

Handbook on TCS under GST



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

**Handbook
on
TCS under GST**



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Foreword

The introduction of Goods & Services Tax (GST) in India is one of the most significant indirect tax reforms since Independence. The reform that took more than a decade of mutual co-operation, continuous discussion and intense debate between Central and State Governments about implementation methodology, was finally implemented with effect from 1st July 2017, subsuming almost all indirect taxes at the Central and State levels. As the journey of GST implementation progressed in India, the authorities have been quick to address the various challenges faced by the Industry and public concerns by issuing a series of notifications, clarifications, press releases and FAQs, to resolve a wide range of concerns.

The GST along with its challenges have brought in various benefits also like creation of National market by bringing down fiscal barriers amongst the States and has mitigated the cascading effect of taxes by allowing seamless credit of input tax across goods and services. The Institute of Chartered Accountants of India (ICAI) through its GST & Indirect Taxes Committee has been playing a vital role in the implementation of GST in India by providing suggestions to the Government at each stage of development of GST. Further, the Institute has been playing proactive role and is a catalyst in dissemination of knowledge and awareness through technical publications, newsletters, E-learning and organizing various programmes, Certificate courses, webcasts etc. for all stakeholders.

I am happy to note that the GST & Indirect Taxes Committee of ICAI has now taken an initiative to issue a series of Handbooks covering various procedural aspects of GST and in that series is bringing out this **Handbook on TCS under GST** with an objective to provide a basic understanding of the topic. The Handbook explains the concepts / procedures relating to TCS in an easy to understand lucid language and it aimed at updating the knowledge base of members in a simple and concise manner.

I congratulate CA. Rajendra Kumar P, Chairman, CA. Sushil Kumar Goyal, Vice-Chairman and other members of GST & Indirect Taxes Committee for coming out with this Handbook and for taking active steps in providing regular guidance to the members and other stakeholders at large.

I am sure that the Members will find this publication very useful in discharging the statutory functions and responsibilities in an efficient and effective manner.

CA. Atul Kumar Gupta
President, ICAI

Date: 10.08.2020

Place: New Delhi

Preface

Goods and Services Tax (GST) was introduced in India from 1st July, 2017. It is one of the major tax reforms since independence in the area of indirect taxation. It was introduced with the objective to mitigate the cascading effect of taxes by allowing seamless credit across goods and services, facilitate free flow of goods and services across India and boosting tax revenue from better compliance and widening the tax base. A remarkable feature of GST implementation is that all the States in India came together with the Centre to form a unique federal body called GST Council, which is entrusted with the objective of recommending policies and procedural matter in the formation and implementation of GST legislation. The spirit of co-operative federalism took deep roots thereby ensuring that large federal countries like India implement the GST Law.

In order to facilitate understanding the various compliances under GST, the GST & Indirect Taxes Committee of ICAI has taken an initiative to prepare a handbook on procedural aspects like registration, refund, return, Invoice etc. One of the results of such initiative is this **Handbook on TCS under GST**. An attempt has been made to cover all aspects related to TCS at one place and is intended to give general guidance to all stakeholders and also help them in resolving issues that they may face during the course of their compliance aspect in GST. This Handbook on TCS under GST is comprehensive containing analysis of the entire provisions under the law including notifications, circulars or orders upto 31st July, 2020 issued by the Government from time to time along with few FAQ's, MCQ's, Flowcharts, Diagrams and Illustrations etc. to make the reading and understanding easier.

We stand by the Government in our role as "Partners in GST Knowledge Dissemination" and have always been supporting Government with our intellectual resources, expertise and efforts to make GST error-free.

We sincerely thank CA. Atul Kumar Gupta, President and CA. Nihar Niranjana Jambusaria, Vice-President, ICAI for their encouragement to the initiatives of the GST & Indirect Taxes Committee. We express our gratitude for the untiring effort of CA. V V Sampath Kumar who has shared his intellectual expertise and CA. Purushothaman J for reviewing this publication. We place on record the services and unstinted support provided by the Secretariat of the Committee.

