

THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017

CHAPTER V

PLACE OF SUPPLY OF GOODS OR SERVICES OR BOTH

Commentary :

The provisions governing the place of supply are very important as whether a supply is an inter-state supply or an intra-state supply or in import or an export, are all decided based upon these provisions.

10. PLACE OF SUPPLY OF GOODS OTHER THAN SUPPLY OF GOODS IMPORTED INTO, OR EXPORTED FROM INDIA.

- (1) The place of supply of goods, other than supply of goods imported into, or exported from India, shall be as under,—
- (a) where the supply involves movement of goods, whether by the supplier or the recipient or by any other person, the place of supply of such goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient;

Commentary :

- A situated in Kolkata supplies goods to B situated in Delhi. Place of supply: -Delhi, being place where movement of goods terminates.
- Dolon situated in Delhi sells goods to Karan situated in Kolkata on ex-works basis where point of delivery is Dolon's factory premises. Place of supply: Delhi, being place where movement of goods for delivery terminates, even though goods subsequently move to Kolkata.
- Dolon situated in Delhi sells goods to Karan situated in Kolkata on FOR basis where point of delivery is factory premises of Karan. Place of supply: Kolkata, being place where movement of goods for delivery terminates.

- (b) where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person;

Commentary :

This is a case of 'Bill to Ship' transaction.

- A of Assam places an order to B of Haryana to supply spare parts and instructs him to deliver the spare parts to C of U.P. directly to save transportation cost. Goods are delivered to C of U.P., the recipient of goods, on the direction of the third person, A of Assam by the supplier of goods, B of Haryana. Place of supply: Assam being principal place of business of A who had placed the order. IGST will be payable at Haryana.
- A in Maharashtra receives an order from B in London to deliver 100 cell phones at C in Maharashtra. On application of section 10(1)(b) place of supply will be London. The question arises will this transaction be taxed even if the place of supply is London?

Transaction between A in Maharashtra and B in London is Export of goods but as per the definition of Export of goods, goods must move out of India. But here, goods does not move out of India. Section 7(5)(a) states that supply of goods or services or both when the supplier is located in India and the place of supply is outside India shall be treated to be a supply of goods or services or both in the course of inter-state trade or commerce. In the present case Supplier A is in India and place of supply is outside India, London, so the transaction is inter-state supply and IGST will be payable.

Transaction between B of London and C of Maharashtra is a case of import, but again as per definition of import of goods are not coming into India from outside India. This transaction will be covered under Section 7(5)(c) which states that supply of goods or services or both in the taxable territory, not being an intra-state supply and not covered elsewhere in section 7 shall be treated to be a supply of goods or services or both in the course of inter-state trade or commerce.

In the present case supply is within the taxable territory, Maharashtra but the supplier is located outside India, so the transaction cannot be intra state supply and hence not covered under Section 7, so shall be treated as supply in the course of inter- state trade or commerce. Hence transaction between B and C is inter-state supply and IGST will be payable.

- (c) where the supply does not involve movement of goods, whether by the supplier or the recipient, the place of supply shall be the location of such goods at the time of the delivery to the recipient;

Commentary :

- Dolon situated in Delhi supplies goods to Karan of Kolkata where goods will be retained

in Dolon's factory for future job works. Place of supply: Delhi, being location of goods as supply does not involve any movement of goods.

- Bharat Limited registered in Maharashtra sold its pre-installed transmission tower(electric tower) located at Madhya Pradesh to Hindustan Limited registered in Delhi. Place of supply: Madhya Pradesh, being location of goods as supply does not involve any movement of goods.

- (d) where the goods are assembled or installed at site, the place of supply shall be the place of such installation or assembly;

Commentary :

- Dolon situated in Delhi enters in a contract with Karan of Kolkata for supply and installation of machine in Karan's factory. Place of supply: Kolkata, being place of installation or assembly of goods.

- The principal laid down in this section can be summarized as under:

Location of the supplier(Regd office of the supplier)	Location of the recipient(Regd office of the recipient)	Place of Assembly or installation at site	Place of supply
Delhi	Haryana	Delhi	Delhi
Delhi	Haryana	Haryana	Haryana
Delhi	Haryana	Uttar Pradesh	Uttar Pradesh

- (e) where the goods are supplied on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, the place of supply shall be the location at which such goods are taken on board.

