

Minutes of the 51st Meeting of the GST Council held on 2nd August, 2023

The 51st meeting of the GST Council was held on 2nd August, 2023 under the Chairpersonship of the Hon'ble Union Finance Minister, Smt. Nirmala Sitharaman through Video Conference. The list of Hon'ble Members of the Council who attended the meeting is at **Annexure-1**. The list of the officers of the Centre, States, Union Territories with legislature, GST Council Secretariat and GSTN who attended the meeting is at **Annexure-2**.

1.2 The following agenda items were listed for discussion in the 51st meeting of the GST Council:

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1.3 The Secretary to the GST Council, welcomed all the Hon'ble Members of the Council and participating officers to the 51st meeting of the GST Council.

1.4 The Secretary on behalf of the Council, welcomed Dr. Pramod Sawant, Hon'ble Chief Minister, Goa to his very first Council Meeting. The Secretary also welcomed Sh. Ajit Pawar, Hon'ble Deputy Chief Minister, Maharashtra and Sh. B. D. Kalla, Hon'ble Member from Rajasthan who were attending GST Council meeting after some time gap.

1.5 The Secretary appreciated the immense contribution made by Sh. Vivek Johri, ex-Chairman, CBIC to the Council who had superannuated on 31/07/2023.



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1.6 The Secretary stated that the GST Council in its 50th meeting had made certain recommendations on taxation of casinos, race courses and online gaming and recommended levy of 28% GST on the face value. Many Hon'ble Members had requested to make corresponding amendments in various GST Acts and Rules at the earliest. The amendments have been drafted by the Law Committee and they form the main agenda for this Council meeting. The Secretary informed that the Law Committee had invited officers from Tamil Nadu during deliberation on the proposed amendments in the Acts and Rules, as desired in the 50th meeting of the Council.

1.7 He further informed the Council that the agenda for the 51st meeting of the GST Council was discussed in detail during the Officers' Meeting a day before and based on the suggestion made in the Officers' Meeting, the revised draft Rule 31 B and 31 C pertaining to valuation rules as detailed in Agenda Item No. 2 had been circulated and incorporated in today's presentation.

1.8 The Secretary stated that there were two agenda items for this meeting. The first agenda was regarding ratification of Notifications and Circulars by the GST Council and decisions of GST Implementation Committee for the information of the Council which were issued/taken between the two Council Meetings. The second agenda was the proposal for making amendments to the CGST Act, 2017, IGST Act, 2017, CGST Rules, 2017 and issuance/amendment of notifications pertaining to casinos, online gaming, and horse racing to carry forward the recommendations made by the Council in its 50th Meeting. After taking permission of the chair to begin deliberations on each agenda item, he asked the Pr. Commissioner, GST Policy to present both the agenda items before the Council.

2. Agenda item 1: Ratification of the Notifications and Circulars issued by the GST Council and decisions of GST Implementation Committee for the information of the Council

2.1 The Pr. Commissioner, GST Policy took up the first agenda pertaining to the ratification of the notifications and circulars issued by the GST Council and decisions of the GST Implementation Committee for the information of the Council (Page 07-16 of the agenda). He stated that this agenda was discussed in the Officers' Meeting held yesterday and all officers had recommended approval / ratification of the notifications and circular. He also added that subsequent to the circulation of the agenda, eight (8) more Central Tax Notifications No. 27/2023-Central Tax to 34/2023- Central Tax all dated 31.07.2023 and one

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(1) more Integrated Tax Notification No. 01/2023-Integrated Tax dated 31.07.2023 have been issued based on the recommendations of the Council made in 50th meeting. He requested the Council to ratify the notifications and circulars issued based on the recommendations by the GST Council and take note of the decisions of the GST Implementation Committee (GIC).

Decision: The Council ratified the notifications and circulars issued based on the recommendations by the GST Council and took note of the decisions of GST Implementation Committee.

3. Agenda Item 2 :- Proposal for making amendments to the CGST Act, 2017, IGST Act, 2017, CGST Rules, 2017 and issuance/amendment of the Notifications pertaining to the Casino, Online gaming and Horse Racing

3.1 The Pr. Commissioner, GST Policy took up the next agenda regarding amendments in CGST Act, IGST Act, CGST Rules, and issuance of notifications pertaining to taxability of online gaming, casinos, etc. He made the detailed presentation (attached as **Annexure-3**) on the recommendations made by the Law Committee and the discussion made in the Officers' meeting on the said agenda. He stated that the Revenue Secretary had already mentioned that the actionable claims supplied in casinos, online gaming, and horse racing were agreed to be made taxable at 28% on full face value irrespective of whether activities are games of chance or game of skill in 50th GST Council Meeting. He stated that the matter was discussed in the two meeting of the Law Committee held on 21st July and 27th July, 2023 and various amendments in CGST/IGST Acts were deliberated. Thereafter, the Law Committee made certain recommendations regarding amendments in the CGST Act 2017, IGST Act 2017 and CGST Rules 2017 as well as issuance/ modification of notification.

Amendment in CGST Act, 2017 and IGST Act, 2017

3.2 The Pr. Commissioner, GST Policy stated that Entry 6 of Schedule III of the CGST Act 2017 is proposed to be amended to exclude "specified actionable claims" from the said Entry to provide clarity regarding taxability of actionable claims involved in Casino, Horse racing and Online game.



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3.3 Further, clause (102A) was proposed to be inserted in Section 2 of CGST Act to define "specified actionable claim" so as to mean actionable claim involved in or by way of (i) betting; or (ii) casinos; or (iii) gambling; or (iv) horse racing; or (v) lottery; or (vi) online money gaming. The clause (80A) was proposed to be inserted in Section 2 of the CGST Act for defining "online gaming". The clause (117A) was also proposed to be inserted in Section 2 of the CGST Act for defining "virtual digital assets" as having the same meaning as assigned to it in section 2(47A) of Income Tax Act, 1961.

3.4 The Pr. Commissioner, GSTPW, then referred to the insertion of clause (80B) in Section 2 of the CGST Act for defining "online money gaming" which is as under:

"online money gaming " means online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any law for the time being in force.

3.5 A proviso was also proposed to be inserted in clause (105) of Section 2 of the CGST Act which defines "supplier". The Pr. Commissioner, GST policy stated that the said proviso is proposed to be inserted to provide clarity to identify the supplier in case of specified actionable claims.

3.6 The Pr. Commissioner, GST Policy took up the amendment regarding the taxability of cross-border supplies of online money gaming by a supplier located outside India to a person in India. The proviso to Section 5 of IGST Act is proposed to be amended so that the integrated tax on goods, *other than goods as may be notified by the Government on the recommendations of the Council*, imported into India shall be levied and collected in accordance with the provisions of Section 3 of the Customs Tariff Act, 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.

3.7 A new Section 14A is proposed to be inserted in IGST Act to provide for special provision for taxability of supply of online money gaming by a person located outside the taxable territory to a person in India, *inter-alia* to specify liability on the said supplier for



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payment of integrated tax on such supply. Section 14A also provides the provision of a single registration of the said supplier through the Simplified Registration Scheme and the power to the Government for blocking of access by the public in case of failure to comply with the provisions. He, thereafter, stated that besides these amendments, there are some other amendments that are proposed in CGST Act and IGST Act which are detailed in the agenda and were discussed in detail in officers' meeting and were agreed to. He stated that some consequential amendments would be required in registration and return related provisions in CGST Rules with reference to the suppliers covered under the proposed section 14A of IGST Act.

Issuance of notification under section 15(5) of CGST Act 2017

3.8 The Pr. Commissioner, GST Policy mentioned that Section 15 (5) of CGST Act, 2017 provides that notwithstanding anything contained in section 15 (1) and 15 (4) of CGST Act, 2017, the value of such supplies, as may be notified by the Government on the recommendations of the Council, shall be determined in such manner as may be prescribed.

3.9 Law Committee recommended to notify supply of online money gaming, supply of online gaming other than online money gaming and supply of actionable claims in casinos under section 15 (5) of CGST Act 2017 for prescribing the manner of determination of the value of these supplies through CGST Rules, 2017. The draft notification recommended by the Law Committee had been attached in the agenda.

Amendment in CGST Rules, 2017 for prescribing value of supplies of online gaming and actionable claims in casinos

3.10 The Pr. Commissioner, GST Policy then took up the issue of amendment in CGST Rules, 2017 for prescribing the value of supplies of online gaming and actionable claims in casinos. The same was deliberated in the Law Committee and thereafter recommendations were made. The Law Committee recommended insertion of Rule 31B and Rule 31C in CGST Rules for prescribing the manner of determination of value of supplies in case of online gaming and value of supply of actionable claims in case of casino. He stated that the matter was deliberated in officers meeting held the previous day and various States made some recommendations. After taking into consideration the recommendations made by various



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States, a revised formulation of the said rules was made and circulated. He stated that in the agenda, which was circulated earlier, the words 'or payable' after the words 'total amount paid' are proposed to be inserted in Rule 31B and 31C of CGST Rules as per the discussion in Officers' meeting.

3.11 Pr. Commissioner, GST Policy stated that one of the concerns was that the money could directly be used in the slot machines instead of tokens or coins to address which it was proposed to add a sub-clause (ii) in Rule 31C in the definition to provide that value of supply shall be the total amount paid or payable by or on behalf of the player for participating in any event, including game, competition or any other activity or process, in the casino, in cases where the token, chips, coins or tickets, by whatever name called, are not required.

3.12 Further, he also stated that, it is proposed to add an Explanation to Rule 31B and Rule 31C to state that any amount received by the player by winning any event, including game, scheme, competition or any other activity or process, which is further used for playing by the said player in an event without withdrawing, shall not be considered as the amount paid or deposited with the supplier by or on behalf of the said player. This recommendation was agreed upon in the officer's meeting.

3.13 He further mentioned that in the Officers' meeting, Sikkim, Goa and Karnataka had raised the issue of treatment of refund/ return of the money to the players on account of unused chips or tokens in the case of casinos and unused wallet amounts in the case of online gaming. It was suggested to clarify the issue so as to remove any ambiguity that the tax once paid cannot be refunded or netted.

