

IMPORT OR EXPORT OF SERVICES UNDER GST



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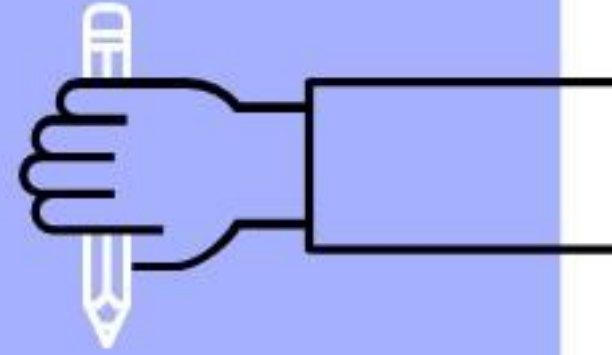
MOTIVE OF TAXATION POLICIES

IMPORTS

- Policies should be in interest and towards protecting the interests of Domestic Markets.

EXPORTS

- Policies should remove bottlenecks and make Indian goods competitive in the global market.

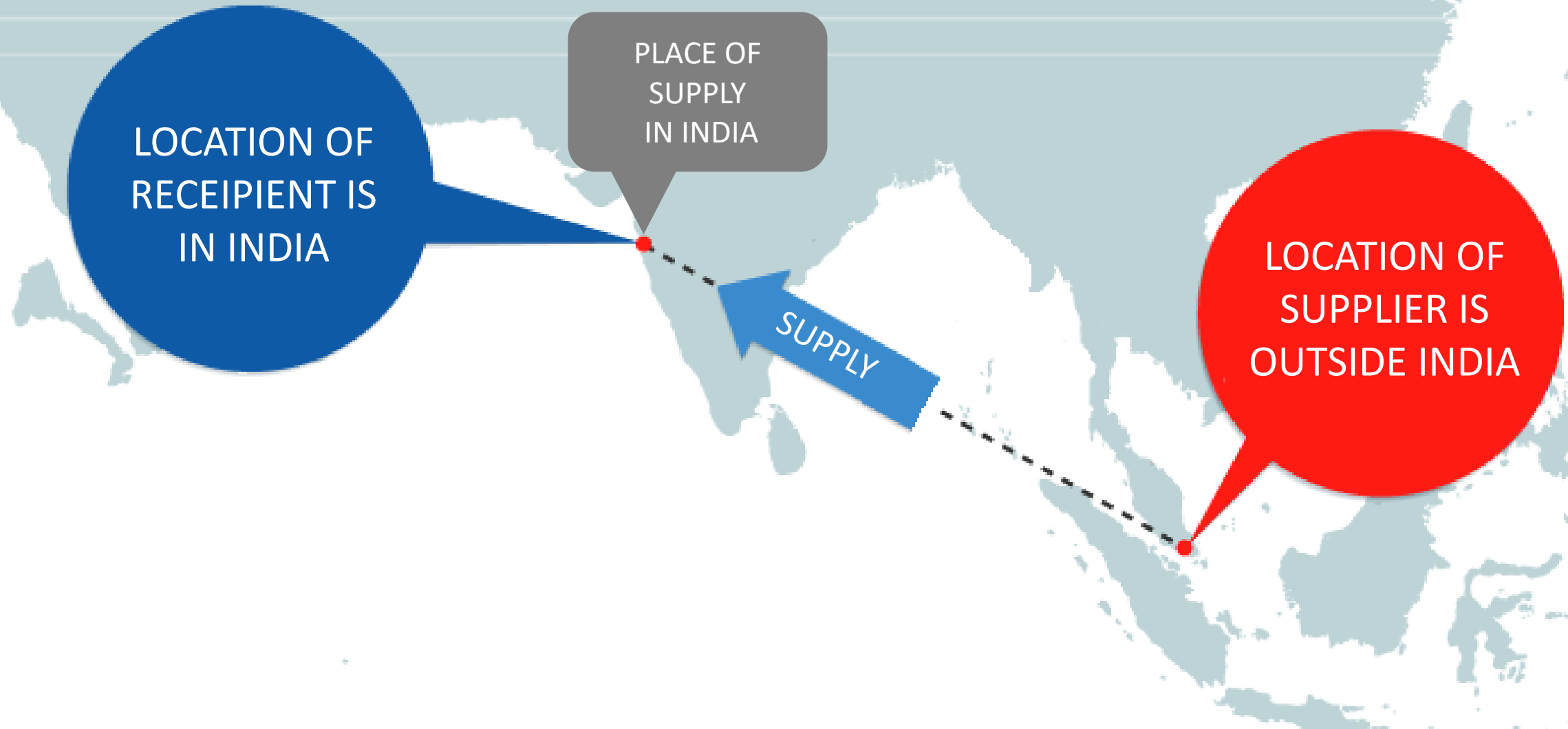


IMPORTS OF SERVICES

Taxation of imports under GST



Cross Border Movement of Services





ELEMENTS WHICH
CONSTITUTE
WHETHER
A PARTICULAR
SUPPLY
IS IMPORT OR NOT.



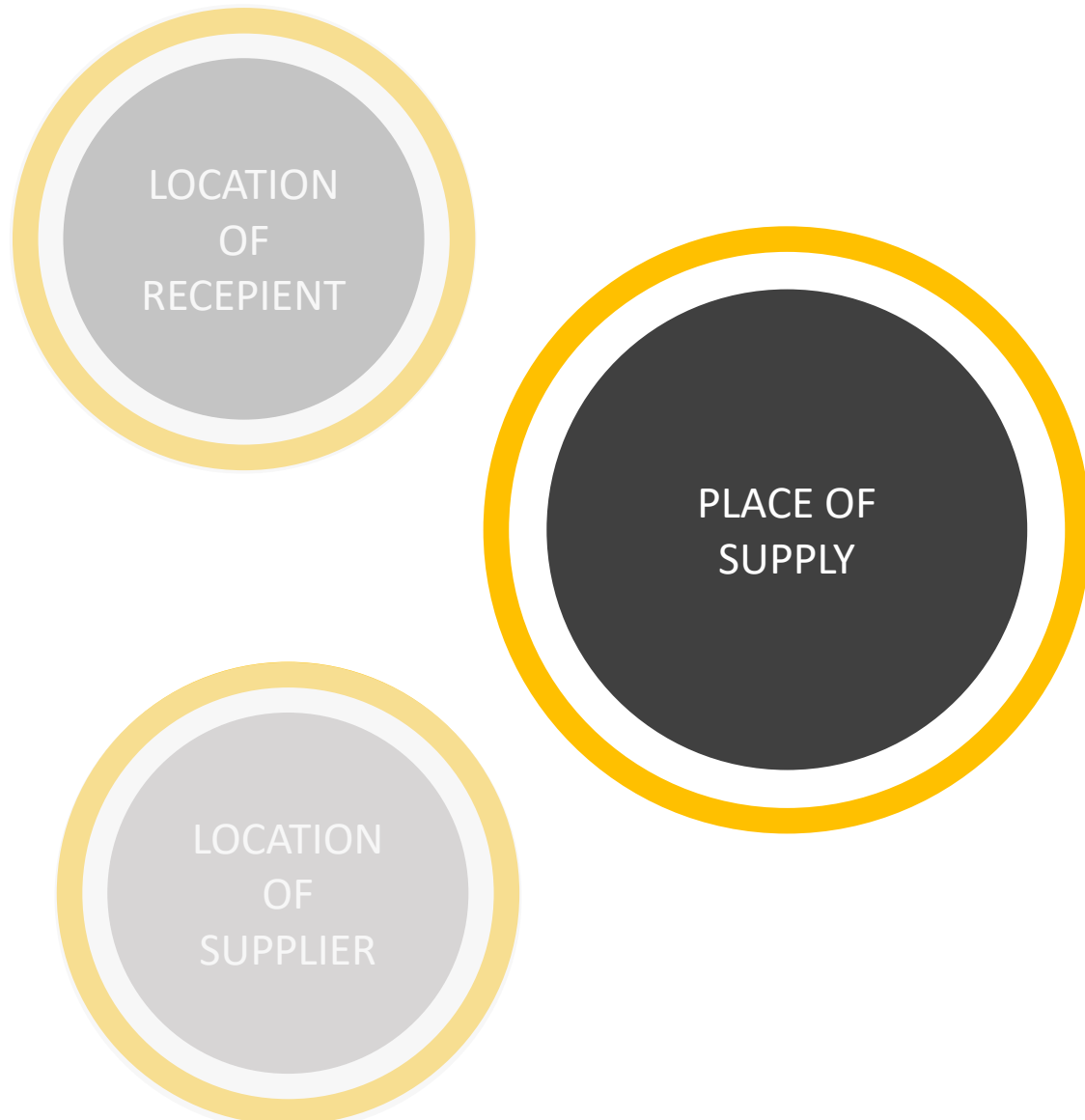
Sec 2(14)