Commentary :

- Anil of Delhi enters into contract with an airline situated in Maharashtra for sale of gift items in the flight from Delhi to Mumbai. Place of supply: Delhi, being location where goods are taken on board.

- (2) Where the place of supply of goods cannot be determined, the place of supply shall be determined in such manner as may be prescribed.

Commentary :

This sub-section provides for situations which are not specifically covered by Section 10(1), the place of supply of goods shall be determined in accordance with the rules made by the Central Government.

11. PLACE OF SUPPLY OF GOODS IMPORTED INTO, OR EXPORTED FROM INDIA.

The place of supply of goods,—

- (a) imported into India shall be the location of the importer;
- (b) exported from India shall be the location outside India.

Commentary :

The place of supply of goods,—

- (a) imported into India shall be the location of the importer;
- (b) exported from India shall be the location outside India

Location of the importer is not specifically defined in the Act but inference can be drawn from location of recipient of service.

For example: If A from Mumbai imports goods from Germany. Place of supply : Mumbai, being the location of the importer. IGST payable

A from Mumbai exports goods to Germany. Place of supply : Germany, being location outside India. No GST shall be payable.

12. PLACE OF SUPPLY OF SERVICES WHERE LOCATION OF SUPPLIER AND RECIPIENT IS IN INDIA.

- (1) The provisions of this section shall apply to determine the place of supply of services where the location of supplier of services and the location of the recipient of services is in India.

Commentary :

The provisions of this section deals with Domestic transactions where the location of both the parties i.e the supplier as well as recipient of service are in India. Domestic transactions can be further categorized as below:

- Inter-State (i.e between two different states)
- Intra-State (i.e within the same state)

- (2) The place of supply of services, except the services specified in sub-sections (3) to (14),—
- (a) made to a registered person shall be the location of such person;
 - (b) made to any person other than a registered person shall be,—
 - (i) the location of the recipient where the address on record exists; and
 - (ii) the location of the supplier of services in other cases.

Commentary :

General Rule

In general, the place of supply for services will be the location of the service recipient (the recipient needs to be a registered person). In cases, where service is provided to an unregistered person, the place of supply will be the:

- (1) Location of the service recipient (if the address is available on record);
- (2) Otherwise, location of service provider

There are specific provisions regarding place of supply that will apply in priority over the general provisions mentioned below.

- (3) The place of supply of services,—
- (a) directly in relation to an immovable property, including services provided by architects, interior decorators, surveyors, engineers and other related experts or estate agents, any service provided by way of grant of rights to use immovable property or for carrying out or co-ordination of construction work; or

Commentary :

Nature of Service	Place of Supply
Directly relating to immovable property	
(a) If property is located in India	Place where immovable property is located.
(b) if property is located outside India	Location of recipient.

Example: If Mr. A of Kolkata has property in Delhi and avails architect services from B of Bengaluru, then place of supply would be Delhi as the supplier, recipient and property are located in India. So IGST will be payable.

However, if such property is located in Japan, then place of supply will be Kolkata, i.e., location of service recipient.

- (b) by way of lodging accommodation by a hotel, inn, guest house, home stay, club or campsite, by whatever name called, and including a house boat or any other vessel; or
- (c) by way of accommodation in any immovable property for organising any marriage or reception or matters related thereto, official, social, cultural, religious or business function including services provided in relation to such function at such property; or
- (d) any services ancillary to the services referred to in clauses (a), (b) and (c),

shall be the location at which the immovable property or boat or vessel, as the case may be, is located or intended to be located:

Provided that if the location of the immovable property or boat or vessel is located or intended to be located outside India, the place of supply shall be the location of the recipient.

Explanation.—Where the immovable property or boat or vessel is located in more than one State or Union territory, the supply of services shall be treated as made in each of the respective States or Union territories, in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.

Commentary :

- Example: Rajesh of Assam provides its hotels located in Chandigarh and Delhi to Anil situated in Rajasthan for organizing offsite for Anil's employees. Place of supply: Chandigarh and Delhi (in proportionate to the value of service in each state) being location of immovable property. IGST is payable.

- (4) The place of supply of restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery shall be the location where the services are actually performed.