3.14 The Pr. Commissioner, GST Policy proposed a formulation in relation to treatment of refund or return of money to the players. He stated that the proposal was to insert a proviso in proposed Rule 31B to provide that any amount returned or refunded by the supplier to the player for any reason whatsoever, including the reason that the player has not used the amount paid or deposited with the supplier for participating in any event, shall not be deductible from the value of supply of online money gaming. He stated that it is also proposed to insert a similar proviso in rule 31C to provide that any amount returned or refunded by the casino to the player on the return of token, coins, or tickets, as the case may



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be, or otherwise, shall not be be deductible from the value of supply of actionable claims in casino.

Amendment in Notification No. 66/2017-Central Tax dated 15.11.2017 to exclude specified actionable claims:

3.15 The Pr. Commissioner, GST Policy, then took up the issue of amendment in Notification No. 66/2017-Central Tax dated 15.11.2017. The said notification was issued to exempt all registered persons from the requirement of payment of tax at the time of receipt of advances in case of supply of goods and provides for payment of tax in such cases at the time of supply as specified in Section 12(2)(a) of CGST Act. Law Committee recommended amendment in Notification No. 66/2017-Central Tax to exclude registered persons making supply of specified actionable claims as defined in proposed clause (102A) of section 2 of the CGST Act from the said exemption, so that in case of specified actionable claims, the tax can be paid at the time of receipt of payment for such supplies by the suppliers.

Suggestions made in the Officers meeting held on 01.08.2023 to be deliberated by the Law Committee: -

3.16 The Principal Commissioner, GSTPW mentioned that in Officers' meeting, Kerala had suggested that in the case of online gaming, recording of PIN code of the recipient by the supplier should be made mandatory to record the place of supply. This issue was discussed and it was recommended that whether pin code or State code would be sufficient for the determination of Place of Supply is a broader issue related to online supplies of various goods and services. This aspect should be decided in the case of all the online supplies of goods and services and Law Committee should examine it and then bring it before the Council. He further stated that the suggestion of Haryana to include "virtual digital assets" in the definition of "consideration" in section 2 (31) of the CGST Act 2017 was also discussed and it was noted that this is also a larger issue and requires separate examination by the Law Committee.

3.17 The Pr. Commissioner, GST Policy then took up the suggestion put forth by Gujarat wherein it was suggested that amendment may be made in section 17(5) of CGST Act for blocking of the ITC on account of tax paid by business entities for their employees in relation

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to online gaming or casinos. He stated that the issue was discussed in Officers' meeting and it was recommended that this issue can be separately examined by Law Committee, as this issue may not require amendment in law.

3.18 After the presentation of the Principal Commissioner, GSTPW, the Secretary opened the floor for suggestions/comments from the Members of the Council.

3.19 The Hon'ble Member from Tamil Nadu informed that some specified online games and online gambling are prohibited in the State of Tamil Nadu and therefore in view of the same, they have suggested for modifications in the amendment proposed by the Law Committee in Section 2 (102A) and Section 2 (80B) of the CGST Act. He also mentioned that a letter in this regard, has also been sent to the Hon'ble Chairperson for kind consideration.

3.20 The Secretary clarified that irrespective of the fact that whether an activity is legal/illegal or banned, it is liable to tax under GST Law. All activities like betting, casino, gambling, horse racing, lottery, online money gaming have therefore been included in the definition of 'specified actionable claim' treating such activity to be a supply and hence taxable under GST Act. Prohibition of any of these activities in any State and taxability of such activities under GST law are two separate issues and are covered under separate Acts. Taxing a banned/prohibited activity by no means legalises the said activity in a particular State where it is banned/prohibited. He further brought to the notice of the Council that while drafting the proposal for amendments in the relevant sections of CGST Act, the ASG had also held the same view.

3.21 The Hon'ble Chief Minister of Goa requested the Council to reconsider the decision taken in 50th GST Council Meeting of taxing the casino sector at 28% on full face value of chips sold instead of Gross Gaming Revenue. He stated that the business model of casino and online gaming should not be treated at par. The decision of the Council would damage the economy of the State as casino sector significantly contributes to the employment and economy of Goa. He requested the Council to reconsider the decision of imposing tax on full face value of chips sold and support Govt. of Goa to maintain the method of taxing on Gross Gaming Revenue.

3.22 The representative of Goa stated that casino industry is limited to only two States i.e Sikkim and Goa and this decision would adversely affect the casino industry leading to its



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closure. Non-refund of tax on return of chips in casino sector will promote unethical practices in the casino industry and requested for re-consideration of this issue in GST Council meeting.

3.23 The Hon'ble Member from Kerala informed that he is in general agreement with the decision taken in 50th GST Council Meeting. However, he raised the issue of Place of Supply in case of online gaming and suggested that in case of online gaming, recording of PIN code of the recipient should be made mandatory. He therefore requested that specific provision for recording of PIN code be notified so that consuming State could get their due revenue.

3.24 The Secretary suggested that the issue of requirement of PIN code of the recipient and Place of Supply is a larger issue and not only related to online gaming but also to other online supplies as well. Therefore, it may be separately examined in detail by the Law Committee including all cases of online supply of goods and services. He also recommended that the Law Committee should come up with the formulation in the future GST Council Meeting.

The Council agreed to the issue of referring the matter to the Law Committee.

3.25 The Hon'ble Member from Sikkim seconded the views of the State of Goa. He further stated that Sikkim is a small landlocked State having population of only six lakh and major source of livelihood is through casino industry. He stated that high levy of 28% on the value of chips purchased would lead to closure of casino industry and render many people in the State jobless. He requested that as per international practice, GST should continue to be imposed on GGR. He also suggested that if government desires rate of GST on casino sector could be increased from 28% to 35 % but valuation should be done on the Gross Gaming Revenue. He therefore requested that the Council should reconsider the decision of imposition of levy of 28% on full face value of chips.

3.26 The Hon'ble Member from Delhi requested for reconsideration of decision on levying higher rate of 28% on online gaming. She mentioned that online gaming industry is a growing start-up; it is extremely diverse sector and all games may not involve gambling/betting. There is also casual gaming which is not comparable to casino, betting or horse racing. Online gaming sector has received substantial FDI and the decision to levy higher rate of 28% will have serious repercussions on the entire start-up ecosystem and employment provided by this sector. She requested that the proposed amendment in Section 2 (102A) to modify the definition of 'specified actionable claim' may not be carried



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out and if needed, the issue of online gaming may be either referred back to the GoM or a separate GoM be constituted specifically for 'Online Gaming'.

3.27 The Hon'ble Member from Rajasthan informed that Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 were issued by the Union Ministry of Electronics and Information Technology (MeitY) in which the detailed guidelines for online gaming have been prescribed and these rules were further amended vide amendment dated 06th April, 2023 to define the concept of permissible online game and permissible online real money game. Since these guidelines cover the concept of permitted online gaming, therefore, clubbing online gaming with betting and gambling under GST Law would be contrary to the spirit of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 and even imposition of same 28% tax rate on online gaming does not separate online gaming from betting and gambling. Therefore, these should be kept in different categories. He requested that the recommendation of GST Council to levy tax on the full face value paid for casino, race course and online gaming should be examined in detail before taking final decision regarding the value of supply.

3.28 The Hon'ble Member from Bihar supported the proposal to levy higher tax rate on gambling as it would not only increase the revenue of the Centre and States but it also has social and moral connotations. The Hon'ble Member further requested the Members of the Council to bring the proposed amendment bill to implement recommendation of GST Council on casino, race course and online gaming as soon as possible. The Hon'ble Member from Bihar thanked the Chairperson for inclusion of settlement amount of States in PIB releases. Further, the Hon'ble Member from Bihar requested the Chairperson to help Bihar in determining the actual potential of GST collection in the State. He further suggested that institutions like NIPFP may help Bihar in determining the revenue potential of its market activities, business and trading transactions. The Hon'ble Member suggested to include some indicator in online gaming to identify actual location of player so that tax collection goes only to concerned State only.

3.29 The Hon'ble Chairperson thanked the Member from Bihar for his inputs and assured that in respect of revenue collection potential if there is any possible help that institute like NIPFP can provide to Bihar, then they will certainly provide the same.

3.30 The Hon'ble Member from Punjab stated that they agreed with the views of the Hon'ble Member from Delhi and suggested for constitution of new GoM or to send the issue



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to GoM once again for detailed examination. Further, he suggested that if players purchased chips on platforms provided by casino or online games and paid the GST on such purchased chips, then players should not get refund on amount not used for playing or purchases returned by players.

3.31 The Hon'ble Member from Chhattisgarh raised the issue regarding the PIN code in relation to determining place of supply and stated that the anyone can use wrong PIN code on online gaming platform and therefore IP address of the devices may be taken from the companies as IP address is easily traceable. He suggested the use of IP address for tracing the players in online gaming would be very useful for determining Place of Supply

3.32 Further, the Hon'ble Member from Chhattisgarh expressed his full agreement with the Hon'ble Member from Bihar and suggested not to reopen issues which were debated in detail. Subsequently, he sought clarification in respect of Agenda Item 2 with serial no. (iv) regarding definition of online gaming. He stated that there are many games which do not appear to be gambling at first and apparently seem to be harmless. In these games, the gamers introduce the options for players to make investments and buy coins or points, then these games should also be treated as gambling and the same may be taken for consideration. The Hon'ble Member from Chhattisgarh also suggested to have some provision for continuing Compensation Cess for two affected States if they suffer fall in their revenue. He reiterated to stick to the decision of the GST Council and implement the rules accordingly.

3.33 The Revenue Secretary thanked the Hon'ble Member from Chhattisgarh and clarified that his suggestions on online games with stakes and games without stakes will be considered.

