

**Bill No. 120 of 2023**

**THE INTEGRATED GOODS AND SERVICES TAX  
(AMENDMENT) BILL, 2023**

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**BILL**

*further to amend the Integrated Goods and Services Tax Act, 2017.*

BE it enacted by Parliament in the Seventy-fourth Year of the Republic of India as follows:—

**1.** (1) This Act may be called the Integrated Goods and Services Tax (Amendment) Act, 2023. Short title and commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

13 of 2017. **2.** In section 2 of the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act), in clause (17), for sub-clause (vii), the following sub-clause shall be substituted, namely:— Amendment of section 2.

10 12 of 2017. "(vii) online gaming, excluding the online money gaming as defined in clause (80B) of section 2 of the Central Goods and Services Tax Act, 2017;"

**3.** In section 5 of the principal Act, in sub-section (1), in the proviso, after the words "integrated tax on goods" the words "other than the goods as may be notified by the Government on the recommendations of the Council" shall be inserted. Amendment of section 5.

Amendment of section 10.

4. In section 10 of the principal Act, in sub-section (I), after clause (c), the following clause shall be inserted, namely:—

"(ca) where the supply of goods is made to a person other than a registered person, the place of supply shall, notwithstanding anything contrary contained in clause (a) or clause (c), be the location as per the address of the said person recorded in the invoice issued in respect of the said supply and the location of the supplier where the address of the said person is not recorded in the invoice. 5

*Explanation.*—For the purposes of this clause, recording of the name of the State of the said person in the invoice shall be deemed to be the recording of the address of the said person;" 10

Insertion of new section 14A.

5. After section 14 of the principal Act, the following section shall be inserted, namely:—

Special provision for specified actionable claims supplied by a person located outside the taxable territory.

"14A. (1) A supplier of online money gaming as defined in clause (80B) of section 2 of the Central Goods and Service Tax Act, 2017, not located in the taxable territory, shall in respect of the supply of online money gaming by him to a person in the taxable territory, be liable to pay integrated tax on such supply. 12 of 2017. 15

(2) For the purposes of complying with provisions of sub section (1), the supplier of online money gaming shall obtain a single registration under the Simplified Registration Scheme referred to in sub-section (2) of section 14 of this Act:

Provided that any person located in the taxable territory representing such supplier for any purpose in the taxable territory shall get registered and pay the integrated tax on behalf of the supplier: 20

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 shall 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. 25

(3) In case of failure to comply with provisions of sub section (1) or sub section (2) by the supplier of the online money gaming or a person appointed by such supplier or both, notwithstanding anything contained in section 69A of the Information Technology Act, 2000, any information generated, transmitted, received or hosted in any computer resource used for supply of online money gaming by such supplier shall be liable to be blocked for access by the public in such manner as specified in the said Act." 21 of 2000. 30

## STATEMENT OF OBJECTS AND REASONS

The Goods and Service Tax Council (GST Council) in its 50th and 51st meetings considered representation from various associations on the issues regarding taxability of Casinos, Horse Racing and Online Gaming and recommended to make certain amendments in the Integrated Goods and Services Tax Act, 2017 (the Act) to provide clarity regarding taxability of Casinos, Horse Racing and Online Gaming.

2. The proposed Integrated Goods and Services Tax (Amendment) Bill, 2023, *inter alia*, provides to—

(i) amend clause (17) of section 2 of the Act to exclude online money gaming from the definition of Online Information and Data Access or Retrieval (OIDAR) services;

(ii) amend the proviso to sub-section (1) of section 5 of the Act, to provide that in case of import of such goods, that may be notified by the Government on the recommendations of the GST Council, the levy of Integrated Goods and Services Tax (IGST) may not be required to be done in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 read with section 12 of the Customs Act, 1962 and instead, the same shall be levied and collected as inter-State supply as per the provisions of sub-section (1) of section 5 of the Act;

(iii) amend section 10 of the Act, to provide that where the supply of goods is made to a person other than a registered person, the place of supply shall be the location as per the address of the said person recorded in the invoice issued and be the location of the supplier where the address of the said person is not recorded in the invoice; and

(iv) insert a new section, section 14A in the Act, to provide for special provision for online money gaming supplied by a person located outside the taxable territory to a person located in India, including requirement of taking a single registration under the Simplified Registration Scheme; payment of Integrated Tax on such supplies and provision for blocking of access by the public to any information generated, transmitted, received or hosted in any computer resource used for supply of online money gaming by such supplier in case of failure to comply with provisions of registration and payment of tax in such manner as specified in the Information Technology Act, 2000.

3. The Bill seeks to achieve the above objectives.

New Delhi;

NIRMALA SITHARAMAN.

*The 9th August, 2023.*

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### PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

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**[Letter No. CBIC-20006/21/2023-GST dated 9 August, 2023 from  
Smt. Nirmala Sitharaman, Minister of Finance and Corporate Affairs to the Secretary  
General, Lok Sabha]**

The President, having been informed of the subject matter of the Integrated Goods and Services Tax (Amendment) Bill, 2023, recommends the introduction of the Bill under article 117(1) read with article 274(1) of the Constitution of India to Lok Sabha and also recommends to Lok Sabha the consideration of the Bill under article 117(3) of the Constitution of India.

## FINANCIAL MEMORANDUM

The proposed Integrated Goods and Services Tax (Amendment) Bill, 2023 does not involve any recurring or non-recurring expenditure from and out of the Consolidated Fund of India.

ANNEXURE

EXTRACTS FROM THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017

(13 OF 2017)

2. In this Act, unless the context otherwise requires,—

Definitions.

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(17) "online information and database access or retrieval services" means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention and impossible to ensure in the absence of information technology and includes electronic services such as,—

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(vii) online gaming;

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5. (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the integrated goods and services tax on all inter-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding forty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person:

Levy and collection.

Provided that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 on the value as determined under the said Act at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962.

51 of 1975.

52 of 1962.

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CHAPTER V

PLACE OF SUPPLY OF GOODS OR SERVICES OR BOTH

10. (1) The place of supply of goods, other than supply of goods imported into, or exported from India, shall be as under,—

Place of supply of goods other than supply of goods imported into, or exported from India.

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(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;

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further to amend the Integrated Goods and Services Tax Act, 2017.

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*(Smt. Nirmala Sitharaman, Minister of Finance and Corporate Affairs)*

MGIPMRND—265LS(S3)—9-8-2023.