Commentary :

Nature of Service	Place of Supply
Performance based services namely restaurant & catering, personal grooming, fitness, beauty treatment, health services including cosmetic & plastic surgery	Where services are actually performed

Example – Mr. P of Kerala visits Jaisalmer for a vacation and avails services of gym and parlour. The place of supply would be Jaisalmer as the actual services are supplied there. CGST + Rajasthan GST would be payable at Jaisalmer.

- (5) The place of supply of services in relation to training and performance appraisal to,—
- (a) a registered person, shall be the location of such person;
 - (b) a person other than a registered person, shall be the location where the services are actually performed.

Commentary :

Nature of Service	Place of Supply
Training and performance appraisal	
(a) If the recipient is registered	Location of the recipient
(b) If the recipient is not registered	Where services are actually performed

Example – Rajesh situated in Rajasthan engages Anil of Assam to provide training to its employees in Thailand. Place of supply: If Rajesh is a registered person(B2B)- Place of supply is Rajasthan being location of service recipient. IGST will be payable at Assam. If Rajesh is an unregistered person (B2C)- Place of supply is Thailand being location where service is performed.

- (6) The place of supply of services provided by way of admission to a cultural, artistic, sporting, scientific, educational, entertainment event or amusement park or any other place and services ancillary thereto, shall be the place where the event is actually held or where the park or such other place is located.

Commentary :

Nature of Service	Place of Supply
Admission to an event, park etc	Where event is held

Example –

Mr. M of Manipur goes to Mumbai and purchases ticket for watching a movie at a Mumbai Cinema Hall. The place of supply would be Mumbai. CGST +Maharashtra GST will be payable.

- (7) The place of supply of services provided by way of,—
- (a) organisation of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events; or
 - (b) services ancillary to organisation of any of the events or services referred to in clause (a), or assigning of sponsorship to such events,—

- (i) to a registered person, shall be the location of such person;
- (ii) to a person other than a registered person, shall be the place where the event is actually held and if the event is held outside India, the place of supply shall be the location of the recipient.

Explanation.—Where the event is held in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such event, the place of supply of such services shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.

Commentary :

Nature of Service	Place of Supply
Organizing an event including ancillary services	
(a) If the recipient is registered	Location of the recipient
(b) If the recipient is not registered	Location of the Venue of the event

Example – A situated in Delhi organizes an event in Haryana and Gujarat for B situated in Gujarat. Place of supply: If B is a registered person(B2B)- Gujarat being location of service recipient. IGST will be payable. If B is an unregistered person (B2C)- Haryana and Gujarat being location of the venue of the event.

- (8) The place of supply of services by way of transportation of goods, including by mail or courier to,—
 - (a) a registered person, shall be the location of such person;
 - (b) a person other than a registered person, shall be the location at which such goods are handed over for their transportation.

Commentary :

Nature of Service	Place of Supply
Transportation of goods including Mail or Courier	
(a) If the recipient is registered	Location of the recipient
(b) If the recipient is not registered	Location at which such goods are handed over for transportation

Example – A situated in Delhi avails courier services of B situated in Haryana and hands over the goods to B in Maharashtra. Place of supply: If A is a registered person (B2B)- Delhi being location of service recipient. IGST will be payable at Delhi.

(9) The place of supply of passenger transportation service to,—

- (a) a registered person, shall be the location of such person;
- (b) a person other than a registered person, shall be the place where the passenger embarks on the conveyance for a continuous journey:

Provided that where the right to passage is given for future use and the point of embarkation is not known at the time of issue of right to passage, the place of supply of such service shall be determined in accordance with the provisions of sub-section (2).

Explanation.—For the purposes of this sub-section, the return journey shall be treated as a separate journey, even if the right to passage for onward and return journey is issued at the same time.

Commentary :

Nature of Service	Place of Supply
Passenger Transportation Services	
(a) If the recipient is registered(B2B)	Location of the recipient
(b) If the recipient is not registered(B2C)	Place where the passenger embarks on the conveyance for a continuous journey .

Example –

Person travelling by bus from Mumbai to Goa and back to Mumbai.	If the person is not registered, the place of supply for the forward journey from Mumbai to Goa shall be Mumbai - the place where he embarks. However, for the return journey, the place of supply shall be Goa as the return journey has to be treated as separate journey.
A ticket/ pass for travel anywhere in India issued by Air India to a person	The place of embarkation will not be available at the time of issue of invoice as the right to passage is for future use. Accordingly, place of supply cannot be the place of embarkation. In such cases, the default rule shall apply i.e. the location of recipient if he is registered or his address on record. Otherwise location of service provider.

