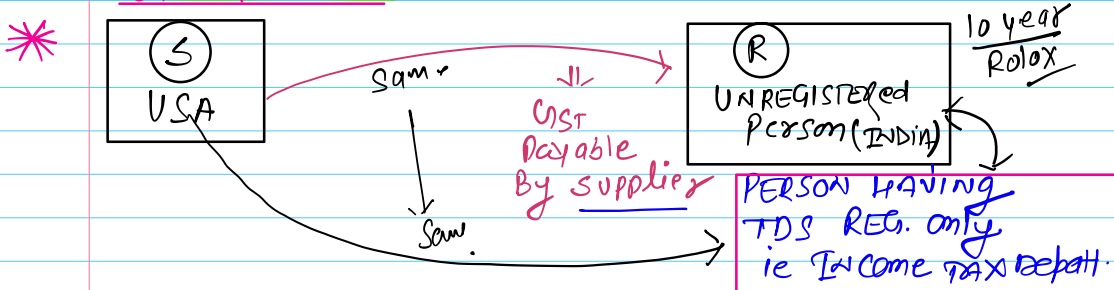
ANS: Still the service will be Export of service if all other remaining conditions are satisfied.

Example :



NOTE: IN CASE OF IMPORT money added to VOSTRO ACCOUNT.

OIDAR SERVICE



INTRODUCTION to IGST :

SECTION: 16(1) of IGST ACT

Zero Rated Supplies = $\left\{ \begin{array}{l} \text{Actual Export to ABroad} \\ \text{Supply to SEZ (UNIT/Developer)} \\ \text{"FOR AUTHORISED OPERATIONS"} \end{array} \right.$

Section
↓
Rule

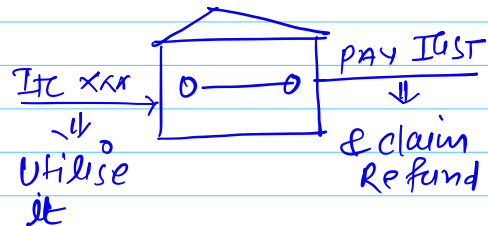
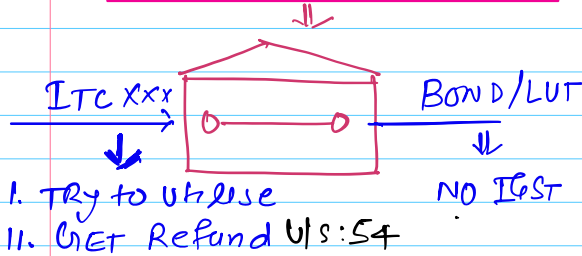
- + The wordings "For Authorised operation" already written down in supportive Rule-89
- + Now the wordings BACKED with section as power raised by SECTION ONLY.

SECTION 16(3) & (4):

2 MODELS under zero rate supply

EXPORT under BOND/LUT & claim Refund of ITC

EXPORT ON payment of IGST & claim Refund thereof



PRIMARY model

Secondary model

For Specified class of PERSONS/Products
eg: PAN MASALA, TOBACCO, GUTKHA etc

NOTE: EXPORT of Goods on payment of IGST. Handled By Custom department.

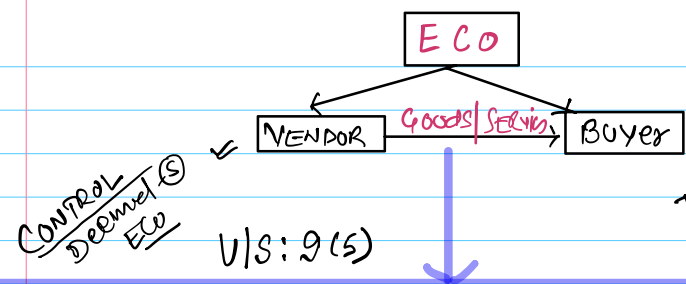
✓ NOTE: Where Foreign Currency is Not Realised within time prescribed By FEMA then within 30 DAYS of expiry of time limit, the person need to deposit the REFUND amount. with interest u/s: 50

FOR GOODS

IT JUST BACKING of Rule: 96B

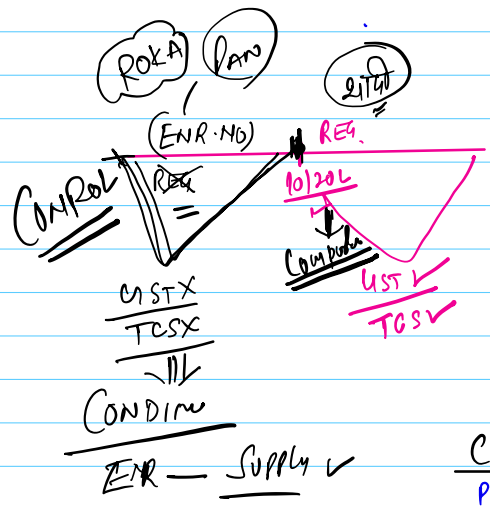
Object
ECO - Trans - Control

Chapter:
Chargeability
+ Taxable Person
+ Composition
+ TDS/TCS
+ PENALTIES
- Sec: 52



