

## Clarification regarding determination of place of supply in certain cases

Circular No: 103/22/2019-CT	F. No: CBEC- 20/16/04/2018 – GST	Classification: FORM GST CMP-03	Date: 28-06-2019

<u>Subject: Clarification regarding determination of place of supply in certain cases – reg.</u>

Various representations have been received from trade and industry seeking clarification in respect of determination of place of supply in following cases: -

I. <u>Services provided by Ports</u> - place of supply in respect of various cargo handling services provided by ports to clients;

II. Service rendered on goods temporarily imported in India - place of supply in case

- of services rendered on unpolished diamonds received from abroad, which are exported after cutting, polishing etc.
  - 2. The provisions relating to determination of place of supply as contained in the Integrated Goods & Services Tax Act, 2017 (hereinafter referred to as "the IGST Act") have been examined. In order to ensure uniformity in the implementation of the provisions of the law, the Board, in exercise of its powers conferred by sub-section (1) of section 168 of the Central Goods & Services Tax Act, 2017 (hereinafter referred to as "the CGST Act") clarifies the same as below: -

S.	Issue	Clarification
No.		

## **GSTIndia**<sub>biz</sub>

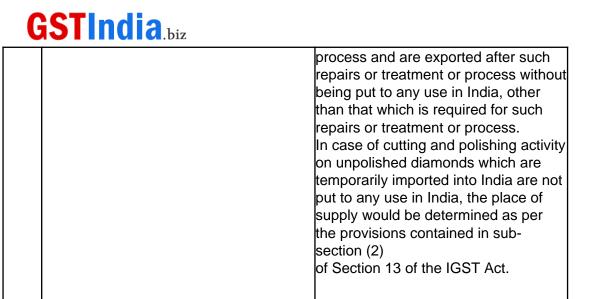
Various services are being provided by the port authorities to its clients in relation are ancillary to or related to cargo to cargo handling. Some of such services handling services and are not related are in respect of arrival of wagons at port, to immovable property. Accordingly, haulage of wagons inside port area up-to place of unloading, siding of wagons inside the port, unloading of wagons, movement of unloaded cargo to plot and staking hereof, movement of unloaded cargo to berth, shipment/loading on vessel etc.

Doubts have been raised about determination of place of supply for such services i.e. whether the same would be determined in terms of the provisions contained in sub-section (2) of Section 12 or sub-section (2) of Section 13 of the IGST Act, as the case may be or the same shall be determined in terms of the provisions contained in sub-section (3) of Section 12 of the IGST Act.

It is hereby clarified that such services the place of supply of such services will be determined as per the provisions contained in sub-section (2) of Section 12 or sub-section (2) of Section 13 of the IGST Act, as the case may be, depending upon the terms of the contract between the supplier and recipient of such services.

Doubts have been raised about the place Place of supply in case of of supply in case of supply of various services on unpolished diamonds such as determined as per the provisions cutting and polishing activity which have been temporarily imported into India and are not put to any use in India?

performance based services is to be contained in clause (a) of sub-section (3) of Section 13 of the IGST Act and generally the place of services is where the services are actually performed. But an exception has been carved out in case of services supplied in respect of goods which are temporarily imported into India for repairs or for any other treatment or



- 3. It is requested that suitable trade notices may be issued to publicize the contents of this circular.
- 4. Difficulty, if any, in the implementation of this circular may be brought to the notice of the Board immediately. Hindi version follows.