We trust this Handbook will be of practical use to all the members of the Institute and other stakeholders. We also welcome suggestions at gst@icai.in and request you to visit our website <https://idtc.icai.org> and provide valuable inputs in our journey to make GST truly a good and simple tax.

CA. Rajendra Kumar P
Chairman
GST & Indirect Taxes Committee

CA. Sushil Kumar Goyal
Vice- Chairman
GST & Indirect Taxes Committee

Date: 10.08.2020

Place: New Delhi

Contents

1.	Introduction	1
2.	Provisions of TCS under GST Act(s)	1
3.	Effective date of TCS implementation	5
4.	Analysis of TCS provisions.....	6
5.	Who is liable to collect tax.....	9
6.	When tax shall be collected.....	10
7.	When no tax shall be collected.....	10
8.	Valuation of supply.....	10
9.	Procedure of filing TCS return by the tax collector ..	11
10.	How the collectee will take benefit of TCS.....	12
11.	TCS Registration.....	12
12.	Late Fee, Interest and Penalty	22
13.	FAQs	23
14.	MCQs	30
15.	General compliances by the tax collector and collectee	31
16.	Relevant notifications/ circulars	32

TCS Provisions under GST

1. INTRODUCTION

Collection of tax at source (TCS) refers to tax which is collected by the electronic commerce operator when a supplier supplies some goods or services through its portal and the payment for that supply is collected by the electronic commerce operator. It is a statutory compliance which needs to be fulfilled by the categories of registered persons, as *prescribed* in the Act from time to time. It is a time bound process under which a person, called collector, collecting GST at a fixed rate and deposits it with GST department, through filing of GST Statement. The collectee can take credit of collection at source in his electronic cash ledger and the same can be used for payment of tax at the time of filing GST return as per the prescribed procedure.

TCS under the GST Law shall be collected as per the provisions of Section 52 of the CGST Act, 2017, Section 21 of the UTGST Act, 2017 and Section 20 of the IGST Act, 2017.

2. PROVISIONS OF TCS UNDER GST ACT(S)

I. Section 52 of the CGST Act, 2017

“(1) Notwithstanding anything to the contrary contained in this Act, every electronic commerce operator (hereafter in this section referred to as the “operator”), not being an agent, shall collect an amount calculated at such rate not exceeding one per cent, as may be notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator.

Explanation.—For the purposes of this sub-section, the expression “net value of taxable supplies” shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under sub-section (5) of section 9, made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.

(2) The power to collect the amount specified in sub-section (1) shall be without prejudice to any other mode of recovery from the operator.

Handbook on TCS under GST

(3) *The amount collected under sub-section (1) shall be paid to the Government by the operator within ten days after the end of the month in which such collection is made, in such manner as may be prescribed.*

(4) *Every operator who collects the amount specified in sub-section (1) shall furnish a statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under sub-section (1) during a month, in such form and manner as may be prescribed within ten days after the end of such month:*

¹*Provided that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the statement for such class of registered persons as may be specified therein:*

Provided further that any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

²*Explanation.—For the purposes of this sub-section, it is hereby declared that the due date for furnishing the said statement for the months of October, November and December, 2018 shall be the ³[7th February, 2019].]*

(5) *Every operator who collects the amount specified in sub-section (1) shall furnish an annual statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under the said sub-section during the financial year, in such form and manner as may be prescribed, before the thirty first day of December following the end of such financial year:*

¹*Provided that the Commissioner may, on the recommendations of the Council and for reasons to be recorded in writing, by notification, extend the time limit for furnishing the annual statement for such class of registered persons as may be specified therein:*

¹ *Inserted by the Finance (No. 2) Act, 2019, w.e.f. 1-1-2020*

² *Inserted by the Central Goods and Services Tax (Fourth Removal of Difficulties) Order, 2018, w.e.f. 31-12-2018*

³ *Substituted for "31st January, 2019" by the Central Goods and Services Tax (Second Removal of Difficulties) Order, 2019, w.e.f. 1-2-2019.*

Provided further that any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.]