TCS-701
SEC: 52

PARTICULARS	4 SPECIFIED SERVICES					Other SERVICES	Goods
	(H)	(M)	(T) RADIO TAXI etc	(T) DMNI BUS	(R)		
FIRST CHOICE TAX Paid By	ECO	ECO	ECO	ECO	ECO		
SECOND CHOICE TAX Paid By	VENDOR, IF TPO in PFY Exceeds the Threshold Limit	VENDOR, IF TPO in PFY Exceeds the Threshold Limit	ECO	VENDOR IF VENDOR is a company	VENDOR, IF RESTAURANT is a PART of HOTEL + HOTEL is Big ie Room RENT EXCEEDS ₹ 7500	VENDOR	VENDOR
REGISTRATION OF ECO	MANDATORY	MANDATORY	MANDATORY	MANDATORY	MANDATORY	MANDATORY	MANDATORY
REGISTRATION OF VENDOR	LIMIT BASED	LIMIT BASED	LIMIT BASED	LIMIT BASED	LIMIT BASED	LIMIT BASED	MANDATORY, BUT Relaxation to MICRO Goods VENDOR



MICRO Business mean means TPO in PFY / CFY limited to threshold limit

Relaxation to MICRO VENDOR of Goods

LIMIT BASED REGISTRATION BUT Subject to condition till NOT Registered.
ie Conditions for PRE-REGISTRATION Period. / ENR Pen

CONDITION: 1 : Get 'ENR' NO for PRE-Registration period on the basis of PAN etc which will cease to have effect on Registration.

and make supply only
After getting ENR.
& ECO will list the person
on getting ENR.

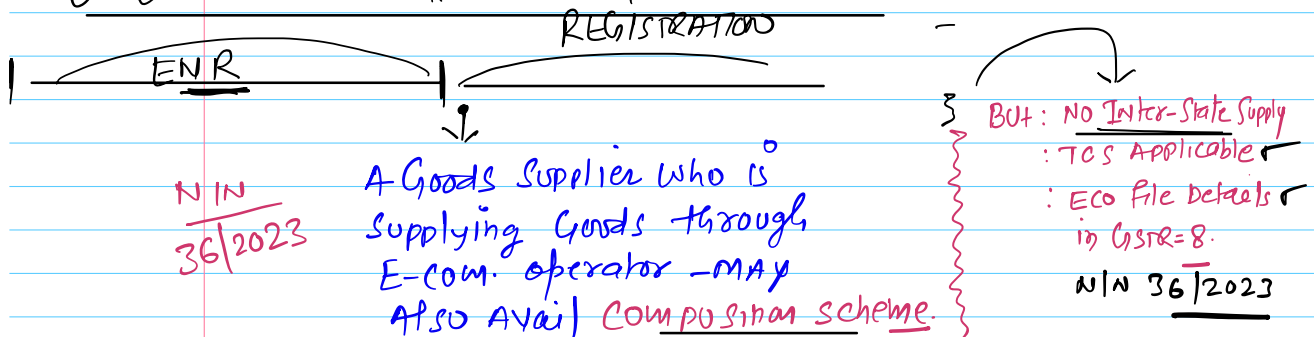
CONDITION: 2: Shall NOT
make inter-state supply as
inter-state supply requires
mandatory registration &
ECO shall make necessary
arrangements for the same.

Condition: 3: Shall continue
business only in one state
and one location.
Moreover: ECO shall furnish
the detail in GSTR-8.

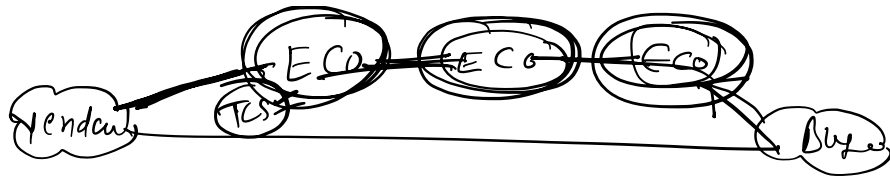
Note: ON ENR Holder,
NO GST and NO TCS
shall be applicable.

Note: Where ECO failed to comply with; then ECO
liable to penalty u/s: 122(1B) & (TAX Amount OR 10,000) ↑

ONE MORE Relaxation to Goods Sector:



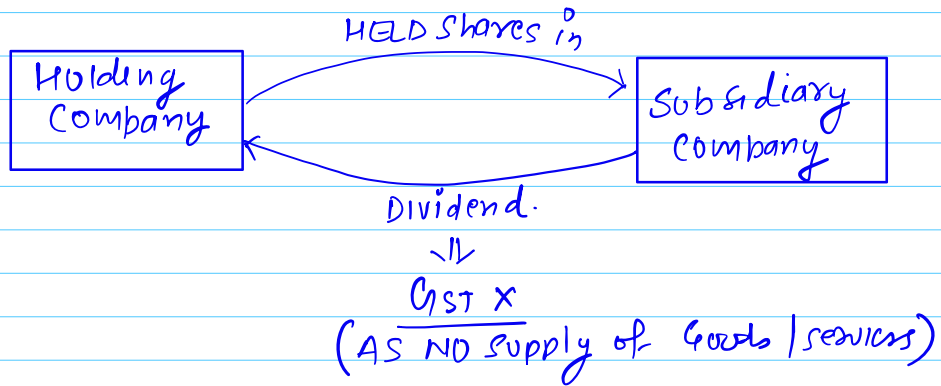
Note: WHERE MULTIPLE ECO'S in single transaction - then
the ECO which is connected to vendor shall follow
TCS compliances.