3.34 The Hon'ble Member from Meghalaya stated that he had two points to make. First point was regarding Rule 31B which states that the supply shall be total amount paid to or deposited with the supplier by way of money or money's worth. He informed that there are three scenarios in this online gaming taxation. The first scenario which prevailed before the bringing the proposal of taxation of casino, race course and online gaming in GST Council which means that 18% tax was being charged on platform fee on every transaction being played. The second scenario in which tax at the rate of 28% on full amount of each game would lead to large amount of taxation. In the third scenario, the tax rate of 28% is payable only when one buys the chips in casino. If the third scenario is implemented, it may not lead to much revenue growth.



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3.35 The Revenue Secretary clarified that tax at the rate of 28% would be paid only once on transaction amount paid to online gaming operator. Suppose a person pays Rs.100 for a game then he has to pay 28% tax on this transaction. Earlier the online gaming operator was paying tax only on GGR/platform fee at 18% rate. Suppose that on playing a game of Rs.100, platform fee was 15% and online gaming operator paying tax at rate of 18% which was resulted in tax amount of only Rs.2.7. It was found that on an average, a person plays 3 times and therefore, for a game of Rs.100, average tax amount was collected by Government was only about Rs.8-10. However, now if they pay 28% on game of Rs.100 then GST of Rs.28 would be collected which is around 3 times more than tax collected earlier. Further, the Revenue Secretary added that if GST@ 28% is charged on each bet amount, then tax would be charged on each and every winning amount which would further increase the effective tax rate to above 28% and effective tax rate would become very high. It is also very difficult to tax on each bet in casinos and even in online gaming, accounts are liable to fudging. The Revenue Secretary stated that in the proposed framework it is expected that revenue would increase by 3 to 4 times, if volumes remain the same.

3.36 The Hon'ble Member from Haryana thanked the Hon'ble Chairperson for accepting one of their demands in the officers meeting on crypto assets. The Hon'ble Member expressed his concern on online gaming because Haryana is hub of IT industry. He further informed that online gaming has now become a sport in Commonwealth Games. He emphasized the need to relook into all aspects of online gaming including the future of gaming industry and not only regarding game of skill or game of chance. The Hon'ble member also expressed his concern over how foreign trading of crypto currency takes place where evasion of tax happens. He also informed that tax can be levied up to 40% under GST Act. He further added that Council may look into how other countries are taxing these activities and suggested that we may increase the rate of tax but keep the valuation on GGR which will also take care of demand of Goa and Sikkim.

3.37 The Hon'ble Member from Puducherry stated that the UT of Puducherry proposed to ban online gaming and they are awaiting suggestions from Ministry of Home Affairs and MeitY for bringing legislation to ban online games. The Hon'ble Member also expressed his agreement with taxing of betting, gambling, casinos, online games at 28% on face value. Apart from that, in order to give a wider definition, the word "wagering" which means 'risk (a sum of money or valued items) against someone else on the basis of the outcome of an unpredictable event may be included in section 2(102A) of CGST Act, 2017.



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3.38 The Hon'ble Member from Andhra Pradesh stated that the State of Andhra Pradesh reiterates its stand taken in the last GST council meeting. He stated that the issue of taxation on casino, race course and online gaming involves both taxation from the GST point of view and revenue from the State point of view. The Member highlighted the issue regarding hill States, North-Eastern States with international borders, small States specifically Goa; that the economic activity of these States like Forest and Mining are constrained by environmental and infrastructural challenges. He further stated that the economy of Goa depends on tourism and Casinos. The Hon'ble Member suggested that as Goa accepted 28% rate of tax on Casinos, liberal and flexible view may be taken on the value on which tax will be levied in the interest of co-operative federalism and growth of the small States like Goa.

3.39 The Hon'ble Member from Karnataka supported the view taken by Chhattisgarh and Bihar. He further stated that it is not desirable to go back on well considered decision taken after a thorough discussion in a short span of time. He further stated that all the efforts should be made to harness the full potential of revenue without showing any differential consideration for activities like betting which are not socially desirable. The Hon'ble Member expressed agreement with CM of Meghalaya on taxing every iteration of betting in a game. He clarified on the question of double taxation involved with taxing such iterations and stated that each subsequent act of wagering is an independent activity and not a consequence of first act of wagering or betting and therefore is liable for taxation. He further opined that taxing only entry deposit and not the further iterations of the game could lead to missed taxation opportunities. He further informed that current tax of 18% on GGR, with average 3 iterations, resulted in tax of 6% only but new proposed rate of tax @ 28% on entry deposit, the tax might go up by 22%, which is still an improvement but ideally each iteration of a game should be taxed. He further urged to move swiftly on the decision taken by the Council and suggested to revisit it after six months based on gained experience and formulation of new laws to counter avoidance of taxes.

3.40 The Hon'ble Member from Meghalaya clarified that he was not advocating taxing every iteration or every transaction.

3.41 The Hon'ble Member from Uttar Pradesh stated that a decision was taken in the 50th GST Council meeting on the issue of casinos, race course and online gaming after long discussions and that he supported the proposed amendments. The Hon'ble Member emphasised that public perception should be taken into account during framing of laws &

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rules in matter of taxation. He further stated that States should strive to utilize its resources and promote tourism to augment revenue rather than basing the economy solely on Casino. The Hon'ble Member supported the proposal of Kerala on the subject of Place of Supply and expressed his agreement to the matter to the Law Committee.

3.42 The Hon'ble Member from West Bengal stated that the Council had taken the decision in its 50th meeting on the issue of Casinos, Race Course and Online Gaming after discussions and it should not be reopened. She expressed agreement with the Hon'ble Member from Uttar Pradesh that the issue had come to an end as the entire issues was discussed in last meeting of the Council held on 11th July, 2023 and the present matter of discussion was regarding changes in proposed Rules by the Law Committee. It is always open for the Council to re-visit it if anyone finds difficulties.

3.43 The Secretary added that as most of members agreed to the proposal in the agenda, the amendment is required to be carried out in CGST Act by the Centre and in SGST Acts by the States and they have to be synchronised. He elicited the views of the Hon'ble Members in carrying out the requisite amendments in two months so that they can be made effective from 01.10.2023.

3.44 The Hon'ble Member from Delhi expressed her disagreement with the decision taken by the Council on the issue of Online Gaming. She also opined that the decision taken on Online Gaming will have wider impact on entire Start-up Sector. She urged that Online Gaming activities should not be conflated with gambling activities. She further added that the decision of the Council would enable illegal betting and gambling sites which will operate from tax havens and will push Online Gaming sector from legal space into illegal space.

3.45 The Revenue Secretary clarified that the amendment presented in the Council pertains to the domain of Online Gaming exclusively where stakes are involved and not to the entire online gaming industry. It is important to note that the proposed definition merely states that instances involving monetary consideration or stake on an outcome that one expects, will be treated as an actionable claim and thus subject to taxation. He apprised the esteemed Members that the focal point of the discussion does not concern tax rates as the Council has already made decisions on tax rates for Online Gaming, Casinos and related areas during its 50th Meeting.

3.46 Regarding the concern raised by the Hon'ble Member from Delhi concerning illegal and offshore Online Gaming Platforms, the Secretary clarified that after thorough

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deliberation, Law Committee has recommended an amendment to the Act. This amendment seeks to introduce a specific provision mandating the appointment of a local representative for any entity located outside India. Additionally, the Secretary informed the Council that non-compliant entities would be blocked.

3.47 The Secretary requested to implement the decision that was already taken in the previous meeting. Furthermore, the Secretary proposed the recommendation for amendments and their impact on the Online Gaming Industry or Casinos could be re-evaluated by the Council after a period of say 6-8 months. This approach would allow for a timely implementation of the decision while also providing an opportunity to assess any adverse effects on the concerned Sectors in due course, if any.

3.48 On the request of the Secretary, the Member (Compliance), CBIC apprised the Council about the offshore Online Gaming Companies. He stated that the matter regarding these Companies was investigated by the Director General of GST Intelligence and the Companies which were not compliant with the GST laws, were referred to the MEITY for blocking. He apprised the Council that an order for blocking these Companies has been passed by the MEITY which was now being implemented by the DoT.

3.49 The Hon'ble Member from Delhi stated that she did not doubt the intent of the Council but was concerned about the IT abilities of these illegal Companies. She pointed out that the time taken by the Government procedure and formalities to pass an order for blocking these Companies resulted in creation of a number of mirror websites by these setups. She stated that if the recommendation to include online money gaming as an actionable claim is to be implemented, then the Council must be cognizant of the fact that it would promote illegal gambling. She emphasized that such a move would not only impact the Online Gaming Industry but also the entire Start-up ecosystem.

3.50 She highlighted that there was still a juncture to address this concern and once the Council passed the legislation, any future change would become very difficult.

3.51 The Chairperson responded to the concerns raised by the Hon'ble Member from Delhi and assured that all the points brought forward had been under deliberation since the beginning and were considered comprehensively. The final decision taken in the last meeting was a collective wisdom of Council involving all the members including Delhi who carefully weighed each and every point.

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3.52 She brought out that the stakeholders referred by the Hon'ble Member from Delhi had been given ample opportunities to engage with the Council. These stakeholders had met with the Council separately, as a group, and as representatives in the Group of Ministers (GoM) specifically formed to address this issue, over a period of three years. The Chairperson emphasized that the Council was fully conscious of the significance of the nascent start-up ecosystem, particularly within the growing online gaming industry. She made it clear that the Council was determined to ensure that the decision taken would not have any adverse impact on this area of growth. Throughout the past years, the Council had diligently worked on this matter and took into account various factors including investments, the start-up industry and their potential spillover effects on the investment environment in the country. These considerations were thoroughly weighed while arriving at the decision in the last meeting. The Chairperson asserted that the Council has duly considered the impact of this decision on investments in this sector as well.

Furthermore, she assured the Members that the officers could share the representations received from various gaming industry stakeholders, investors, and other concerned parties. The Chairperson made it clear that the Council was not devoid or unaware of the inputs from the gaming industry; rather, there had been multiple meetings with the industry over the years to address their concerns. The Chairperson reiterated that the issues at hand had been subject to extensive deliberations and re-deliberations over the past three years. The Council was committed to making an informed and thoughtful decision that considered all perspectives and potential consequences.