- P.O.B. for which registration is obtained
- Other Fixed Establishment
- establishment most directly concerned with the receipt of the supply
- usual place of residence



Sec 2(15)

- P.O.B. for which registration is obtained
- Other Fixed Establishment
- establishment most directly concerned with the provision of the supply
- usual place of residence



BASIC RULE Sec 13(2)

P.O.S. Shall be
Location of
Recipient of services

If the same not available in
ordinary course, then
location of
Supplier of Services

P.O.S. IN OTHER CASES – QUICK LOOK

PERFORMANCE BASED SERVICE

Location where services are actually performed.

IN RELATION TO IMMOVABLE PROPERTY

Location of such Immovable Property.

SERVICES RELATING TO EVENTS

Location where the event is actually held.

SPECIFIED SERVICES

1. Banking co. to a/c holders
 2. Intermediary services
 3. Hiring of means of Transport
- Location of Supplier of Services**

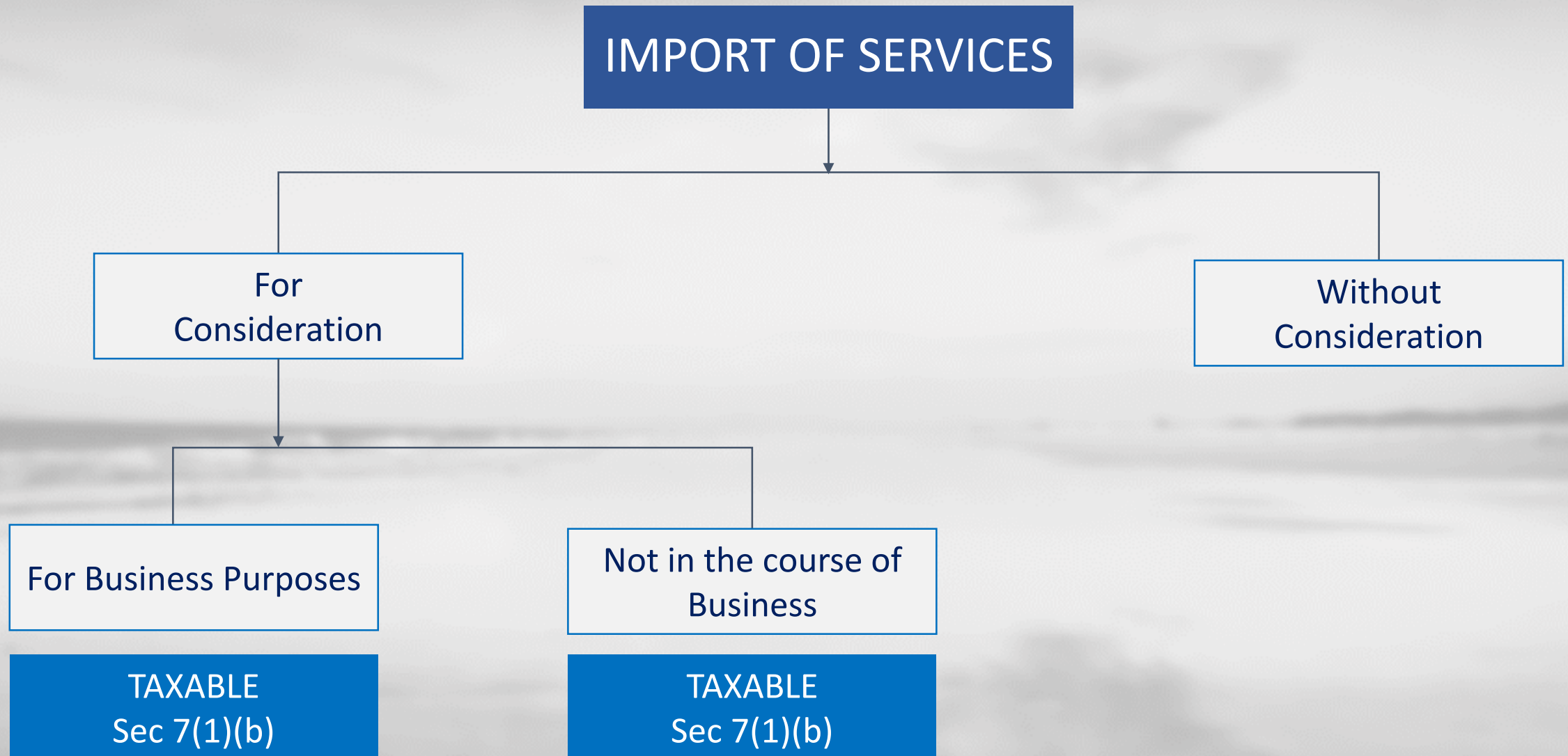
TRANSPORTATION OF GOODS (other than mail or courier)