CHAPTER: SUPPLY

Share Holding

Circular:

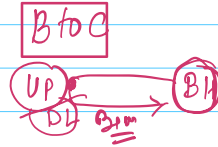


Eating joints in Cinema Hall:

- * Sale of food at Specific charge: = liable to GST AS RESTAURANT SERVICE
- * Food included in the price of ticket. = liable to GST as "EXHIBITION OF Cinema" Because it is a composite supply & principle supply is "EXHIBITION OF Cinema."

CHAPTER: PLACE of Supply

(*) Rule: 10(1)(ca) : Already covered with "Specified Aeronable claim."



* INTERNATIONAL TRANSPORTATION

- Section: PROVIDED 12(8) of IIGST Act
- Section: 13(9) of IIGST Act
- Circular
- E/N: 12/2017 - CUST
- E/N: 9/2017 - IIGST
- ITC chapter

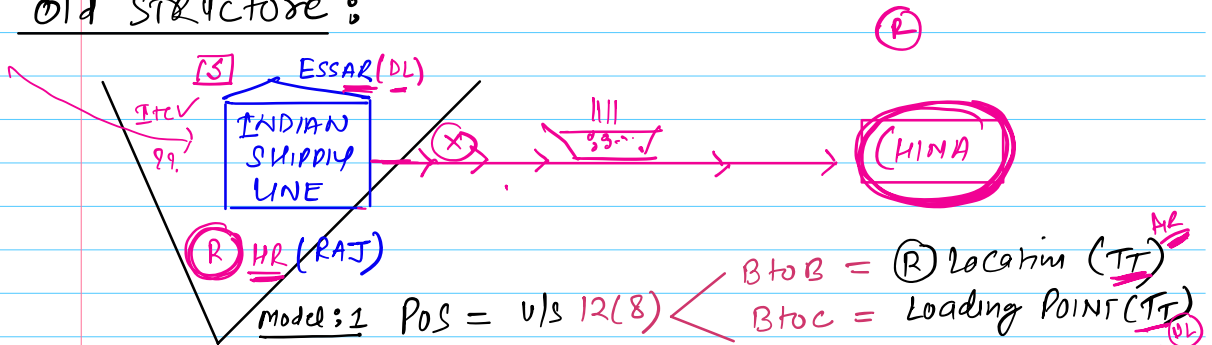
OBJECTS
WANT to Give Benefit-
to Indian Transporter
on EXPORT CARGO

Where Both the PARTIES Located in <u>TT</u>	Any of the PARTY Located in <u>NTT</u>
<p>POS = <u>u/s: 12(8): MAIN PROVISION</u> ← TRANS COUNTRY B to B = (R) B to C = Loading Point Where Destination - NTT/Abroad proviso to section 12(8) POS = Destination of Goods</p>	<p>Old Provision: u/s 13(9) POS = Destination of Goods (Trans) New Provision: POS = u/s: 13(2) Location of (R) / (S)</p> <p>Note: mail & courier was NOT covered By sec. 13(9) But already covered By sec: <u>13(2)</u>. SO NO impact on POS of mail or courier [CIRCULAR]</p>

↓

Transportation of Export CARGO

Old Structure :



Before
Inspection
provis

Output side : it was Exempted [NIN:12/2017]

Inward side : it was treated
as "NON EXEMPTED"
to ALLOW ITC [EXP. to R=43]
to ESSAR

With Inset
of provis

Module:2 : Govt want to make it zero Rated
Supply - So they Add provis to
Section 12(8):

AS POS = Destination of Goods = NTT
(Either BtoB or BtoC)

PROBLEM:1 : Payment in F.C 99 = NO
SO NO EXPORT of Service

Problem:2 : Credit to RAJ = NO

ESSAR bill to RAJ

debit : xxx
& POS = NTT (Expt)

Because POS is NTT
for Countering Problem
2. Govt Issue a
Circular like Haq
Credit Dilwa Denge.