3.53 The Hon'ble Member from Meghalaya concurred with the Chairperson acknowledging that every point has been thoroughly deliberated over the course of several years. He reiterated that the decision in question had been reached by consensus during the 50th Meeting of the GST Council. He clarified that the purpose of the current discussion was not to alter the decision taken in the last meeting but rather to progress in determining the full-face value of the supply to be taxed.

3.54 The representative of Goa expressed that he has consistently supported the 28% tax rate as decided by the Council for the Casinos. His concern lies primarily in the methodology to be implemented in the law for its execution. He drew attention to the proposed amendments for online gaming, which he believed bring the relief intended.



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He emphasized that the Casino Industry is confined only to the States of Goa and Sikkim. While he clarified that he did not endorse Casinos, he was worried about the economic repercussions on these States as a substantial portion of their revenue depends on the Casino Industry. He pointed out that the concept of 'full face value' remains ambiguous, especially considering that certain activities in Casinos also involve direct payments from credit card, etc. without the need for purchase of chips.

He recommended that the Law Committee together with State of Goa and Sikkim, collaboratively devise rules that align with a system not detrimental to the Casino Industry. He noted that the Ministry of Electronics and Information Technology (MeitY) is working on framing Rules for self-regulatory bodies for Online Gaming and Casinos indicating that the Council has the competence to establish differential rules for defining 'full face value' for the Casinos.

He expressed gratitude towards the Chairperson for previously referring the matter back to the Group of Ministers (GoM) for reconsideration. He suggested that the taxation should be aligned with the tax charged in the pre-GST era. He also opined that taxing on the basis of Gross Gaming Revenue (GGR) would have been a wise decision, benefiting all industries and the government. He concluded by disagreeing with the decision taken by the GST Council as he firmly believe it would adversely impact State of Goa and the Casino Industry.

3.55 The Hon'ble Member from Nagaland acknowledged the extensive discussions that took place during the meeting, wherein diverse perspectives were expressed by various States. He reminded the Council of the decision made in the previous meeting, where a consensus was almost reached to tax Casinos at 18%. However, this decision was later finalized at a 28% tax rate based on the inputs provided by the State of Uttar Pradesh. The reasoning behind this decision was to avoid any negative public perception and criticism for promoting gambling as a lower tax rate might not be socially acceptable considering the moral values and revenue implications. He emphasized that the Council had resolved to implement the decision for a period of six months and would reassess if it would be necessary. He advocated closing the matter. In consideration of the affected States, Goa and Sikkim, he proposed referring the matter to the Group of Ministers (GoM) for examination and resolution or providing compensatory measures to address the specific challenges faced by these States in case of Casinos.


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3.56 The Hon'ble Member from West Bengal asserted her stance on the matter, firmly stating that the issue has been thoroughly discussed in the current meeting and the 50th Council meeting. She mentioned that the Law Committee had also presented its report and it was imperative to implement it at present. However, she stated that if any adverse consequences arose due to the implementation, the matter could be brought back to the table for further review.

3.57 The CST, Maharashtra sought permission to speak on behalf of the Hon'ble Member from Maharashtra as he was preoccupied in unscheduled and unavoidable work during ongoing Assembly session. The CST presented his views and stated that the decision was taken in the 50th meeting of the Council to charge 28% tax on full face value and the State of Maharashtra was in agreement to all the amendments proposed in the Council agenda. He further stated that this issue has been longstanding for last almost 2.5 years due to which the revenue of the governments was also getting affected thus, the issue should be implemented steadfast, which could be reviewed again in the Council meeting if any need arose.

3.58 The Hon'ble Member from Gujarat urged the Council to move forward with the proposed amendments without delay, considering the prolonged deliberations and the urgency to address the revenue concerns.

3.59 The Hon'ble Member from Chhattisgarh appealed to Goa that decisions taken with the greater wisdom of the Council were certainly in the interest of all the States in the long run. He then apprised the Council about the forthcoming elections in his State in November and the enforcement of Code of Conduct from October, thus, they would bring the ordinance before 01.10.2023.

3.60 The Hon'ble Member from Himachal Pradesh stated they desired early implementation of the decision taken in the 50th meeting and endorsed the amendments proposed. He also ensured that the State would bring the enactments within the two months so that the State could take the benefit from the decision on an early date.

3.61 The Hon'ble Member from Haryana sought clarification on whether the commission or platform fee charged by companies would be subject to taxation again considering the tax being imposed on the face value at 28%.



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3.62 In response, the Secretary clarified that such double taxation would not be applicable. There would be no need to tax the commission or platform fee separately. The Secretary also mentioned the possibility of issuing a formal clarification to address this matter definitively.

3.63 The Hon'ble Member from Delhi sought clarification on the taxation of TDS (Tax Deducted at Source) on the winnings in the gaming sector. She expressed concern that a player would end up paying both 28% GST and 30% TDS on their winnings.

3.64 The Secretary explained that winnings are subject to income tax and a clarification has already been issued regarding it and the industry is satisfied with it. He mentioned that the income tax is charged on the net winnings of an individual for the year. The Secretary clarified that TDS is applicable only when there are winnings and if there are no winnings, there would not be any TDS deduction.

3.65 The Chairperson clarified that TDS is a component of direct taxation. The Chairperson clarified that matter of direct taxation does not fall under the purview of the GST Council.

3.66 The Member from Delhi acknowledged the clarification but suggested that the Council should consider revising the tax rate to provide some relief, as it would add to the overall taxation burden on the gaming industry.

3.67 The Secretary clarified to the Council that the current agenda of meeting solely pertained to the implementation of decisions taken in the 50th Council meeting. The proposed amendments in CGST Act and IGST Act were only meant to provide enabling provisions so that online money gaming like gambling continues to be subject to taxation. He emphasized that these amendments did not concern tax rates or the valuation of supply, which would require going through the legislative process. The valuation methods and tax rates are provided in the Rules and notifications, which can be amended by the Council at any time if any adverse impacts arise.

The Secretary further informed the Council about a Special Leave Petition filed against the judgment of the Hon'ble High Court of Karnataka in the case of M/s Gameskraft wherein it is being contested that these online gaming has an element of gambling/betting and must be taxable. The Council is making it clear that online money gaming, casinos, or horse racing are taxable irrespective of the presence of elements of betting or gambling through the decision taken in the 50th meeting.

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3.68 While noting that all of States are in agreement, he acknowledged the differing viewpoints of Goa, Sikkim, Delhi and Punjab. Nonetheless, he urged the Council to proceed with implementation highlighting the possibility of revisiting the decision should the need arise. The Secretary informed the Council that similar apprehensions were made when 28% tax was proposed to be charged in case of lottery and it was feared that time also that the industry would be wiped out but that is not the case now. He acknowledged all the fears and apprehensions stated by the State of Goa and Sikkim. He assured them the Council has always worked for the betterment and development of each State. The Secretary appealed for unanimous approval of the decision, pointing out that a review would take place after six months of implementation. A comprehensive status report, encompassing revenue data and stakeholders' feedback, would be assessed during this review period, allowing the Council to make informed decisions while moving forward.

3.69 The Hon'ble Member from Tamil Nadu expressed his concern that the apprehensions of State were not fully considered before taking a unanimous decision.

3.70 The Chairperson responded to assure the Member that the concerns of Tamil Nadu were indeed taken into account. She pointed out the specific concern raised by Tamil Nadu about the possible anomaly between the decision regarding online gaming taken in the 50th Council meeting and the ban on online gaming imposed by the State. The Chairperson stated that the Revenue Secretary had already clarified that the decision would not result in any anomaly. The advice from the Additional Solicitor General (ASG) was sought and it indicated that there would be no conflict.

3.71 To address apprehension of Tamil Nadu about the decision being perceived as legalizing online gaming in State of Tamil Nadu where it is banned, the Secretary proposed providing for a provision in the proposed amendments to clarify that the provisions of the amendments do not prejudice any other law and do not intend to legalize any activity that is banned under other laws. The draft of this proposed clarificatory provision could be shared with the State.

3.72 The Member from Tamil Nadu thanked the Council for considering their request and agreed to the proposal for the draft provision to be sent to them.

3.73 The Member from Kerala also raised a similar issue regarding the ban on such activities in their State and expressed satisfaction with the proposal given by the Secretary.



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3.74 The Chairperson reiterated that the Council had consulted the ASG to ensure that the proposed amendments would not lead to the liberalization of such activities in States where these are banned. She also mentioned **that a clarificatory provision would be formulated and shared with the State of Tamil Nadu.**

3.75 The Hon'ble Representative of Goa put his dissent to the decision and requested not to call it unanimous decision. He reiterated his suggestion to work out a mechanism where the decision taken could align with the law in a way it did not affect the States and the Industry or to review the present decision taken in three months.

3.76 The Hon'ble Member from Delhi also requested to not call the decision 'unanimous' as they had strong reservations.

3.77 The Hon'ble Member from Sikkim agreed with the points raised by Goa and emphasized to maintain the federal structure of the country in any decision-making process.

3.78 The Secretary informed that all the States except the State of Goa, Sikkim, Delhi and Punjab were in agreement with the proposed amendments.

3.79 The Chairperson expressed her gratitude to all the Members for attending the meeting, which focused on implementing the decision taken during the 50th Council Meeting to amend the law accordingly. She acknowledged the importance of this issue for some States and respected their views. The present meeting was convened to facilitate the implementation of that decision and the inputs of all Members were taken into consideration for making any necessary adjustments to the proposed amendments. She also stated the inputs given by Kerala for which other States have also agreed.