Destination of Goods

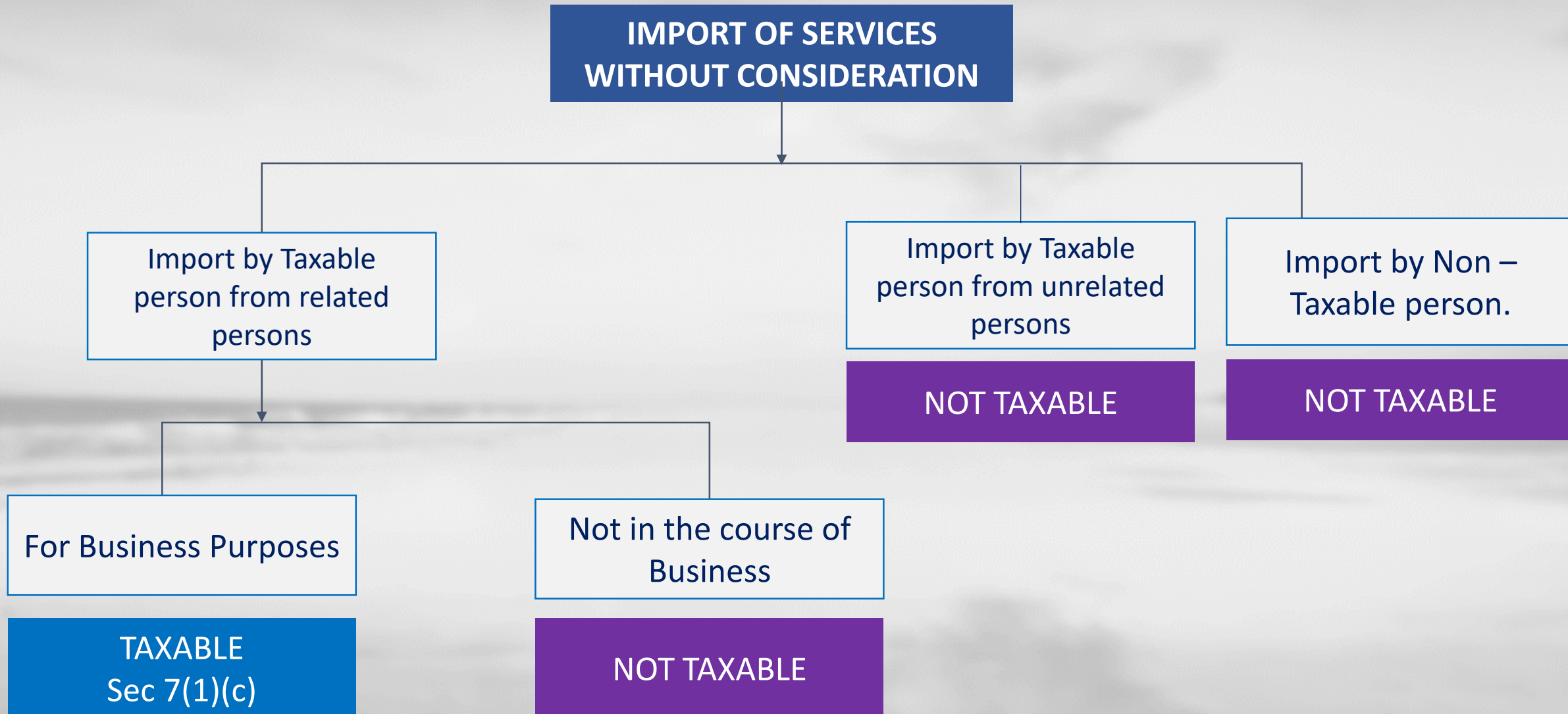
O.I.D.A.R. Services

Location of Recipient of services.

TAXABILITY OF IMPORT OF SERVICES UNDER GST



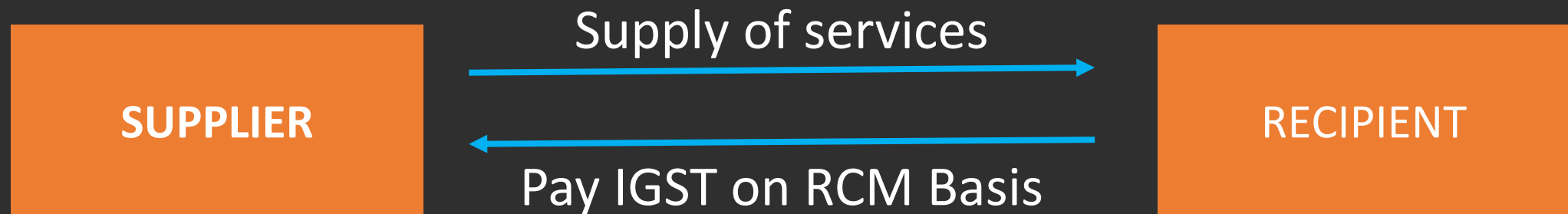
TAXABILITY OF IMPORT OF SERVICES UNDER GST