After Omish
of Para

Model : 3

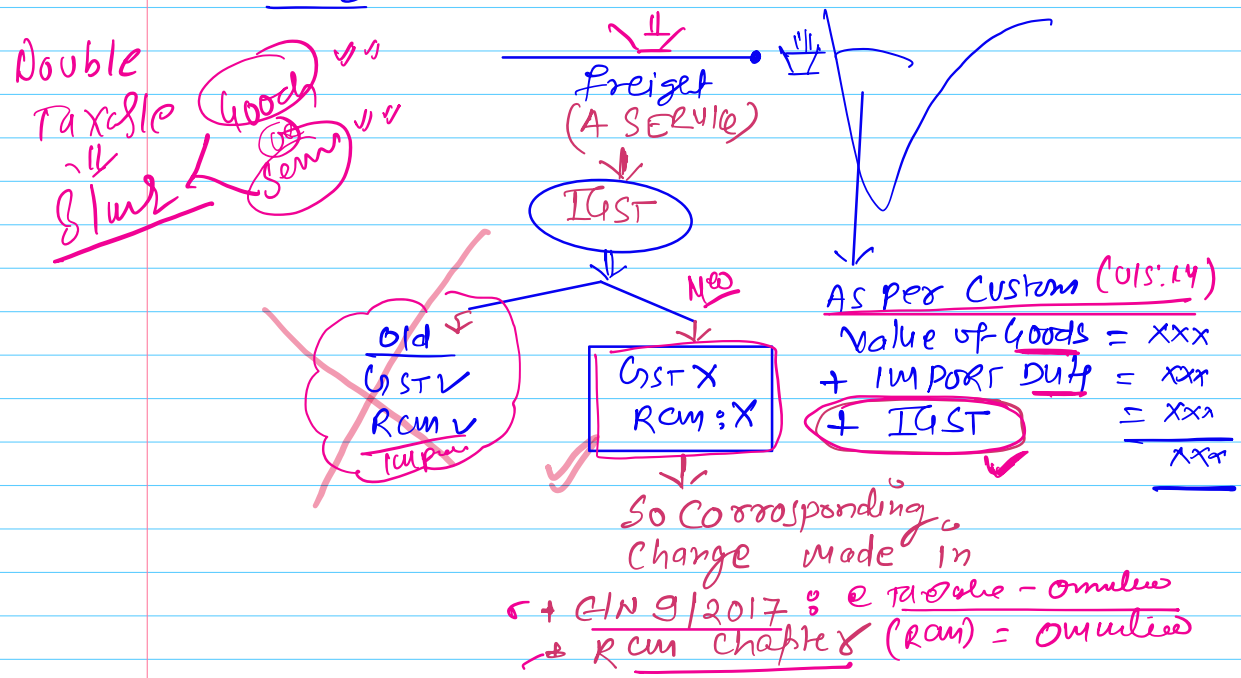
* Pos = v/s 12(8)
 ie proviso omitted.
 B to B = (R) Location (TT)
 B to C = Loading Point (TT)

* output side : GST @ 5%
 → So Related Exemption omitted.

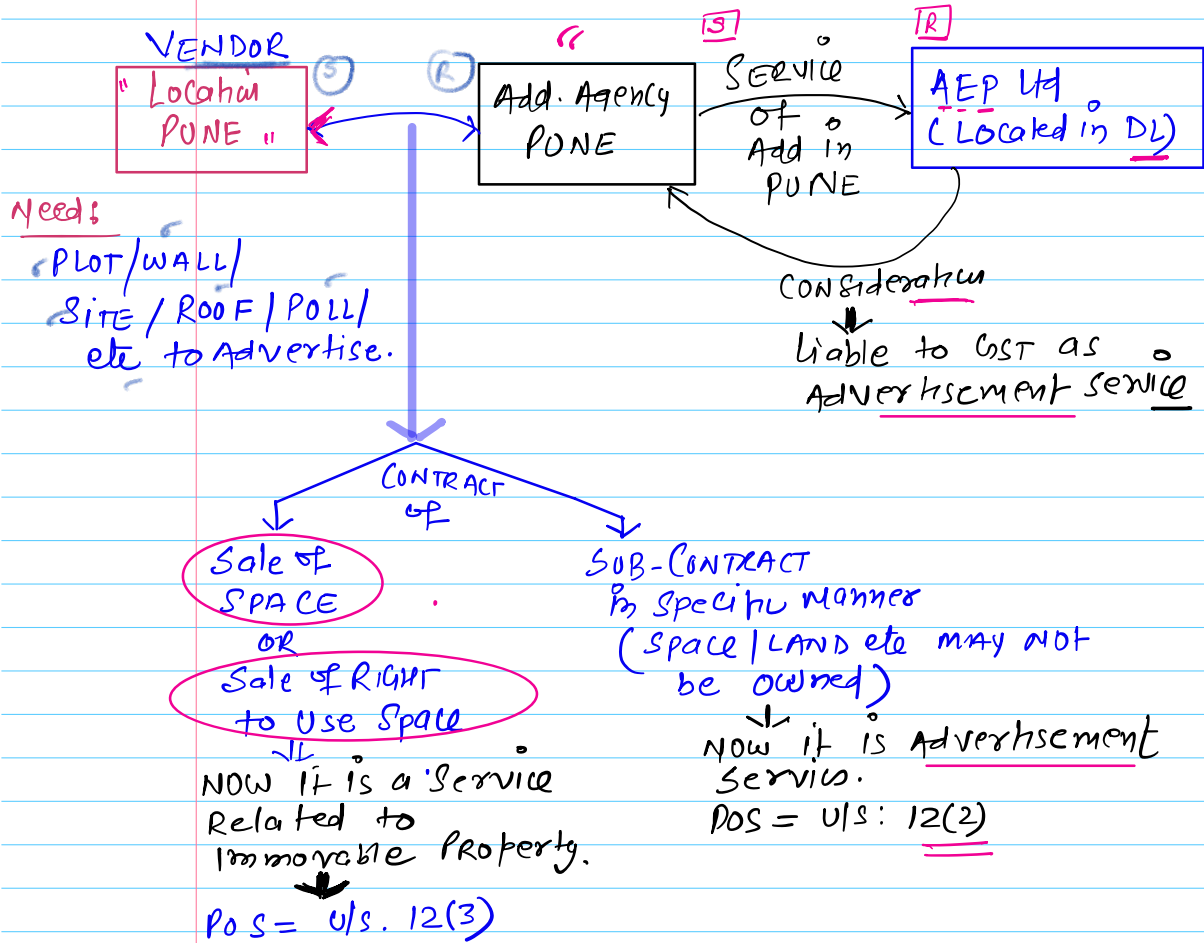
* By default ITC will be allowed v/s: 16
 → Exp. to Rule: 43 omitted.