She assured the Council that any decision not taken unanimously would be recorded with the name of the State expressing dissent. She also mentioned that a previous decision regarding lottery was similarly recorded when it was not unanimous. She emphasized the significance of the Council's decision-making process which is a constitutional body and cautioned against undermining it by repeatedly referring decisions back to the Group of Ministers or the Council itself for reconsideration, which come back again within a short span of time to take a decision already taken forward for implementation. The Chairperson reiterated that the Council respected every view presented by the Members and either clarified or agreed or responded to them. She highlighted that the Council had previously



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postponed decisions when necessary in the interest of States and this decision had taken three years to reach finality.

She reassured that a review could be conducted after six months of implementation, if needed. Responding to the suggestion from the Hon'ble Member from Goa to review it in three months, she clarified that such a timeline would be too short to get sufficient experience for drawing any definitive conclusion.

She then assured that after the six months of its implementation, the Council will table it and review the statistics and the wisdom of the Council will prevail. She sought the cooperation of the Members of GST Council to implement the proposed amendment from 01.10.2023.

Decision: The Council agreed to amendments in the CGST Act 2017, IGST Act 2017 and CGST Rules 2017 (along with modifications in proposed rules presented before the Council and detailed in the presentation) and issuance of notification under section 15(5) of CGST Act 2017 and amendment in Notification No. 66/2017-CT dated 15.11.2017.

A clarificatory provision would be formulated in consultation with State of Tamil Nadu to the effect that this amendment would not amount to legalizing online gaming, etc which had been banned in Tamil Nadu and included in the amendment bill.

NIPFP will be asked to support the state of Bihar in assessing the revenue potential in the state.

In the end, the Secretary thanked the Hon'ble Chairperson, the Hon'ble MoS (Finance), the Hon'ble Members and all the officers for attending the 51st GST Council Meeting.



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Annexure-1

List of Hon'ble Members/Ministers from the State attending the 51st Meeting of the GST Council held on 02.08.2023

S. No.	Name of States	Name of Hon'ble Ministers/Member of GST Council	Designation
1	GOI	Smt. Nirmala Sitharaman	Union Finance Minister
2	GOI	Shri Pankaj Chaudhary	Minister of State for Finance
3	Andhra Pradesh	Shri Buggana Rajendranath	Minister for Finance, Planning, Legislative Affairs, Commercial Taxes and Skill Development & Training
4	Arunachal Pradesh	Shri Chowna Mein	Hon'ble Deputy Chief Minister-cum-Finance Minister
5	Assam	Smt. Ajanta Neog	Finance Minister
6	Bihar	Shri Vijay Kumar Chaudhary	Minister for Commercial Tax
7	Chhattisgarh	Shri T.S.Singh Deo	Deputy Chief Minister
8	Delhi	Smt. Atishi Marlena	Finance Minister
9	Goa	Dr. Pramod Sawant	Chief Minister
10	Goa	Shri Mauvin Godinho	Minister for Industries, Transport, Panchayati Raj, Protocol and Legislative Affairs
11	Gujarat	Shri Kanubhai Desai	Minister for Finance
12	Haryana	Shri Dushyant Chautala	Deputy CM and Excise & Taxation Minister
13	Himachal Pradesh	Shri Harshwardhan Chauhan	Industries Minister
14	Jammu and Kashmir	Shri Rajeev Rai Bhatnagar	Advisor to Hon'ble Lieutenant Governor, UT of J&K

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15	Karnataka	Shri Krishna Byre Gowda	Minister for Revenue Department
16	Kerala	Shri K. N. Balagopal	Finance Minister
17	Maharashtra	Shri Ajit Pawar	Deputy Chief Minister, Minister for Finance
18	Manipur	Dr. Sapam Ranjan Singh	Minister for Medical, Health & Family Welfare Department and Publicity & Information Department
19	Meghalaya	Shri Conrad K. Sangma	Chief Minister
20	Mizoram	Shri. Lalchamlia	Taxation Minister
21	Nagaland	Shri K.G Kenye	Minister for Power and Parliament Affairs
22	Odisha	Shri Bikram Keshari Arukha	Minister for Finance
23	Punjab	Shri Harpal Singh Cheema	Finance Minister
24	Puducherry	Shri K. Lakshminarayanan	Minister for Public Works
25	Rajasthan	Shri B.D.Kalla	Minister, Department of Education (Primary and Secondary Education), Department of Sanskrit Education, Department of Art, Literature, Culture and Archeology, Independent charge of the Department of Primary Education under Panchayati Raj
26	Sikkim	Shri B. S. Panth	Minister of Tourism & Civil Aviation/Commerce & Industries/Information & Public Relations/Printing and Stationery Department
27	Tamil Nadu	Shri Thangam Thennarasu	Minister for Finance and Human Resources Management
28	Telangana	Shri T. Harish Rao	Minister for Finance, Health, Medical & Family Welfare
29	Uttar Pradesh	Shri Suresh Kumar Khanna	Minister of Finance, Parliamentary Affairs



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30	Uttarakhand	Shri Premchand Aggarwal	Minister of Finance, Urban Development, Housing, Legislative and Parliamentary Affairs, Reorganisation and Census
31	West Bengal	Smt. Chandrima Bhattacharya	Minister of State for Finance

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Annexure-2

Attendance of officers from the Centre and the States/UTs attending the 51st Meeting of the GST Council held on 02.08.2023

<u>S.No.</u>	Name of State/CBIC/GSTC/GOI/GSTN/DoR/TRU/POLICY WING	Guest's Name	Designation
1	DoR	Shri Sanjay Malhotra	Revenue Secretary
2	CBIC	Shri Sanjay Kumar Agarwal	Member(Compliance Management)
3	CBIC	Shri Shashank Priya	Member (GST)
4	CBIC	Shri Vivek Ranjan	Member (Tax Policy)
5	CBIC	Shri Pankaj Kumar Singh	Additional Secretary (GST Council Secretariat)
6	GST POLICY WING	Shri Sanjay Mangal	Principal Commissioner
7	GSTN	Shri Manish Kumar Sinha	CEO
8	GSTN	Shri Dheeraj Rastogi	EVP
9	TRU	Ms. Limatula Yaden	Joint Secretrary
10	GST Council Secretariat	Ms. Ashima Bansal	Joint Secretary
11	GST Council Secretariat	Ms. B.Sumidaa Devi	Joint Secretary
12	DoR	Dr. N Gandhi Kumar	Director (State Taxes)
13	GST POLICY WING	Shri Alok Kumar	Additional Commissioner



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14	GST POLICY WING	Shri Raghavendra Pal Singh	Additional Commissioner
15	GST POLICY WING	Dr. Gurbaz Sandhu	Additional Commissioner
16	TRU	Shri Pramod Kumar	OSD Commissioner in-situ
17	TRU	Ms. Puneeta Bedi	OSD
18	TRU	Shri Satvik Dev	OSD
19	Government of India	Shri S.S. Nakul, IAS	PS to FM
20	Government of India	Shri Sonam Karma Z Lhasungpa	Additional PS to FM
21	Government of India	Shri Sernya Bhutia	1 st PA TO FM
22	Government of India	Shri Kumar Ravikant Singh	PS to MoS Finance
23	DoR	Shri Deepak Kapoor	OSD to Revenue Secretary
24	GST POLICY WING	Shri Amit Samdariya	Deputy Commissioner
25	GST POLICY WING	Ms. Neha Yadav	Deputy Commissioner
26	GST POLICY WING	Ms. Soumya	Deputy Commissioner
27	TRU	Ms. Anna Sosa Thomas	Technical Officer
28	CBIC	Shri Rushikesh Kodgi	Dy. Controller of Accounts
29	PIB	Dr. Pragya Paliwal Gaur	Additional Director General
30	PIB	Shri Kush Mohan Nahar	Media & Communication Officer

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	31	GST Council Secretariat	Shri Kshitendra Verma	Director
	32	GST Council Secretariat	Shri S.S.Shardool	Director
	33	GST Council Secretariat	Shri Joginder Singh Mor	Under Secretary
	34	GST Council Secretariat	Ms. Reshma R. Kurup	Under Secretary
	35	GST Council Secretariat	Ms. Priya Sethi	Superintendent
	36	GST Council Secretariat	Shri Dharambir	Superintendent
	37	GST Council Secretariat	Shri Irfan Zakir	Superintendent
	38	GST Council Secretariat	Shri Naveen Kumar	Superintendent
	39	GST Council Secretariat	Shri Sachin Goel	Superintendent
	40	GST Council Secretariat	Ms. Ambika Rani	Superintendent
	41	GST Council Secretariat	Shri Niranjana Kishore	Superintendent
	42	GST Council Secretariat	Shri Rakesh Joshi	Superintendent
	43	GST Council Secretariat	Shri Vijay Malik	Inspector
	44	GST Council Secretariat	Shri Padam Singh	Inspector
	45	GST Council Secretariat	Shri Ashwani Sharma	Inspector
	46	GST Council Secretariat	Shri Rohit Sharma	Inspector
CHAIRMAN'S INITIALS	47	GST Council Secretariat	Shri Karan Arora	Inspector

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48	GST Council Secretariat	Shri Tarun	Inspector
49	GST Council Secretariat	Shri Pankaj Dhaka	Tax Assistant
50	GST Council Secretariat	Shri Paresh Garg	Tax Assistant
51	GST Council Secretariat	Shri Shyam Bihari Meena	Tax Assistant
52	Andhra Pradesh	Shri N. Gulzar	Secretary Finance(CT)
53	Andhra Pradesh	Shri M. Girija Sankar	Chief Commissioner(ST)
54	Andhra Pradesh	Shri K. Ravi Sankar	Commissioner(ST) Policy
55	Arunachal Pradesh	Shri Lobsang Tsering	Commissioner (Tax & Excise)
56	Arunachal Pradesh	Shri Tapas Dutta	Deputy Commissioner-cum-SNO (GST)
57	Arunachal Pradesh	Shri Nakut Padung	ST (GST Cell)
58	Assam	Shri Samir K. Sinha	Principal Secretary, Finance
59	Assam	Shri Jayant Narlikar	Commissioner & Secretary. Finance
60	Assam	Shri Rakesh Agarwalla	Principal Commissioner of State Tax
61	Assam	Md. Shakeel Saadullah	Special Commissioner of State Tax
62	Bihar	Dr. Pratima	Commissioner cum Secretary Commercial Taxes
63	Bihar	Shri Sanjay Kumar Mawandia	Audit Expert Commercial Taxes
64	Bihar	Shri Krishna Kumar	Joint Secretary, Commercial Taxes