(6) If any operator after furnishing a statement under sub-section (4) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the statement to be furnished for the month during which such omission or incorrect particulars are noticed, subject to payment of interest, as specified in sub-section (1) of section 50:

Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of statement for the month of September following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier.

(7) The supplier who has supplied the goods or services or both through the operator shall claim credit, in his electronic cash ledger, of the amount collected and reflected in the statement of the operator furnished under sub-section (4), in such manner as may be prescribed.

(8) The details of supplies furnished by every operator under sub-section (4) shall be matched with the corresponding details of outward supplies furnished by the concerned supplier registered under this Act in such manner and within such time as may be prescribed.

(9) Where the details of outward supplies furnished by the operator under sub-section (4) do not match with the corresponding details furnished by the supplier under ⁴[section 37 or section 39] the discrepancy shall be communicated to both persons in such manner and within such time as may be prescribed.

(10) The amount in respect of which any discrepancy is communicated under sub-section (9) and which is not rectified by the supplier in his valid return or the operator in his statement for the month in which discrepancy is communicated, shall be added to the output tax liability of the said supplier, where the value of outward supplies furnished by the operator is more than the value of outward supplies furnished by the supplier, in his return for the

4 Substituted for "section 37" by the Central Goods and Services Tax (Amendment) Act, 2018, w.e.f. 1-2-2019.

month succeeding the month in which the discrepancy is communicated in such manner as may be prescribed.

(11) The concerned supplier, in whose output tax liability any amount has been added under sub-section (10), shall pay the tax payable in respect of such supply along with interest, at the rate specified under sub-section (1) of section 50 on the amount so added from the date such tax was due till the date of its payment.

(12) Any authority not below the rank of Deputy Commissioner may serve a notice, either before or during the course of any proceedings under this Act, requiring the operator to furnish such details relating to—

- (a) supplies of goods or services or both effected through such operator during any period; or*
- (b) stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers, as may be specified in the notice.*

(13) Every operator on whom a notice has been served under sub-section (12) shall furnish the required information within fifteen working days of the date of service of such notice.

(14) Any person who fails to furnish the information required by the notice served under sub-section (12) shall, without prejudice to any action that may be taken under section 122, be liable to a penalty which may extend to twenty-five thousand rupees.

Explanation.- For the purposes of this section, the expression "concerned supplier" shall mean the supplier of goods or services or both making supplies through the operator"

II. Section 20 of the IGST Act, 2017

"20(xi): All provisions of the CGST Act, 2017 related to collection of tax at source shall, mutatis mutandis, apply as if they were enacted under this Tax Act.

Provided that tax shall be collected at the rate not exceeding two per cent, as may be notified by the Government on the recommendations of the Council, from the payment made or credited to the supplier of the net value of taxable supplies."

III. Section 21 of the UTGST Act, 2017

"21(xii) All provisions of the CGST Act, 2017 related to tax collection at source shall, mutatis mutandis, apply as if they were enacted under this Tax Act."

IV Section 9 (5) of the CGST Act, 2017

Levy and Collection

"(5) The Government may, on the recommendations of the Council, by notification, specify categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services:

Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:

Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

The corresponding provision of the above is in Section 5(5) of the Integrated Goods and Services Tax Act 2017.

3. EFFECTIVE DATE OF TCS IMPLEMENTATION

TCS provisions came into force with effect from 1-10-2018 vide Notification No. 51/ 2018 – Central Tax dated 13.09.2018.