Note Similar Reasoning for omission of SECTION: 13(9)

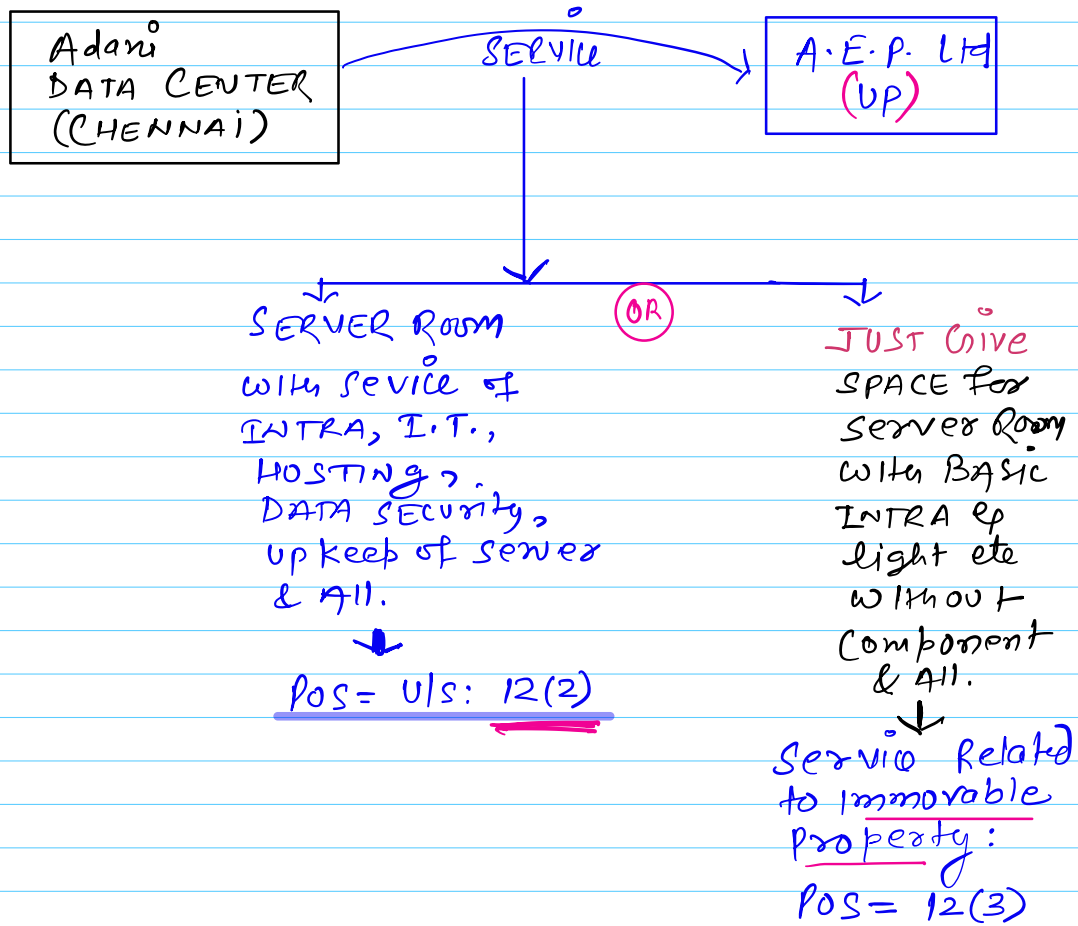
Note: Ocean freight on import-CARGO



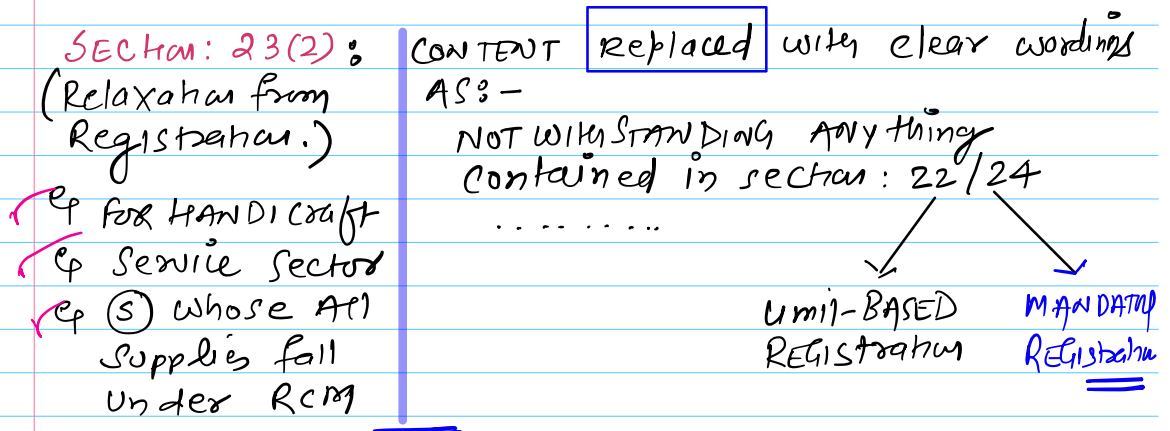
CIRCULARS
: ADVERTISEMENT SERVICES:



CO-LOCATION SERVICES

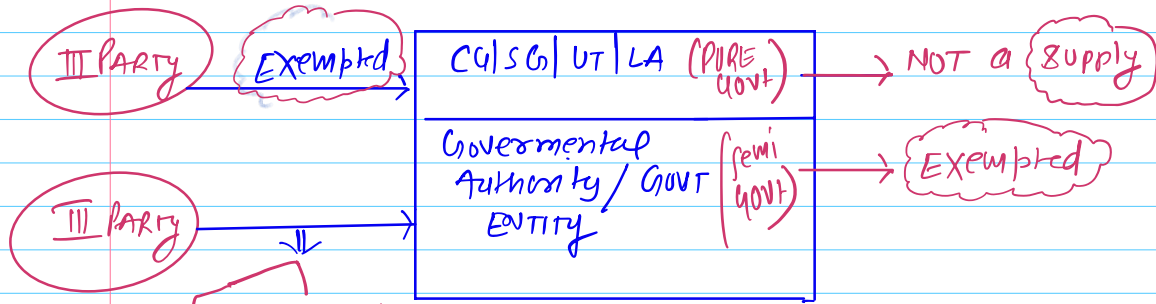


TAXABLE PERSON



: EXEMPTION :

✓ Article : 243 G/W



REST TAXABLE

EXEMPTED
 However
 Supply of such service to
 Governmental Authority

ALL ITC ✓

POST OFFICE

BASIC = 15%
 GSTR
 Okey = NCM

Railway at PAR

Govt Deptt (like Post office)

- By way of :-
- WATER SUPPLY ✓
 - PUBLIC HEALTH ✓
 - SANITATION CONSERVANCY ✓
 - SOLID WASTE MANAGEMENT ✓
 - SLUM IMPROVEMENT & UPGRADATION ✓

Will be EXEMPTED

Indian Railway [Exemption & RCM]

DESCRIPTION	OLD	NEW
Passenger Transportation Service - AC / FIRST CLASS : - OTHERS :	TAXABLE @ NCM	NO CHANGE