- (10) The place of supply of services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, shall be the location of the first scheduled point of departure of that conveyance for the journey.

Commentary :

Nature of Service	Place of Supply
Service on board a conveyance	First scheduled point of departure

Example – A caterer is providing catering services on-board in train during Mumbai-Goa-Mangalore which is not included in fare charges. The place of supply of service shall be the location of the first scheduled point of departure of that conveyance for the journey i.e. Mumbai.

- (11) The place of supply of telecommunication services including data transfer, broadcasting, cable and direct to home television services to any person shall,—
- (a) in case of services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna, be the location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services;
 - (b) in case of mobile connection for telecommunication and internet services provided on post-paid basis, be the location of billing address of the recipient of services on the record of the supplier of services;
 - (c) in cases where mobile connection for telecommunication, internet service and direct to home television services are provided on pre-payment basis through a voucher or any other means,—
 - (i) through a selling agent or a re-seller or a distributor of subscriber identity module card or re-charge voucher, be the address of the selling agent or re-seller or distributor as per the record of the supplier at the time of supply; or
 - (ii) by any person to the final subscriber, be the location where such pre-payment is received or such vouchers are sold;
 - (d) in other cases, be the address of the recipient as per the records of the supplier of services and where such address is not available, the place of supply shall be location of the supplier of services:

Provided that where the address of the recipient as per the records of the supplier of services is not available, the place of supply shall be location of the supplier of services:

Provided further that if such pre-paid service is availed or the recharge is made through internet banking or other electronic mode of payment, the location of the recipient of services on the record of the supplier of services shall be the place of supply of such services.

Explanation.—Where the leased circuit is installed in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such circuit, the place of supply of such services shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.

Commentary :

S. No.	Description	Location		Others
		Service recipient	Service provider	
1	For fixed line, leased circuits, internet leased circuits , cable connection or dish antenna	X	X	Where installed for receipt of service
2	Post-paid mobile and internet service	Billing address	X	-
3	Prepaid mobile, internet service and direct to home television service through voucher or any other means:			
	(a) Through selling agent or a reseller or a distributor	X	X	Address of such agent, reseller or distributor
	(b) By any person to the final subscriber	X	X	Where such pre-payment is received or voucher sold
	(c) For other cases			
	(i) Where address of the recipient is available as per records of the supplier	√	X	X
	(ii) Where address of the recipient is not available as per records of the supplier	X	√	X
	(iii) If prepaid service is		X	X

	availed or recharge is made through Internet banking or other electronic mode	√		
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- (12) The place of supply of banking and other financial services, including stock broking services to any person shall be the location of the recipient of services on the records of the supplier of services:

Provided that if the location of recipient of services is not on the records of the supplier, the place of supply shall be the location of the supplier of services.

Commentary :

Nature of Service	Place of Supply
Banking & Financial service(including Stock broking)	
(a) if location of recipient is available on record of the supplier	Location of service recipient
(b) if location of the recipient of service is not available on record of the supplier	Location of service provider

Example – N of Delhi who has a saving bank account with Axis Bank of Delhi gets a DD issued from Axis Bank at Mumbai, the place of supply will be Delhi, being N's address as in the records with Axis Bank. However, if N gets a DD issued from HDFC Bank of Mumbai, without having a bank account there, the place of supply will be HDFC Mumbai

- (13) The place of supply of insurance services shall,—

- (a) to a registered person, be the location of such person;
- (b) to a person other than a registered person, be the location of the recipient of services on the records of the supplier of services.

Commentary :

Nature of Service	Place of Supply
Insurance service (whether provided to registered or non-registered person)	Location of service recipient (Location of service recipient on record in case of unregistered person)

Example – B, residing in Chandigarh travels by Air India flight from Mumbai to Delhi and gets his travel insurance done in New Delhi. The place of supply is Chandigarh, being the location of the recipient on the records of the insurance company.

- (14) The place of supply of advertisement services to the Central Government, a State Government, a statutory body or a local authority meant for the States or Union territories identified in the contract or agreement shall be taken as being in each of such States or Union territories and the value of such supplies specific to each State or Union territory shall be in proportion to the amount attributable to services provided by way of dissemination in the respective States or Union territories as may be determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.