4. ANALYSIS OF TCS PROVISIONS

1	Who is liable to collect tax at source (person covered)?	Every electronic commerce operator (hereafter referred to as the "operator"), not being an agent.
2	When shall tax be collected at source?	When consideration is received by the electronic commerce operator.
3	When shall tax NOT be collected at source?	When the supply is not done through an electronic commerce operator or in respect of tax exempted supply or categories of services as specified in section 9(5) of the CGST Act or in respect of activity listed in Schedule III or in respect of non GST supply.
4	What is the rate of tax	For Intra-State supply, 1/2% under each of CGST and SGST/ UTGST. In respect of Inter-State supply 1%. <i>vide Notifications No. 52 / 2018 – Central Tax and 02/2018 - Integrated Tax both dated 20th September, 2018 corresponding notifications issued by the States and UTs also.</i>
5	On which value tax shall be collected?	On the net value of taxable supplies effected by the e-commerce operator.
6	What is meant by net value of taxable supplies?	"aggregate value of taxable supplies of goods or services or both, other than services notified u/s 9(5), made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.
7	Whether tax is to be collected on exempted goods / services?	No. Tax shall not be collected on exempted and Nil rated supplies of goods/ services.

Handbook on TCS under GST

8	Whether GST registration is mandatory for the tax collector (e-commerce operator)?	Yes. GST registration is mandatory and there is no threshold limit under section 24(x) of CGST Act. Only a registered person can collect tax.
9	Is there any exemption for e-commerce supplies of services from registration for supply through electronic commerce operator?	As per section 24(x) of CGST Act, mandatory registration is only for the person who is required to collect tax as per section 52. Thus, if an e-commerce operator is not covered as per section 52 not required to get registration even though he is an e-commerce operator. Eg: Electronic commerce operator providing services as referred in section 9(5) of CGST Act. <i>vide notification No. 65/2017 – Central Tax dated 15th November, 2017.</i>
10	Whether separate registration is required as tax collector in respect of a person who is already registered as a supplier (electronic commerce operator)?	Yes. The collector who is a registered supplier and required to collect tax need to get a separate registration as TCS collector.
11	When tax collected should be deposited?	Tax collected shall be deposited within 10 days after the end of the month in which such collection was made.
12	How tax should be deposited?	The tax collector shall file a statement in Form GSTR- 8 monthly for depositing the tax.
13	Is there any need to issue any TCS certificate by the collector?	No need to issue any certificate by the tax collector. Once the return is filed it will reflect in the electronic cash ledger of the supplier.

Handbook on TCS under GST

14	Whether any return is to be submitted by the electronic commerce operator about TCS ?	Every operator who collects tax at source shall furnish a statement, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the tax collected during a month within ten days after the end of such month.
15	How the supplier will get the TCS benefit of tax remitted by the electronic commerce operator?	The amount of TCS deposited by the operator with the appropriate Government will be reflected in the electronic cash ledger of the actual registered supplier (on whose account such collection has been made) on the basis of the statement filed by the operator in FORM GSTR-8.
16	What purposes the TCS can be used by the supplier?	No such restriction. It is the same as the cash deposited by the supplier into the electronic cash ledger.
17	How refund of TCS remitted can be claimed?	If the supplier is not able to use the amount lying in the electronic cash ledger, the actual supplier may claim refund of the excess balance lying in his electronic cash ledger in accordance with the provisions contained in section 54(1) of the CGST Act, 2017.
18	Whether Interest is chargeable for any reason?	Section 52(6): Interest is chargeable on omission as well in case of incorrect particulars noticed. Interest is chargeable as per section 50(1) of the Act.

Handbook on TCS under GST

19	What are the consequences of failure to collect and failure to remit TCS?	Other than interest, penalty under section 122(vi) of the CGST Act, 2017 would also be leviable.
20	Is there any other penal provision?	Any person who fails to furnish the information required by the notice served by the Deputy Commissioner shall, without prejudice to any action that may be taken under section 122, be liable to a penalty which may extend to twenty-five thousand rupees.
21	Any other statement or return is to be submitted by the TCS collector at the end of the year?	Yes, the e-commerce operator liable for TCS is to furnish an annual statement as per Rule 80(2) of CGST Rules in Form GSTR-9B, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and TCS collected, before the thirty first day of December following the end of such financial year.

5. WHO IS LIABLE TO COLLECT TAX AT SOURCE?

Every electronic commerce operator, not being an agent, shall collect an amount calculated at such rate not exceeding one per cent, as may be notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said electronic commerce operator.

An e-commerce operator, who is receiving the consideration on supplies made through the portal, shall collect tax on the net value of taxable supplies.

