

Government notifies CGST (Amendment) Act 2023, IGST (Amendment) Act 2023, relating to GST on online gaming, horse racing, casinos, lottery, betting, and gambling

Pursuant to recommendations made by the GST Council during its 50th and 51st meetings, the Finance Ministry had introduced the Central Goods and Services Tax (Amendment) Bill, 2023 (CGST Amendment Bill, 2023) and the Integrated Goods and Services Tax (Amendment) Bill, 2023 (IGST Amendment Bill, 2023) in the parliament. The bills proposed various amendments to the GST law to provide clarity on the taxation of supplies in casinos, horse racing, and online gaming, including amendment in the Act for overseas gaming platforms, while also addressing the valuation aspects.

On 11 August 2023, the Lok Sabha passed the CGST Amendment Bill, 2023, and the IGST Amendment Bill, 2023, to amend the respective provisions in the Central Goods and Services Tax Act, 2017 (CGST Act) and the Integrated Goods and Services Tax Act, 2017 (IGST Act).

Summary of amendments:

- Introduction of the new definition of 'online gaming,' 'online money gaming,' 'specified actionable claim', 'virtual digital asset' [Section 2(80A), (80B), (102A), (117A) of the CGST Act].
- Amendment in the definition of a supplier to provide deeming fiction in case of the supply of 'specified actionable claim' in specified cases [proviso added to Section 2(105) of the CGST Act].
- Amendment in provisions pertaining to obtaining compulsory registration to provide that every person supplying online money gaming, from a place outside India to a person in India, shall be required to get mandatory registration under GST [clause (xia) added to Section 24 of the CGST Act].
- Amendment in Schedule III to the CGST Act to substitute lottery, betting and gambling as 'specified actionable claim'.
- Amendment in provisions related to the place of supply in respect of the supply of goods to unregistered persons [clause (ca) added to Section 10 of the IGST Act].
- A new section has been introduced to prescribe a special provision for specified actionable claims supplied by a person located outside India [Section 14A of the IGST Act].