Commentary :

In case of advertisement services involving dissemination of material supplied to the Government or statutory, place of supply will be the location of such dissemination identifiable to a specific state and where it is disseminated over number of states, then the rule of proportion or any other basis as may be prescribed.

13. PLACE OF SUPPLY OF SERVICES WHERE LOCATION OF SUPPLIER OR LOCATION OF RECIPIENT IS OUTSIDE INDIA.

- (1) The provisions of this section shall apply to determine the place of supply of services where the location of the supplier of services or the location of the recipient of services is outside India.

- (2) The place of supply of services except the services specified in sub-sections (3) to (13) shall be the location of the recipient of services:

Provided that where the location of the recipient of services is not available in the ordinary course of business, the place of supply shall be the location of the supplier of services.

- (3) The place of supply of the following services shall be the location where the services are actually performed, namely:—

- (a) services supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services:

Provided that when such services are provided from a remote location by way of electronic means, the place of supply shall be the location where goods are situated at the time of supply of services:

Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are temporarily

imported into India for repairs and are exported after repairs without being put to any other use in India, than that which is required for such repairs;

- (b) services supplied to an individual, represented either as the recipient of services or a person acting on behalf of the recipient, which require the physical presence of the recipient or the person acting on his behalf, with the supplier for the supply of services.
- (4) The place of supply of services supplied directly in relation to an immovable property, including services supplied in this regard by experts and estate agents, supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called, grant of rights to use immovable property, services for carrying out or co-ordination of construction work, including that of architects or interior decorators, shall be the place where the immovable property is located or intended to be located.
- (5) The place of supply of services supplied by way of admission to, or organisation of a cultural, artistic, sporting, scientific, educational or entertainment event, or a celebration, conference, fair, exhibition or similar events, and of services ancillary to such admission or organisation, shall be the place where the event is actually held.
- (6) Where any services referred to in sub-section (3) or sub-section (4) or sub-section (5) is supplied at more than one location, including a location in the taxable territory, its place of supply shall be the location in the taxable territory.
- (7) Where the services referred to in sub-section (3) or sub-section (4) or sub-section (5) are supplied in more than one State or Union territory, the place of supply of such services shall be taken as being in each of the respective States or Union territories and the value of such supplies specific to each State or Union territory shall be in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.
- (8) The place of supply of the following services shall be the location of the supplier of services, namely:—
 - (a) services supplied by a banking company, or a financial institution, or a non-banking financial company, to account holders;
 - (b) intermediary services;
 - (c) services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month.

Explanation.—For the purposes of this sub-section, the expression,—

- (a) "account" means an account bearing interest to the depositor, and includes a non-resident external account and a non-resident ordinary account;
- (b) "banking company" shall have the same meaning as assigned to it under clause (a) of section 45A of the Reserve Bank of India Act, 1934;
- (c) "financial institution" shall have the same meaning as assigned to it in clause (c) of section 45-I of the Reserve Bank of India Act, 1934;
- (d) "non-banking financial company" means,—
 - (i) a financial institution which is a company;
 - (ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or
 - (iii) such other non-banking institution or class of such institutions, as the Reserve Bank of India may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.
- (9) The place of supply of services of transportation of goods, other than by way of mail or courier, shall be the place of destination of such goods.
- (10) The place of supply in respect of passenger transportation services shall be the place where the passenger embarks on the conveyance for a continuous journey.
- (11) The place of supply of services provided on board a conveyance during the course of a passenger transport operation, including services intended to be wholly or substantially consumed while on board, shall be the first scheduled point of departure of that conveyance for the journey.
- (12) The place of supply of online information and database access or retrieval services shall be the location of the recipient of services.