These taxable supplies shall not include if the consideration is received by the e-commerce operator as an agent and the consideration is received for the services specified in section 9(5) of CGST Act.

Handbook on TCS under GST

It is important to understand the meaning of the terms "Electronic Commerce" and "Electronic Commerce operator" which are defined in clauses (44) and (45) of the definition Section 2 of the Act, respectively as under :

(44) "electronic commerce" means the supply of goods or services or both, including digital products over digital or electronic network.

(45) "electronic commerce operator" means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.

6. WHEN TAX SHALL BE COLLECTED

Tax is to be collected at source once supply has been made through the e-commerce operator irrespective of the actual collection of consideration from the customer/ receiver or others.

7. WHEN NO TAX SHALL BE COLLECTED

- (i) When the taxable supply is not effected through the e-commerce operator as envisaged in the section 52.
- (ii) When supply is made as per section 9(5) of CGST Act 2017.
- (iii) When tax exempted supplies are effected through the electronic commerce operator.
- (iv) When the activities or transactions are specified in Schedule III of the CGST/SGST Acts 2017, irrespective of the value. (neither supply of goods nor supply of services)

8. VALUATION OF SUPPLY

For the purpose of collection of tax, the value of supply shall exclude the taxes leviable under the GST namely CGST, SGST, UTGST, IGST and Cess. Hence, tax will be collectible only on the taxable value of the supply.

No tax shall be collected on the above mentioned taxes shown in any tax invoice.

In addition, no tax shall be collected on value of exempted goods or services or both even if the exempt and taxable supplies are shown together in a tax invoice.

Example: M/s. Balaji and Co., have supplied taxable goods valued at Rs 1,25,000 along with tax exempted Books valued at Rs 1,40,000 through an e-commerce operator and a tax invoice has been raised for Rs 2,65,000 plus applicable GST.

In this case, tax shall be collectible on the taxable value of goods viz., Rs.1,25,000/-. Books are exempted vide Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017.

9. PROCEDURE OF FILING TCS RETURN (GSTR-8) BY ELECTRONIC COMMERCE OPERATOR (COLLECTOR)

Rule 67 of the CGST Rules, 2017

“Form and manner of submission of statement of supplies through an e-commerce operator

(1) Every electronic commerce operator required to collect tax at source under section 52 shall furnish a statement in FORM GSTR-8 electronically on the common portal, either directly or from a Facilitation Centre notified by the Commissioner, containing details of supplies effected through such operator and the amount of tax collected as required under sub-section (1) of section 52.

(2) The details furnished by the operator under sub-rule (1) shall be made available electronically to each of the suppliers on the common portal after filing of FORM GSTR-8 for claiming the amount of tax collected in his electronic cash ledger after validation.

TCS statement shall be filed in Form GSTR-8 electronically on GST portal before 10th of the month succeeding the month in which collections have been made to avoid payment of any late fee and/or interest. [Section 52(4) of the CGST Act, 2017 read with Rule 67 of the CGST Rules, 2017].

To create and file details in Form GSTR-8, the overall steps involved in brief is listed below:

- A. Login and navigate to Form GSTR-8 page at GST Portal
- B. Enter details in various tiles
- C. Preview Form GSTR-8
- D. Payment of Tax

- E. File Form GSTR-8 with DSC/ EVC
- F. View debit entries in electronic cash ledger for tax payment
- G. Download filed return

10. HOW THE COLLECTEE WILL TAKE BENEFIT OF TCS

The amount of TCS deposited by the e-commerce operator with the appropriate Government will be reflected in the electronic cash ledger of the actual registered supplier (on whose account such collection has been made) on the basis of the statement filed by the e-commerce operator in FORM GSTR-8 in terms of Rule 67 of the CGST Rules, 2017. The said credit can be used at the time of discharge of tax liability by the actual supplier.

