

Lok Sabha passes the CGST (Amendment) Bill 2023, and IGST (Amendment) Bill, 2023

The Lok Sabha passed 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) on 11 August 2023, to amend the respective provisions in the CGST Act, 2017 and the IGST Act, 2017. The amendments shall come into force on such date as the central government may notify, by notification in the Official Gazette.

Key proposals:

Provisions w.r.t. online gaming

Introduction of the new definition of 'online gaming,' 'online money gaming,' and 'specified actionable claim.'

- **Online gaming** means the provision of a game on the internet/electronic network, including online money gaming.
- **Online money gaming** means online gaming in which players pay/deposit money, including virtual digital assets (VDAs), in expectation of winning money in any event, irrespective of its outcome, is based on skill and/or chance and whether the same is permissible or otherwise under any other law for the time being in force.
- **Specified actionable claim** means the actionable claim other than involved in or by way of betting, casinos, gambling, horse racing, lottery, or online money gaming.
- The scope of taxability on actionable claims is proposed to be widened. Presently, all actionable claims are outside the ambit of GST except lottery, betting, and gambling. The provisions are proposed to replace lottery, betting, and gambling with 'specified actionable claims.' Hence, the actionable claim other than those involved in or by way of betting, casinos, gambling, horse racing, lottery, online money gaming shall only be outside the ambit of GST.

- 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.
- The definition of a supplier is proposed to be amended to provide deeming fiction in case of the supply of 'specified actionable claim' in specified cases.
- The definition of Online Information and Data Access or Retrieval (OIDAR) services is proposed to be amended to exclude 'online money gaming.'
- In view of the 51st GST Council recommendation, a special provision is proposed to be inserted under the IGST Act for specified actionable claims supplied by a person located outside India.

Virtual digital asset

The introduction of the definition of the VDA shall have the same meaning as defined under the Income Tax Act, 1961.

Place of supply (PoS) in respect of supply of goods to unregistered persons (URP)

In view of the 50th GST Council recommendation, it is proposed that in case of the supply of goods to URP, the PoS shall be the location as per the address of the said person recorded in the invoice issued in respect of the said supply. However, if the address of the said person is not recorded in the invoice, the location of the supplier shall be considered.

Levy and collection of IGST

The provision of levy of the IGST is proposed to be amended to provide that in case of the import of specified goods as may be notified by the government on the recommendations of the GST Council, the IGST may not be required to be paid in accordance with the Customs provisions.