Explanation.—For the purposes of this sub-section, person receiving such services shall be deemed to be located in the taxable territory, if any two of the following non-contradictory conditions are satisfied, namely:—

- (a) the location of address presented by the recipient of services through internet is in the taxable territory;

- (b) the credit card or debit card or store value card or charge card or smart card or any other card by which the recipient of services settles payment has been issued in the taxable territory;
 - (c) the billing address of the recipient of services is in the taxable territory;
 - (d) the internet protocol address of the device used by the recipient of services is in the taxable territory;
 - (e) the bank of the recipient of services in which the account used for payment is maintained is in the taxable territory;
 - (f) the country code of the subscriber identity module card used by the recipient of services is of taxable territory;
 - (g) the location of the fixed land line through which the service is received by the recipient is in the taxable territory.
- (13) In order to prevent double taxation or non-taxation of the supply of a service, or for the uniform application of rules, the Government shall have the power to notify any description of services or circumstances in which the place of supply shall be the place of effective use and enjoyment of a service.

Commentary :

Section 13 of the IGST Act, 2017 provides for determination of place of supply in cases wherein the location of the supplier of services or the recipient of services is outside India. Place of supply of a service shall be determined as to whether a service can be termed as import or export of service. The specific provisions relating to the place of supply for international supply of services are as below:

S.No	Situation	Place of supply
1	Default Rule other than specific situations mentioned below	Location of the recipient of services; If not available, location of the supplier of services.
2	Services supplied in respect of goods which are required to be made physically available	Location where the services are actually performed
	Services which require the physical presence of the recipient or the person acting on his behalf with the supplier of services	
2.1	Services are provided on goods but from a remote location by way of electronic means	Location where goods are situated at the time of supply of services
2.2	Above provisions is not applicable in respect of goods which are temporarily imported into India for repairs and are exported after repairs. In this case IGST is	

	exempted if exported within 6 months of their import.	
3.	Services supplied directly in relation to an immovable property	Place where the immovable property is located or intended to be located
4.	Admission to, or organisation of an event	Place where the event is actually held
4.1	Above Services provided in more than one country including India	India
4.2	Above Services provided in more than one State/Union Territory	Proportionate basis
5	Services supplied by a banking company, or a financial institution, or a non-banking financial company, to account holders	Location of the supplier of services
5.1	Intermediary services	
5.2	Services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month	
6	Transportation of goods, other than by way of mail or courier	Place of destination of such goods
7	Passenger transportation services	Place where the passenger embarks on the conveyance for a continuous journey
8	Services provided on board a conveyance	First scheduled point of departure of that conveyance for the journey
9	Online information and database access or retrieval services (OIDAR)	Location of the recipient of services

14. SPECIAL PROVISION FOR PAYMENT OF TAX BY A SUPPLIER OF ONLINE INFORMATION AND DATABASE ACCESS OR RETRIEVAL SERVICES.

- (1) On supply of online information and database access or retrieval services by any person located in a non-taxable territory and received by a non-taxable online recipient, the supplier of services located in a non-taxable territory shall be the person liable for paying integrated tax on such supply of services:

Provided that in the case of supply of online information and database access or retrieval services by any person located in a non-taxable territory and received by a non-taxable online recipient, an intermediary located in the non-taxable territory, who arranges or facilitates the supply of such services, shall be deemed to be the recipient of such services from the supplier of services in non-taxable territory and supplying such services to the non-taxable online recipient except when such intermediary satisfies the following conditions, namely:—

- (a) the invoice or customer's bill or receipt issued or made available by such intermediary taking part in the supply clearly identifies the service in question and its supplier in non-taxable territory;

- (b) the intermediary involved in the supply does not authorise the charge to the customer or take part in its charge which is that the intermediary neither collects or processes payment in any manner nor is responsible for the payment between the non-taxable online recipient and the supplier of such services;
 - (c) the intermediary involved in the supply does not authorise delivery; and
 - (d) the general terms and conditions of the supply are not set by the intermediary involved in the supply but by the supplier of services.
- (2) The supplier of online information and database access or retrieval services referred to in sub-section (1) shall, for payment of integrated tax, take a single registration under the Simplified Registration Scheme to be notified by the Government:

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 may 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.

Commentary :

Online information and database access or retrieval services is defined under section 2(17) of the IGST Act. Place of supply for online information and database access or retrieval services is location of recipient of services. If the online information and database access or retrieval service provider is located outside India and the services are provided to registered tax payer in India, the tax would be payable as import of service under reverse charge mechanism. In case of services provided to a non-taxable online recipient then the onus has been placed on the service provider to pay Integrated tax on such supply of services and such service provider is obliged under law to take registration in India. The registration can be taken by such service provider or by a person representing such service provider or a person appointed by such service provider.