



Goods & Services Tax

Educational Series

PD & PP : GST : 363

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Scope of Principal and Agent Relationship in the context of Del-Credere Agent (Part II)

Whether a Del-Credere Agent (DCA) falls under the ambit of agent under Para 3 of Schedule I of the CGST Act?

Whether or not the DCA will fall under the ambit of agent under Para 3 of Schedule I of the CGST Act depends on the following possible scenarios:

Scenario 1

- In case where the invoice for supply of goods is issued by the supplier to the customer, either himself or through DCA, ***the DCA does not fall under the ambit of agent.***

Scenario 2

- In case where the invoice for supply of goods is issued by the DCA in his own name, ***the DCA would fall under the ambit of agent.***

(For more clarification refer GST Educational Series dated October 01, 2018)

Note: Para 3 of Schedule I say:

Supply of goods—

- (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or
- (b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.

be treated as supply even if made without consideration.

Source: Circular No. 73/2018 dated November 05, 2018.

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