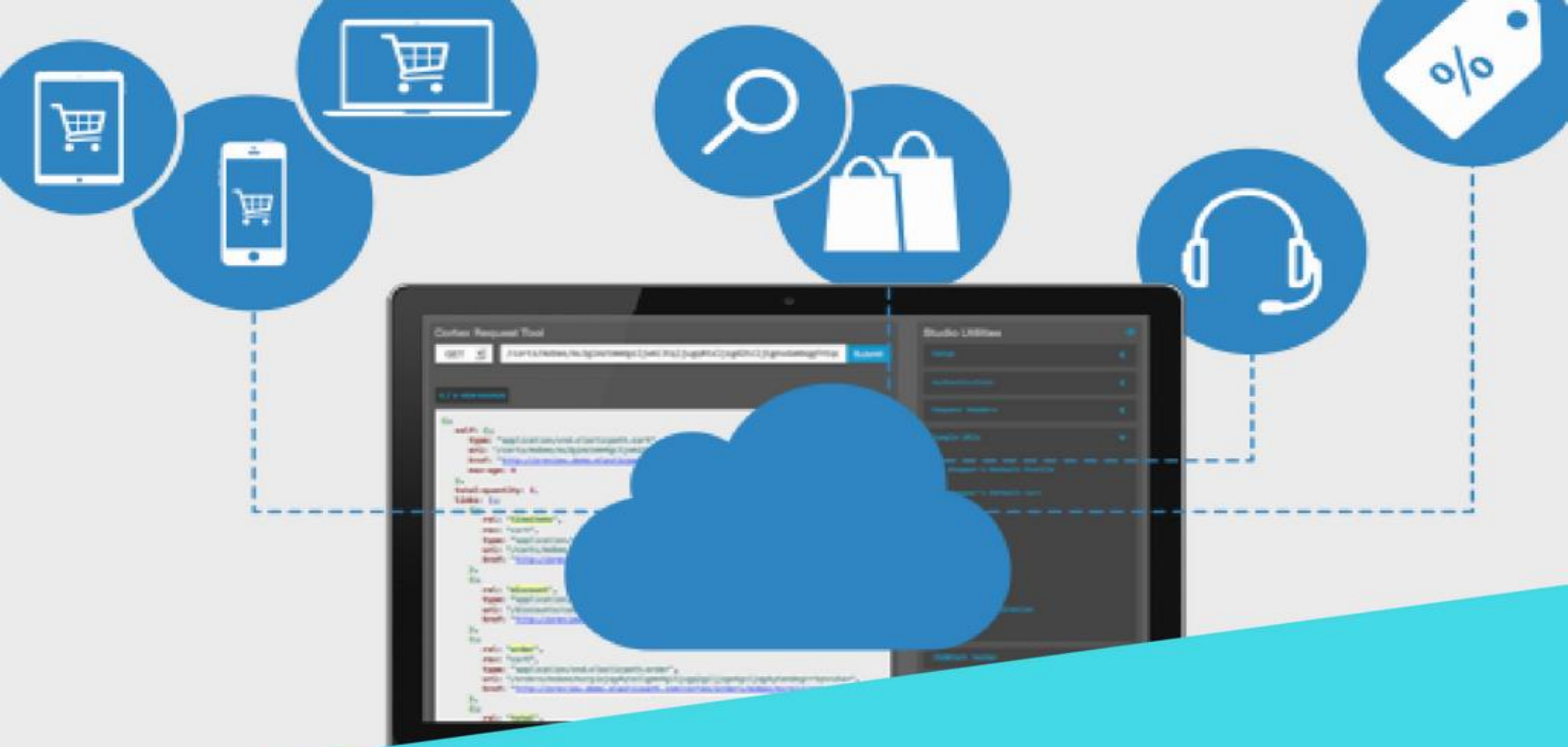


PERSON LIABLE TO PAY TAX

- ✓ **DEEMED TO BE SUPPLY IN COURSE OF INTERSTATE TRADE**
- ✓ **SUBJECT TO INTEGRATED TAX**
- ✓ **REVERSE CHARGE BASIS**

Notification No. 10/2017- Integrated Tax (Rate) -





OIDAR SERVICES UNDER GST

- ✓ **Business-to-business (B2B) overseas transactions: Receiver in India has to pay tax on RCM Basis.**
- ✓ **Business-to-Customer (B2C) overseas transactions: Receiver is a non-taxable online recipient. Henceforth, supplier of services located in a non-taxable territory shall be the person liable for paying IGST.**
- ✓ **If services supplied through intermediary, he shall be deemed to recipient and supply such services to non taxable online recipient.**
- ✓ **They are required to obtain GST registration by filing GST REG-10. They need to file GSTR-5A on or before 20th of each month.**

OIDAR SERVICES UNDER GST

IMPORT OF SERVICES MADE ON OR AFTER THE APPOINTED DAY

**All import of services
made
on or after appointed day**

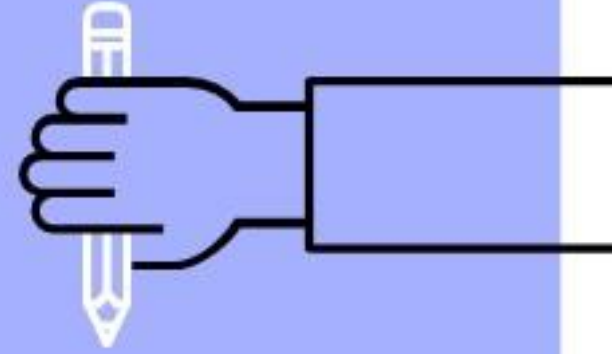
IGST to be paid
regardless
such import of services
had been initiated before
the appointed day.