	EXEMPTED	NO CHANGE
Goods Transportation	• In General TAXABLE BUT Specific Goods transportation Exempted (GSTR ITC)	NO CHANGE
	• Charge (New) (RCM) if Service Amt. Business Entity	ALWAYS NCM

Amt. PFY = ₹0 Exceeds the limit

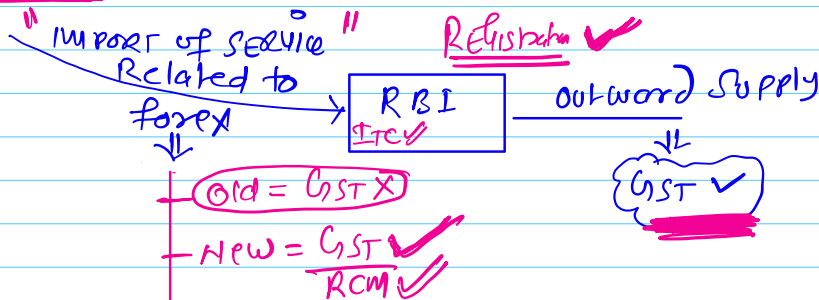
Renting of Immovable property.	<ul style="list-style-type: none"> Taxable CHARGE NCM RCM, it Given @ BtoB. 	ALWAYS NCM
Indian Railway Services to - * NON BUSINESS Entity * GARIB BUSINESS Entity * Other Govt. Deptt * Small value (Rs 500) Services.	Exempted	TAXABLE, with NCM like post office
Other Services like catering, Tourism, Passenger Amenities etc. AND Goods : supply of used vehicle, seized & confiscated Goods, old & used Goods, waste & scrap (BtoB)	Taxable @ RCM	Taxable NCM