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65	Bihar	Shri Binod Kumar Jha	Additional Commissioner State Tax
66	Chandigarh	Shri Vinay Pratap Singh	Deputy Commissioner-cum- Excise and Taxation Commissioner
67	Chandigarh	Shri Alok Passi	Assistant Excise and Taxation Commissioner
68	Chhattisgarh	Shri Himshikhar Gupta	Secretary, Commercial Tax (State Tax)
69	Chhattisgarh	Shri Ritesh Kumar Agrawal	Commissioner of State Tax
70	Delhi	Shri A Anbarasu	Principal Commissioner (State Tax)
71	Delhi	Shri Awanish Kumar	Special Commissioner (State Tax)
72	Delhi	Shri Lekh Raj	Additional Commissioner (State Tax)
73	Delhi	Shri Atish Kumar	Joint Commissioner (State Tax)
74	Goa	Shri S.S.Gill	Commissioner of State Tax
75	Goa	Shri Vishant S.N.Gaunekar	Additional Commissioner of State Tax
76	Goa	Shri Chandresh C.Kunkalkar	Additional Commissioner of State Tax
77	Gujarat	Shri J.P. Gupta	Additional Chief Secretary, Finance Department
78	Gujarat	Ms. Arti Kanwar	Secretary (Economic Affairs), Finance Department
79	Gujarat	Shri Samir Vakil	Chief Commissioner of State Tax (I/c)
80	Gujarat	Shri Dilip Thaker	Joint Secretary (Tax)
81	Gujarat	Shri Riddhesh Raval	Joint Commissioner of State Tax

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82	Haryana	Shri Devinder Singh Kalyan	Principal Secretary to Government Haryana, Excise and Taxation Department.
83	Haryana	Shri Ashok Kumar Meena	Excise & Taxation Commissioner-cum-Secretary to Government
84	Haryana	Shri Siddharth Jain	Additional Commissioner, GST, Excise and taxation Department
85	Himachal Pradesh	Shri Bharat Khera	Principal Secretary (ST&E)
86	Himachal Pradesh	Shri Yunus	Commissioner State Taxes and Excise
87	Himachal Pradesh	Shri Rakesh Sharma	Additional Commissioner State Taxes and Excise
88	Jammu and Kashmir	Shri Santosh D. Vaidya	Principal Secretary, Finance Department
89	Jammu and Kashmir	Dr. Rashmi Singh	Commissioner, State Taxes
90	Jharkhand	Ms. Vipra Bhal	Secretary, Commercial Taxes
91	Jharkhand	Shri Santosh Kumar Vatsa	Commissioner, Commercial Taxes
92	Jharkhand	Shri Brajesh Kumar	Assistant Commissioner of State Taxes
93	Karnataka	Ms. C. Shikha	Commissioner Commercial Tax
94	Karnataka	Dr. Ravi Prasad	Additional Commissioner CT
95	Kerala	Shri Ajit Patil	Commissioner, State GST Department
96	Kerala	Shri Abraham Renn S	Additional Commissioner-1
97	Madhya Pradesh	Smt. Deepali Rastogi	Principal Secretary, Commercial Tax Department

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98	Madhya Pradesh	Shri Lokesh Kumar Jatav	Commissioner, Commercial Tax
99	Madhya Pradesh	Shri Manoj Kumar Choubey	Additional Commissioner, Commercial Tax
100	Madhya Pradesh	Shri Harish Jain	Commercial Tax Officer
101	Maharashtra	Shri Nitin Kareer	Additional Chief Secretary (Finance)
102	Maharashtra	Ms Shaila A	Principal Secretary (Financial Reforms)
103	Maharashtra	Shri Rajeev Mital	Commissioner of State Tax
104	Maharashtra	Shri Kiran Nandedkar	Joint Commissioner, HQ-5
105	Maharashtra	Shri Manoj Kumar Narayanwal	Deputy Commissioner
106	Maharashtra	Shri Babasaheb Gore	OSD
107	Manipur	Ms. Mercina R. Panmei	Commissioner of Taxes
108	Manipur	Shri Y. Indrakumar Singh	Assistant Commissioner of Taxes
109	Meghalaya	Shri Ramakrishna Chitturi	Commissioner of Taxes
110	Meghalaya	Shri L Khongsit	Additional Commissioner of Taxes
111	Meghalaya	Shri V R Challam	Deputy Commissioner of Taxes
112	Meghalaya	Shri. P.S. Lyngdoh	Assistant Commissioner of Taxes
113	Mizoram	Shri Vanlal Chhuanga	Principal Secretary, Taxation Department
114	Mizoram	Shri H. Lianzela	Secretary, Taxation Department

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115	Mizoram	Shri R. Zosiamliana	Commissioner of State Tax
116	Mizoram	Shri . C. Vanlalchhuana	Commissioner of State Tax
117	Mizoram	Shri Hrangthanmawia	Assistant Commissioner of State Taxes
118	Mizoram	Shri. K.H. Thanchhunga	State Tax Officer
119	Mizoram	Smt. Jennifer Lallawmpuii Pachau	State Tax Officer
120	Nagaland	Shri Wochamo Odyuo	Additional Commissioner of State Taxes
121	Odisha	Shri Vishal Kumar Dev	Principal Secretary, Finance
122	Odisha	Shri Sanjay Kumar Singh	Commissioner of Commercial Taxes & GST
123	Punjab	Shri Vikas Partap	Financial Commissioner (Taxation)
124	Punjab	Shri Kamal Kishor Yadav	Commissioner of State Tax
125	Punjab	Shri Ravneet Khurana	Additional Commissioner of State Taxes (Audit)
126	Puducherry	Shri L. Mohamed Mansoor	Commissioner of State Tax
127	Rajasthan	Dr Ravi Kumar Surpur	Chief Commissioner, State Tax
128	Rajasthan	Shri Mahesh Kumar Gowla	Special Commissioner (GST), State Tax
129	Rajasthan	Shri Arvind Mishra	Advisor, State Tax
130	Sikkim	Shri Manoj Rai	Commissioner (Commercial Taxes)
131	Tamil Nadu	Shri T.Udhayachandran	Principal Secretary, Finance

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132	Tamil Nadu	Shri Dheeraj Kumar	Principal Secretary/Commissioner of Commercial Taxes
133	Tamil Nadu	Ms. B. Jothi Nirmalasamy	Secretary, Commercial Taxes and Registration
134	Telangana	Smt. Santhi Kumari	Chief Secretary and Special Chief Secretary (CT & Excise)
135	Telangana	Shri K Ramakrishna Rao	Special Chief Secretary Finance
136	Telangana	Shri N Sai Kishore	Additional Commissioner State Tax
137	Telangana	Ms. K Rupa Sowmya	Deputy Commissioner State Tax
138	Tripura	Ms. Rakhi Biswas	Chief Commissioner of State Tax
139	Tripura	Shri Ashin Barman	GST Nodal Officer
140	Uttarakhand	Dr. Ahmad Iqbal	Commissioner of State Tax
141	Uttarakhand	Shri Anil Singh	Additional Commissioner
142	Uttarakhand	Shri Amit Gupta	Additional Commissioner
143	Uttarakhand	Shri Anurag Mishra	Joint Commissioner
144	Uttarakhand	Shrji Ranjit Singh	Assistant Commissioner
145	Uttar Pradesh	Shri Nitin Ramesh Gokarn	Additional Chief Secretary, State Tax
146	Uttar Pradesh	Ms. Ministhy S	Commissioner, State Tax
147	Uttar Pradesh	Shri Harilal Prajapati	Joint Commissioner(GST)

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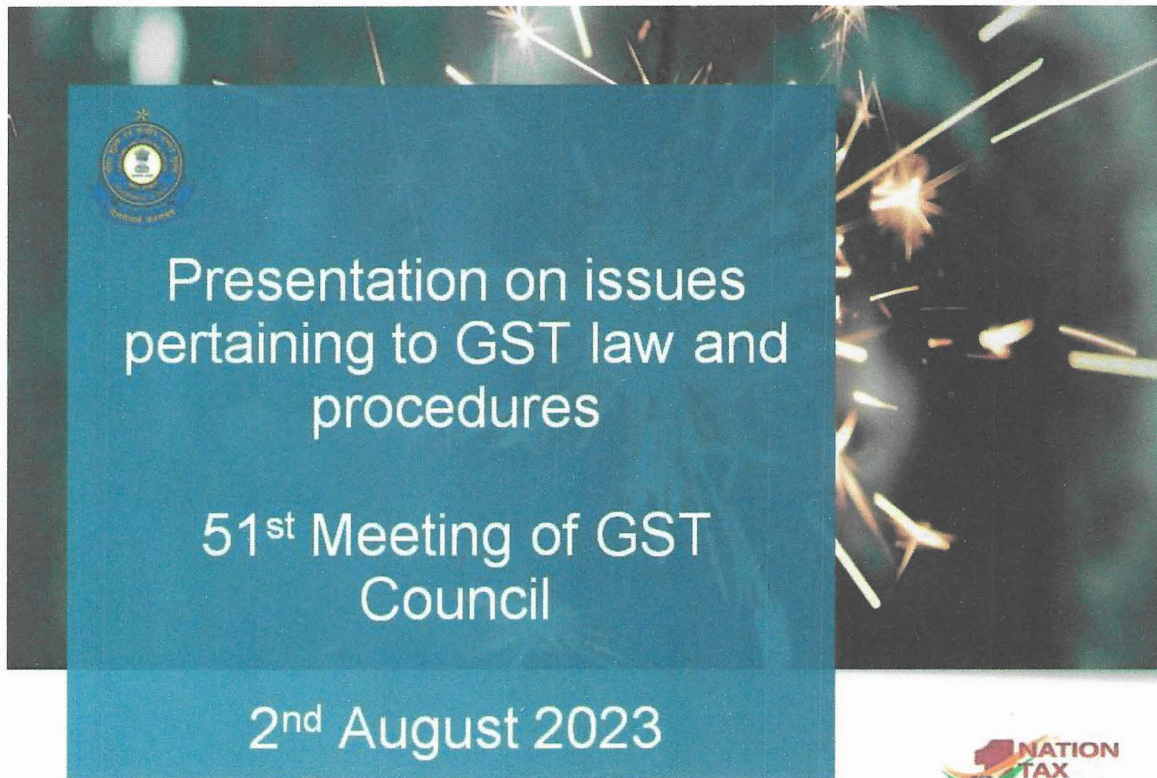
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148	Uttar Pradesh	Shri Paritosh Kumar Mishra	Deputy Commissioner, State Tax
149	Uttar Pradesh	Shri Amit Pandey	PA to Honourable Minister
150	West Bengal	Dr. Manoj Pant	Additional Chief Secretary, Finance Department
151	West Bengal	Shri Khalid Aizaz Anwar	Commissioner of State Tax
152	West Bengal	Shri Rajib Sankar Sengupta	Senior Joint Commissioner of Revenue
153	West Bengal	Shri Joyjit Banik	Senior Joint Commissioner of Revenue

