



## Newsflash: 51st GST Council Meeting's Outcome

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### 51<sup>st</sup> GST Council Meeting's Outcome

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#### 1.0 Background

The GST Council, headed by the Union Minister for Finance and Corporate Affairs conducted its 51<sup>st</sup> meeting via video conferencing on 02 August 2023 in New Delhi.

In its 50<sup>th</sup> meeting held on 11 July 2023, the GST Council discussed the issues of taxability, valuation and applicable GST rates on activities of online gaming, horse racing and casinos. The 51<sup>st</sup> meeting of the GST Council has been held to further deliberate upon the recommendations made in the 50<sup>th</sup> GST Council meeting in relation to online gaming, horse racing and casinos.

**The key recommendations made by the Council are encapsulated as under:**

#### 2.0 Amendments in CGST Act, 2017 and IGST Act, 2017 including Schedule III of the CGST Act, 2017

- The GST Council has recommended amendment in Schedule III of the CGST Act, 2017 which lists down the activities or transactions which shall be treated neither as a supply of goods nor of services. Presently, the Schedule III contains an entry at Sr. No. 6 which reads as below:

*Actionable claims, other than lottery, betting and gambling*

- The amendments in the GST provisions are recommended with a view to ensure clarity on the taxation of supplies in casinos, horse racing and online gaming.

#### 3.0 Insertion of a specific provision in IGST Act, 2017 to provide for GST liability on supplier outside India supplying online money gaming services to a person in India

- The GST Council has recommended to insert a specific provision in IGST Act, 2017 to cast liability for GST payment on the supply of online gaming upon suppliers located outside India and rendering online money gaming services to a person in India.
- It has been proposed by the GST Council that such extra-territorial suppliers may obtain a single GST registration in India through a simplified registration scheme.

#### 4.0 Valuation of supply in relation to online gaming and actionable claims in casinos to be at entry level

- The GST Council has recommended that the valuation of supply of online gaming and actionable claims in casinos be done based on the amount paid or payable to or deposited with the supplier and not on the total value of bets placed. The amount entered into games or bets out of winnings of previous games/bets shall be excluded from the transaction value.
- Suitable amendments in GST Rules are proposed for aligning valuation of supply of online gaming actionable claims in casinos.

It has been decided by the GST Council that efforts would be made towards making necessary amendments in the GST Act/Rules at the earliest and making it effective from 1 October 2023.

The recommendations of the GST Council do not have the force of law and the same would be given effect through relevant law amendments/notifications/circulars in the said regard.

***[Source: Press Release issued by PIB Delhi dated 2 August 2023]***

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