Satellite :

Satellite Launch Service By	(Old)	(New)
- ISRO - ANTRIX - NEWSPACE INDIA	Exempted	Exempted
- Any other	TAXABLE	Exempted

LAW: ALWAYS NCM to claim ITC
 CRUX :
 BASIC = Exempt Service
 Otherwise = GST ✓
 = NCM ✓

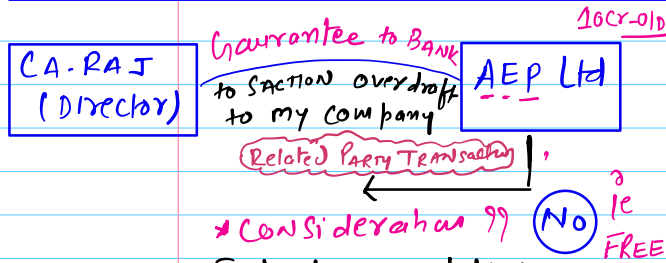
RBI



Computation of GST

Rule: 28(2) & Circular

" PERSONAL Guarantee & Corporate Guarantee.

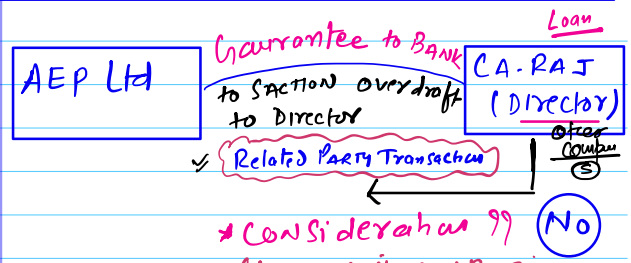


- I have NOT taken ANY consideration
- EVEN I CAN NOT take consideration for such guarantee (RBI-Restrict)

Q: Whether OPEN M.V. as per Rule 28 can be taken on this is Related Party Transaction: - NEVER

Q: What if, Mr. Raj directly or indirectly taken some consideration for this, then what about GST?

YES: GST i.e. AV = Actual Consideration



(However it can be given i.e. NO RESTRICTION)
↓
is it a supply = YES
GST ✓

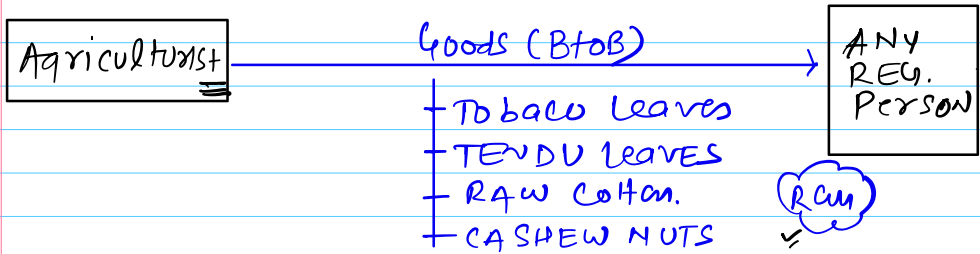
~~AV = $\frac{\text{Rule-28(1): OMP}}{\text{Cost + Profit}}$~~

AV = ~~As per Rule 28(2):~~ ^{else}

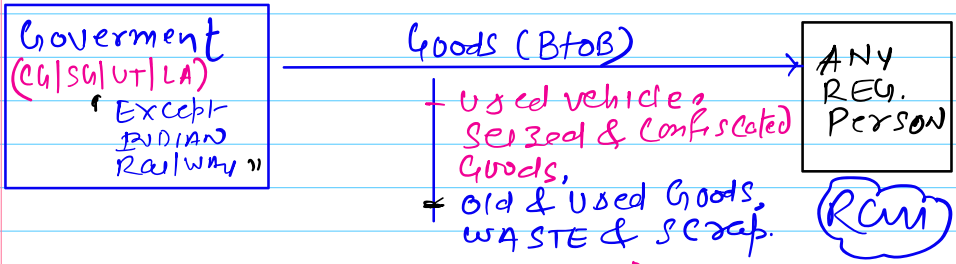
1% of LOAN Value
OR
Actual Consideration ↑