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Annexure-3



NEW DELHI

Ratification of Notifications and Circulars

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Agenda 1: Ratification of Notifications, Circulars etc. (1/2)

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Act/Rules	Notifications/Circulars Nos.	Description/Remarks
CGST Act/ CGST Rules	Nine (09) Central Tax Notifications issued (No. 18/2023 to 26/2023) & Five (05) Central Tax (rate) Notifications issued (No. 06/2023 to 10/2023). Subsequent to circulation of Council agenda, Eight (8) more Central Tax Notifications issued (No. 27/2023 to 34/2023 all dated 31.03.2023)	Notifications have been issued to implement various decisions of GST Council taken in 50 th meeting. Some of the important notifications are: i. Extension of time limit for application for revocation of cancellation of registration. ii. Extension of Amnesty scheme for deemed withdrawal of assessment orders issued under Section 62. iii. Extension of Amnesty to GSTR-4, GSTR-9 and GSTR-10 non-filers. iv. Extension of due dates for furnishing FORM GSTR-1, FORM GSTR-3B and FORM GSTR-7 for April, May and June, 2023 for registered persons whose principal place of business is in the State of Manipur. v. Extension of due dates for furnishing FORM GSTR-3B for quarter ending June, 2023 for registered persons whose principal place of business is in the State of Manipur.
UTGST Act	Five (05) Union Territory Tax (rate) Notifications issued (No. 06/2023 to 10/2023)	Notifications to implement various decisions of GST Council taken in 50 th meeting
IGST Act	Five (05) Integrated Tax (rate) Notifications issued (No. 06/2023 to 10/2023). Subsequent to circulation of Council agenda, One (1) more Integrated Tax Notification issued (No. 01/2023 dated 31.03.2023)	Notifications to implement various decisions of GST Council taken in its 50 th meeting

Agenda 1: Ratification of Notifications and Circulars (2/2)

[Vol 1- Pg. 7-16]

Act/Rules	Notifications/Circulars Nos.	Description/Remarks
Goods and Services Tax (Compensation to States) Act, 2017	One (01) Compensation Cess (rate) Notification issued (No. 03/2023)	Notifications to implement various decisions of GST Council taken in its 50 th meeting
Circulars	Eight (08) Circulars issued (No. 192/04/2023 to 199/11/2023 dated 17.07.2023)	Circulars have been issued to implement various decisions of GST Council taken in 50 th meeting. These circulars are: i. Clarification on charging of interest under section 50(3) of the CGST Act, 2017, in cases of wrong availment of IGST credit and reversal thereof ii. Clarification to deal with difference in Input Tax Credit (ITC) availed in FORM GSTR-3B as compared to that detailed in FORM GSTR-2A for the period 01.04.2019 to 31.12.2021 iii. Clarification on TCS liability under Sec 52 of the CGST Act, 2017 in case of multiple E-commerce Operators in one transaction iv. Clarification on availability of ITC in respect of warranty replacement of parts and repair services during warranty period v. Clarification on taxability of share capital held in subsidiary company by the parent company vi. Clarification on refund-related issues vii. Clarification on issue pertaining to e-invoicing viii. Clarification regarding taxability of services provided by an office of an organisation in one State to the office of that organisation in another State, both being distinct persons


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Recommendations of the Law Committee

Agenda 2: Amendments in CGST Act 2017, IGST Act 2017 & CGST Rules and amendment/ issuance of notifications for online gaming/ casinos, etc. (1/8)

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Issue:

- ❖ The GST Council, in the 50th meeting held on 11.07.2023, deliberated on the Agenda Item No. 5 i.e. Second Report of the Group of Ministers (GoM) on Casinos, Race Courses and Online Gaming.
- ❖ The Council recommended that the **actionable claims supplied in Casinos, Horse racing and Online gaming** to be taxed at the rate of 28% **on full face value** irrespective of whether the activities are a game of skill or chance and accordingly, **the law may be amended to provide clarity on the matter**.
- ❖ Accordingly, a proposal for amendments in the CGST/IGST Acts was deliberated by the Law Committee in its meeting held on 21.07.2023 and 27.07.2023.
- ❖ The Law Committee recommended certain amendments in CGST Act 2017, IGST Act 2017 and CGST Rules 2017 as well as issuance of notifications/ amendment in notification.



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Agenda 2: Amendments in CGST Act 2017, IGST Act 2017 & CGST Rules and amendment/ issuance of notifications for online gaming/ casinos, etc. (2/8)

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Major Amendments in CGST Act/ IGST Act

1. Amendment in Entry 6 of Schedule III of CGST Act to clarify taxability of actionable claims in casinos, horse racing and online gaming and insertion of related definitions:

S.No.	Section of CGST Act	Description
1.	<u>Entry 6, Schedule III</u>	Entry 6 of Schedule III of CGST Act to be amended to exclude "specified actionable claims" from the said Entry , so as to provide clarity regarding taxability of actionable claims involved in or by way of casinos, horse racing and online gaming .
2.	<u>Section 2(102A)</u>	Insertion of clause (102A) in section 2 for defining " specified actionable claim ", so as to mean actionable claims involved in or by way of betting, gambling, lottery, casinos, horse racing or online money gaming .

Agenda 2: Amendments in CGST Act 2017, IGST Act 2017 & CGST Rules and amendment/ issuance of notifications for online gaming/ casinos, etc. (3/8)

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Major Amendments in CGST Act/ IGST Act

1. Amendment in Entry 6 of Schedule III of CGST Act to clarify taxability of actionable claims in casinos, horse racing and online gaming and insertion of related definitions (Contd.):

S.No.	Section of CGST Act	Description
3.	<u>Section 2(80B)</u>	Insertion of clause (80B) in section 2 of CGST Act for defining " online money gaming " so as to mean online gaming in which players pay or deposit money or money's worth in expectation of winning money or money's worth in any event, including game, scheme, competition or any other activity or process, irrespective of chance or skill, and irrespective of whether permissible by Law or not.
4.	<u>Section 2(80A)</u>	Insertion of clause (80A) in section 2 of CGST Act for defining " online gaming " so as to mean offering of a game on the internet or an electronic network and including online money gaming



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Agenda 2: Amendments in CGST Act 2017, IGST Act 2017 & CGST Rules and amendment/ issuance of notifications for online gaming/ casinos, etc.

(4/8)

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Major Amendments in CGST Act/IGST Act

2. Deeming provision in the definition of supplier for treating a person as supplier in respect of a supply of specified actionable claims:

S.No.	Section of CGST Act	Description
5.	<u>Section 2(105)</u>	Insertion of a proviso in clause (105) of section 2 of CGST Act to provide for a deeming provision in the definition of "supplier" to treat a person as supplier in respect of a supply of specified actionable claims.

Agenda 2: Amendments in CGST Act 2017, IGST Act 2017 & CGST Rules and amendment/ issuance of notifications for online gaming/ casinos, etc.

(5/8)

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Major Amendments in CGST Act/IGST Act

3. Providing for taxability of cross-border supplies of online money gaming by a supplier located outside India to a person in India

S.No.	Section of IGST Act	Description
6.	<u>Section 14A</u>	A new section 14A to be inserted in IGST Act to provide for special provision for supply of online money gaming by a person located outside the taxable territory to a person in India, <i>inter alia</i> to provide for: ▪ Liability on the said supplier for paying integrated tax on such supply ▪ Single registration of the said supplier through Simplified Registration Scheme. ▪ Blocking of access by the public in case of failure to comply with the provisions.

- Besides, there are some other amendments proposed in CGST Act and IGST Act to provide for other consequential changes.
- Consequential amendment in CGST Rules related to registration and returns will also be required in respect of proposed section 14A of IGST Act.

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Agenda 2: Amendments in CGST Act 2017, IGST Act 2017 & CGST Rules and amendment/ issuance of notifications for online gaming/ casinos, etc.
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Valuation of supply of online gaming and actionable claims in casinos

▪ **Amendment in CGST Rules, 2017 for prescribing value of supplies of online gaming and actionable claims in casinos**

- ❖ Law Committee recommended insertion of rule 31B and rule 31C in CGST Rules 2017 for prescribing the manner of determination of the value of supply in case of online gaming and the value of supply of actionable claims in case of casino respectively.
- ❖ This was also deliberated in Officers' meeting and some amendments in rule 31B & 31C and insertion of an Explanation were agreed to in the said meeting, as given below:

▪ **Value of supply in case of online gaming**

Rule 31B. Notwithstanding anything contained in this chapter, the value of supply of online gaming (including of supply of actionable claims involved in online money gaming) shall be the total amount paid or payable to or deposited with the supplier by way of money or money's worth, including virtual digital assets, by or on behalf of the player.