**Tax on import has been
paid in full under existing
law**

No Tax
shall be payable on such
import

**Tax on such import had
been paid in part under
existing law**

Balance amount of tax
shall be payable on such
import



EXPORTS OF SERVICES

Taxation of exports under GST



Cross Border Movement of Services



ELEMENTS - EXPORT OF SERVICES Sec 2(6)

LOCATION OF
RECEPIENT
OUTSIDE
INDIA

PLACE OF
SUPPLY
OUTSIDE INDIA

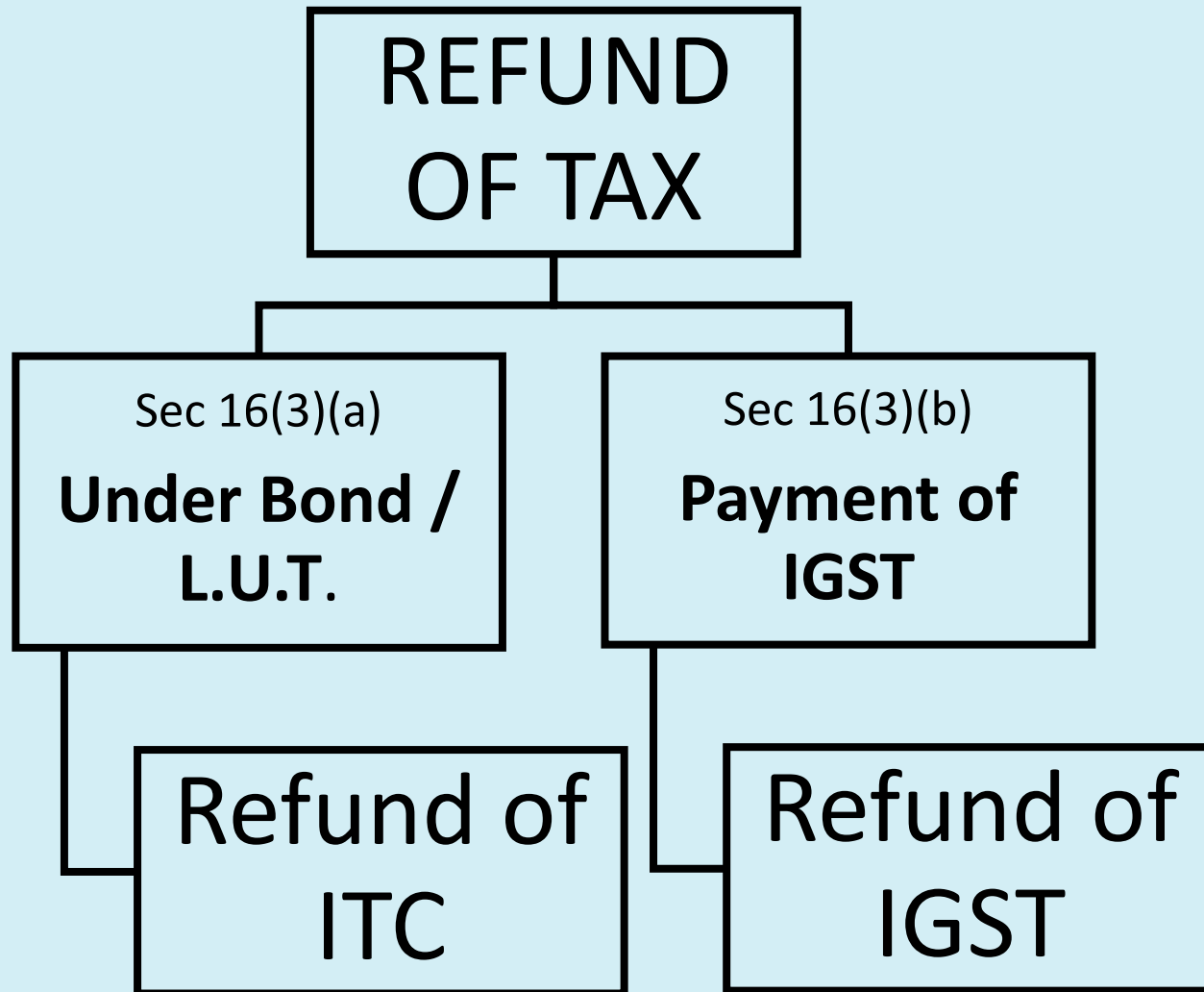
PAYMENT
RECEIVED
IN
CONVERTIBLE
FOREIGN
CURRENCY

LOCATION OF
SUPPLIER IN
INDIA

SUPPLIER +
RECIPIENT
NOT MERELY
ESTABLISHMENT
OF DISTINCT
PERSON

TREATMENT OF EXPORTS UNDER GST

- ✓ **Inter-state Supply - (Sec 7(5))**
- ✓ **Zero Rated Supply - (Sec 16(1))**



REFUND UNDER BOND OR L.U.T. METHOD

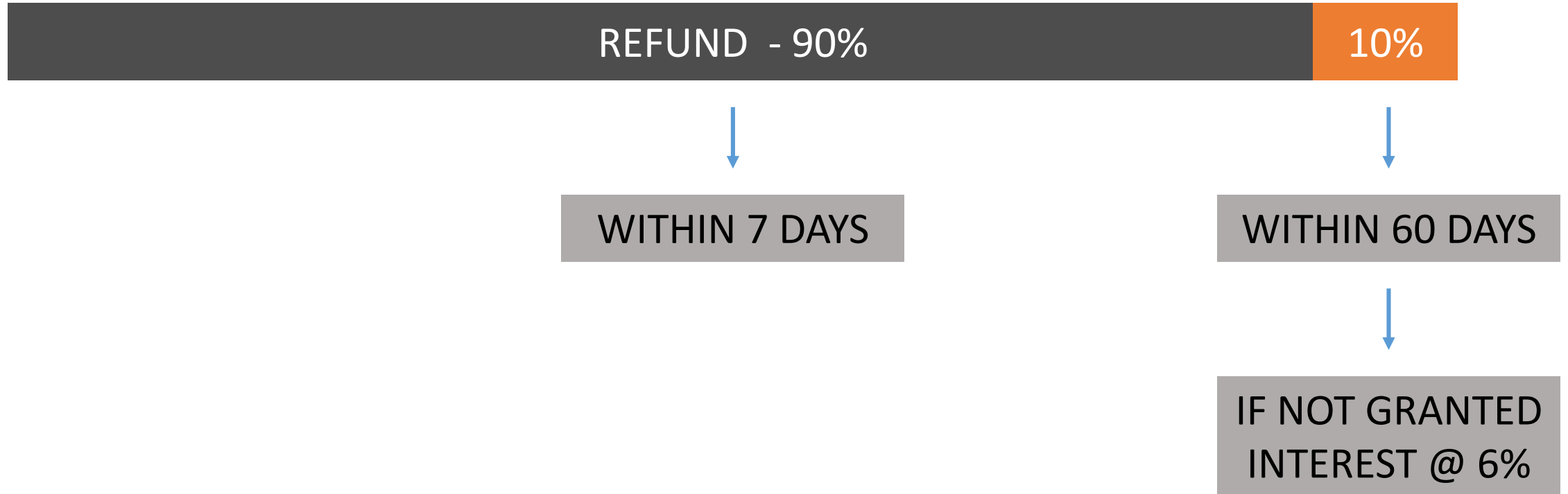
PROCESS OF REFUND



$$\text{Refund Amount} = \frac{\text{T/o of zero-rated supply of (goods + services)}}{\text{Adjusted Total Turnover}} \times \text{Net ITC}$$

REFUND UNDER BOND OR L.U.T. METHOD

TIME LIMIT UNDER WHICH REFUND GRATED



Following have to be furnished for refund of IGST paid on export of services :

- ✓ **FORM RFD – 01**
- ✓ **Copy of Statement -2 of FORM RFD - 01**
- ✓ **Statement – Inv. Nos., Date, BRC/FIRC**
- ✓ **Invoices w.r.t. input**
- ✓ **Undertaking/ Declarations**
- ✓ **Any other relevant documents**

GST ON SERVICES PROVIDED TO OVERSEAS BRANCH

Basic Condition
for export

- Recipients are not establishment of same person

Thus if not
export

- They are not Zero Rated

Since covered
under Supply

- First, Tax will be leviable
- Further, No Refund Mechanism

CONCLUSION

Taxability of Imports and Exports of services under GST has been drafted impressively.

But, on its implementation Visions of Taxation policies have not been satisfactory.

If these bottlenecks are removed, GST could be truly a tax reform for Indian suppliers and recipients.



Thank You