CHAPTER - REVERSE CHARGE MECHANISM

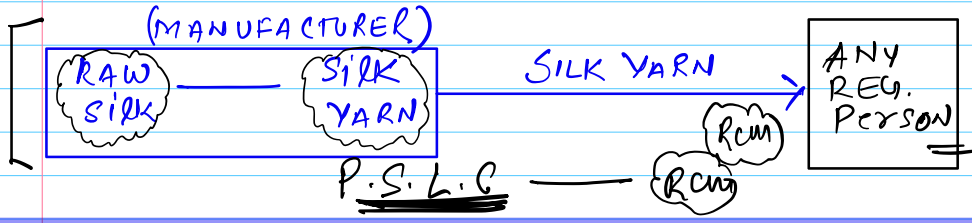
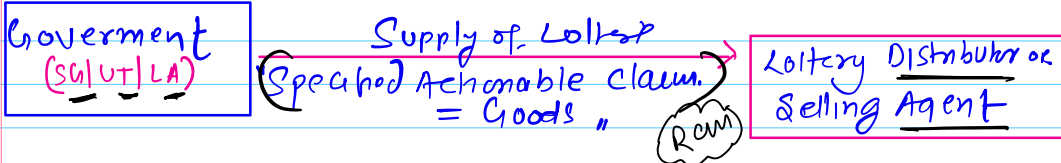
RCM on Goods



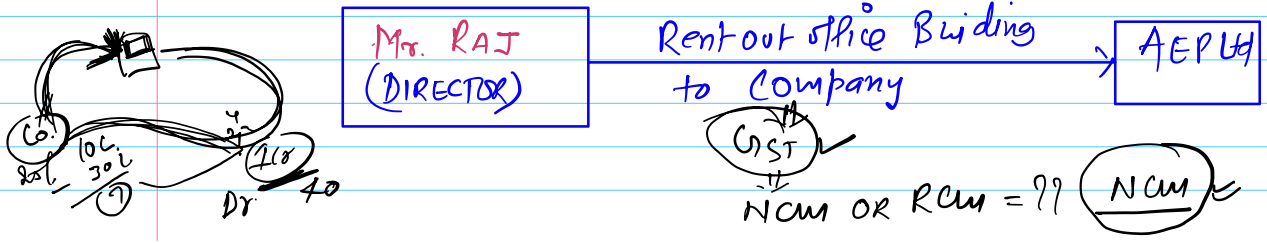
Police Station



WHAT IF IT IS BtoC ?? = NCM Subject to Sec. 24(2)



CIRCULARS :

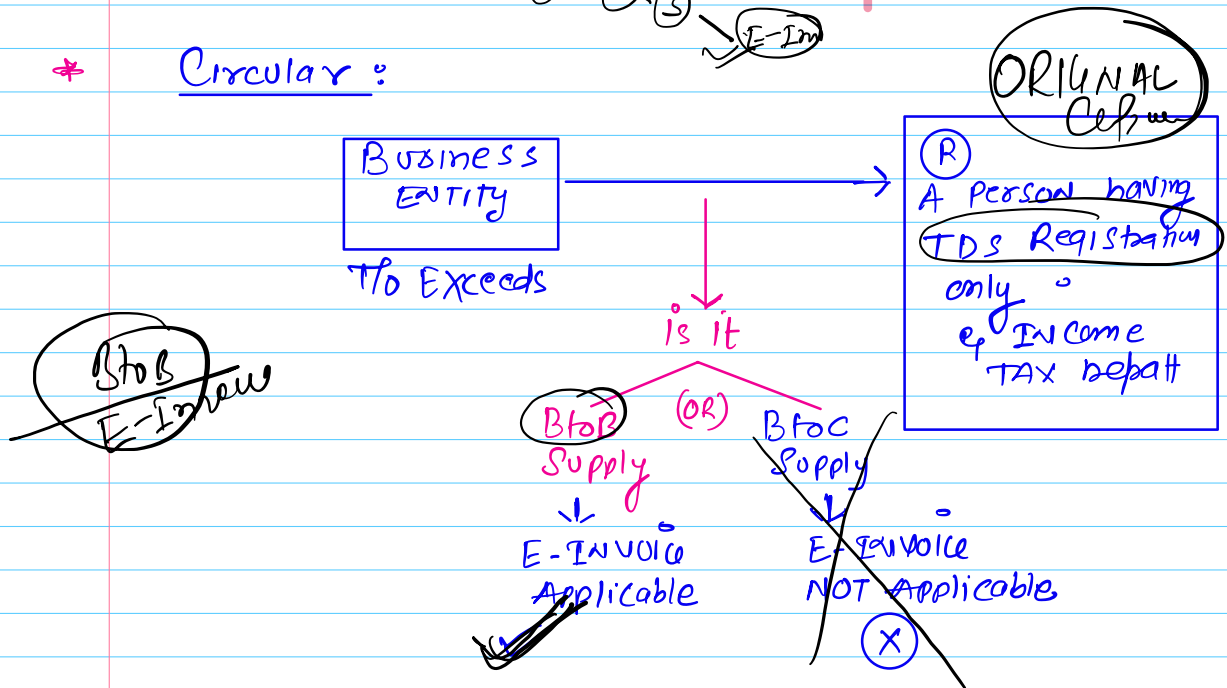


: INVOICE CHAPTER :

* E-Invoice limit :

<p><u>old</u> Exceeding <u>10 crore</u> (X)</p>	<p><u>new</u> Exceeding <u>5 crore</u> (✓)</p>
<p>(500) → (100) → (50) → (20) → (10) → (5) → (E-In)</p>	

* Circular :



CROSS