Agenda 2: Amendments in CGST Act 2017, IGST Act 2017 & CGST Rules and amendment/ issuance of notifications for online gaming/ casinos, etc.
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▪ **Value of supply of actionable claims in case of casino**

Rule 31C. Notwithstanding anything contained in this chapter, the value of supply of actionable claims in casino shall be the total amount paid or payable by or on behalf of the player-

- (i) for purchase of the tokens, chips, coins or tickets, by whatever name called, for use in casino; or
- (ii) for participating in any event, including game, scheme, competition or any other activity or process, in the casino, in cases where the token, chips, coins or tickets, by whatever name called, are not required.

Explanation: For the purpose of rule 31B and rule 31C, any amount received by the player by winning any event, including game, scheme, competition or any other activity or process, which is used for playing by the said player in a further event without withdrawing, shall not be considered as the amount paid to or deposited with the supplier by or on behalf of the said player.



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Agenda 2: Amendments in CGST Act 2017, IGST Act 2017 & CGST Rules and amendment/ issuance of notifications for online gaming/ casinos, etc. (8/8)

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Amendment in Notification No. 66/2017-Central Tax dated 15.11.2017:

- ❖ to provide for time of receipt of advances as time of supply in respect of the supply of specified actionable claims

Issuance of notification under section 15(5) of CGST Act 2017

- ❖ supply of online money gaming, supply of online gaming other than online money gaming and supply of actionable claims in casinos to be notified under section 15(5) of CGST Act 2017 for prescribing the manner of determination of the value of these supplies through CGST Rules, 2017.

Suggestions made in Officers' meeting which will be further deliberated by the Law Committee:

- Sikkim, Goa and Karnataka raised the issue of treatment of unused chips/tokens in case of casinos and unused wallet amount in case of online gaming and as to whether the tax paid on the same is refundable.
 - It was recommended that this issue may be further examined, and if need be suitable amendment in Rules/ issuance of clarification through Circular may be made.
- Kerala raised the issue of Place of Supply in case of online gaming and suggested that in case of online gaming, recording of PIN code of the recipient should be made mandatory.
 - It was recommended that the issue of requirement of PIN code of the recipient and Place of Supply is a larger issue and may be separately examined in detail by the Law Committee, including in all cases of online supply of goods and services.
- Haryana suggested that definition of consideration in section 2(31) of CGST Act may also be amended to include "virtual digital assets" also.
 - It was recommended that this is a larger issue and the same may be separately examined by the Law Committee.
- Gujarat suggested that amendment may be made in section 17(5) of CGST Act for blocking the ITC on account of tax paid by business entities for their employees.
 - It was recommended that the same may be examined by the Law Committee for clarifying through a Circular, if necessary.

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Issue of treatment of refund/ return of money to the players:

Proposal:

▪ **Insertion of proviso after proposed rule 31B:**

Provided that any amount returned or refunded by the supplier to the player for any reasons whatsoever, including player not using the amount paid or deposited with the supplier for participating in any event, shall not be deductible from the value of supply of online money gaming.

▪ **Insertion of proviso after proposed rule 31C:**

Provided that any amount returned or refunded by the casino to the payer on return of token, coins, chips, or tickets, as the case may be, or otherwise, shall not be deductible from the value of the supply of actionable claims in casino.

THANK YOU

[Signature]

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Section 2(80A) CGST Act

Rationale for amendment	Proposal	Suggested formulation
The term "online gaming" needs to be defined in the CGST Act.	insertion of clause (80A) for defining "online gaming" in the CGST Act.	Section 2 (80A) "online gaming" means offering of a game on the internet or an electronic network and includes online money gaming.



Section 2(80B) CGST Act

Rationale for amendment	Proposal	Suggested formulation
The term "online money gaming" needs to be defined in the CGST Act.	insertion of clause (80B) for defining "online money gaming" in the CGST Act.	Section 2 (80B) "online money gaming " means online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any law for the time being in force.



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Section 2(102A) CGST Act

Rationale for amendment	Proposal	Suggested formulation
The term "specified actionable claims" need to be defined in the CGST Act.	insertion of clause (102A) for defining "specified actionable claim" in the CGST Act	(102A) "specified actionable claim" means actionable claim involved in or by way of (i) betting; or (ii) casinos; or (iii) gambling; or (iv) horse racing; or (v) lottery; or (vi) online money gaming.



Section 2(105) CGST Act



Rationale for amendment	Proposal	Suggested formulation
The definition of "supplier" in the CGST Act needs amendment so as to provide for a deeming provision to treat a supply of specified person as supplier in respect of a supply of specified actionable claims.	insertion of a proviso in clause (105) to provide for a deeming provision to treat a person as supplier in respect of a supply of specified actionable claims.	Section 2 (105) "supplier" in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied; Provided that a person who organises or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of this Act shall apply to such supplier of specified actionable claims as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims.

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Section 2(117A) CGST Act

Rationale for amendment	Proposal	Suggested formulation
The term "virtual digital asset" needs to be defined in the CGST Act.	insertion of clause (117A) for defining "virtual digital asset" in the CGST Act.	Section 2 (117A) "virtual digital asset" shall have the same meaning as assigned to it in section 2(47A) of Income Tax Act, 1961 (43 of 1961).



Section 24 CGST Act

Rationale for amendment	Proposal	Suggested formulation
Section 24 provides for compulsory registration in certain cases. It is proposed that a person supplying online money gaming from a place outside India to a person in India may be required to get mandatorily registered under GST. Accordingly, amendment is proposed in section 24 to cover a person supplying online money gaming from a place outside India to a person in India under compulsory registration.	insertion of clause (xia) for making registration under GST compulsory for a person supplying online money gaming from a place outside India to a person in India.	24. Compulsory registration in certain cases. — Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons shall be required to be registered under this Act,— (xia) every person supplying online money gaming from a place outside India to a person in India;



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Entry 6, Schedule III CGST Act

Rationale for amendment	Proposal	Suggested formulation
Schedule III of CGST Act contains activities or transactions which shall be treated neither as a supply of goods nor a supply of services. Entry 6 of the said Schedule is "Actionable claims, other than lottery, betting and gambling". There is a need to provide clarity in Entry 6 so as to specifically provide that "specified actionable claims" (which include actionable claims involved in or by way of casinos, horse racing and online money gaming) are not covered under the said entry.	Entry 6 to be amended to exclude "specified actionable claims" from the said Entry.	6. Actionable claims, other than lottery, betting and gambling specified actionable claims.



Section 2(17) IGST Act

Rationale for amendment	Proposal	Suggested formulation
Clause (17) of section 2 defines online information database access or retrieval services. The said definition includes online gaming. However, amendment is required in the said definition of online information database access or retrieval services so as to exclude "online money gaming" from the said definition.	to amend S. No. (vii) of clause (17) so as to exclude "online money gaming" from definition of "online information database access or retrieval services".	(17) "online information database access or retrieval services".... (vii) online gaming, excluding online money gaming ;



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Section 5 IGST Act



Rationale for amendment	Proposal	Suggested formulation
Sub-section (1) of section 5 provides for levy of integrated tax on all inter-State supplies of goods or services or both and for collection of the same in the manner as may be prescribed. However, the proviso to sub-section (1) of section 5 provides that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of Customs Tariff Act, 1975 at the point when the duties of customs are levied on the said goods under section 12 of Customs Act, 1962. In case of intangible goods, it may not be possible to levy and collect integrated tax on imports in the manner as provided in the said proviso, as the goods may not be physically crossing customs frontiers. Accordingly, there may be a need to amend the said proviso so as to enable the government to notify certain goods for whom the said proviso may not be applicable for levy and collection of integrated tax and in whose case, integrated tax shall be levied and collected in the manner specified in section 5(1) only.	proviso to sub-section (1) needs to be amended to enable the government to notify certain goods for whom the said proviso may not be applicable for levy and collection of integrated tax and in whose case, integrated tax shall be levied and collected in the manner specified in section 5(1) only.	Section 5. Levy and collection. - (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, other than goods as may be notified by the Government on the recommendations of the Council, imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 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.

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Section 14A IGST Act



Rationale for amendment	Proposal	Suggested formulation
There is a need for special provisions to be inserted in the Act for supply of online money gaming by a person located outside the taxable territory to a person in India. Such provisions may provide for: (i) liability on the said supplier for paying integrated tax on such supply. (ii) Single registration under the Simplified Registration Scheme referred to in section 14 of this Act for the said supplier. (iii) blocking of access by the public to any information generated, transmitted, received or hosted in any computer resource used for supply of online money gaming by such supplier, in case of failure to comply with the above provisions.	a new section 14A is proposed to be inserted to provide for special provision for supply of online money gaming by a person located outside the taxable territory to a person in India.	14A. Special provision for online money gaming supplied by a person located outside the taxable territory. (1) A supplier of online money gaming as defined in clause (80B) of section 2 of the CGST Act, 2017 not located in the taxable territory, shall in respect of the supply of online money gaming by him to a person in the taxable territory, be liable to pay integrated tax on such supply. (2) For the purposes of complying with provisions of sub section (1), the supplier of online money gaming shall take a single registration under the Simplified Registration Scheme referred to in section 14 of this Act: Provided that any person located in the taxable territory representing such supplier for any purpose in the taxable territory shall get registered and pay integrated tax on behalf of the supplier: Provided further that if such supplier does not have a physical presence or does not have a representative for any purpose in the taxable territory, he shall appoint a person in the taxable territory for the purpose of paying integrated tax and such person shall be liable for payment of such tax. (3) In case of failure to comply with provisions of sub section (1) and/or sub section (2) above by the supplier of the online money gaming or a person appointed by such supplier or both, notwithstanding anything contained in section 69A of the Information Technology Act, 2000 (21 of 2000), any information generated, transmitted, received or hosted in any computer resource used for supply of online money gaming by such supplier shall be liable to be blocked for access by the public in such manner as specified in the said Act.

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