11. TCS REGISTRATION

Compulsory registration of tax collecting e-commerce operator is mentioned in section 24(x). Every electronic commerce operator, [who is required to collect tax at source under section 52 inserted by the Central Goods and Services Tax (Amendment) Act, 2018, w.e.f. 1-2-2019] - shall be required to be registered under this Act by filing an application for registration in FORM GST REG-07 [Section 24 of CGST Act and Rule 12(1) of the Rules].

A person applying for TCS in accordance with the provisions of Section 52 in a State or Union territory where he does not have a physical presence, shall mention the name of the State or Union territory in PART A of the application in FORM GST REG-07 and mention the name of the State or Union territory in PART B thereof in which the principal place of business is located which may be different from the State or Union territory mentioned in PART A.

Certificate of registration in FORM GST REG-06 is issued by the proper officer within a period of three working days from the date of submission of the application.

Manual > Tax Collector at Source

How can I apply for Registration as a Tax Collector at Source?

For registering yourself as a Tax Collector on the GST Portal, perform the following steps:

Access <https://www.gst.gov.in/> URL. The GST Home page is displayed. Click the Services > Registration > New Registration option



1. The Application form is divided into two parts as Part A and Part B.
2. Part A:
3. The New Registration page is displayed. Select the New Registration option.
4. In the "I am a" drop down list, select the Tax Collector as the type of taxpayer to be registered.
5. In the "State/UT" drop down list, select the State/UT for which registration is required.
6. In the Legal Name of the tax collector (As mentioned in PAN) field, enter the legal name of your tax collector as mentioned in the PAN database.
7. In the Permanent Account Number (PAN) field, enter PAN number.
Note:
 - In case you don't have PAN, you can apply for PAN.
 - Legal name of the tax collector and PAN will be validated against the CBDT database.
8. In the Email Address field, enter the email address of the Primary Authorized Signatory.
9. In the Mobile Number field, enter the valid Indian mobile number of the Primary Authorized Signatory.

Handbook on TCS under GST

Note: Different One Time Password (OTP) will be sent on your email address and mobile number you just mentioned for authentication.

10. In the "Type the characters you see in the image below field", enter the captcha text.
11. Click the PROCEED button.

The screenshot shows the 'New Registration' form on the GST Portal. At the top, there are two steps: '1 User Credentials' and '2 OTP Verification'. The form is titled 'New Registration' and has a legend indicating that a red dot indicates mandatory fields. The form includes the following fields and options:

- I am a***: A dropdown menu with 'Tax Collector (e-Commerce)' selected.
- State / UT***: A dropdown menu with 'Select' selected.
- Legal Name of the Tax Collector (As mentioned in PAN)***: A text input field with the placeholder 'Enter Legal Name of Business'.
- Permanent Account Number (PAN)***: A text input field with the placeholder 'Enter Permanent Account Number (PAN)'. Below it, there is a note: 'If you don't have PAN, Click here to apply' and an example: 'Eg: A B C D E 1 2 3 4 X'.
- Email Address***: A text input field with the placeholder 'Enter Email Address'. Below it, there is a note: 'OTP will be sent to this Email Address'.
- Mobile Number***: A text input field with the placeholder '+91 Enter Mobile Number'. Below it, there is a note: 'Separate OTP will be sent to this mobile number'.
- Type the characters you see in the image below***: A captcha field with a grid of characters and a 'PROCEED' button below it.

12. On clicking "Proceed", GST Portal displays all the GSTINs / Provisional ID's / UINs / GSTP IDs mapped to the same PAN across India. Click the PROCEED button.
13. After successful validation, you will be directed to the OTP Verification page. In the "Mobile OTP" field, enter the OTP you received on your

mobile number entered in PART-A of the form. OTP is valid only for 10 minutes.

14. In the "Email OTP" field, enter the OTP you received on your email address entered in PART-A of the form. OTP is valid only for 10 minutes.

Note: OTP sent to the mobile number and the email address is separate. In case OTP is invalid, try again by clicking the "Click here" to resend the OTP link. You will receive the OTP on your registered mobile number or email ID again. Enter both the newly received OTPs again.

15. Click the PROCEED button.

Home > Registration > Verify English

User Credentials OTP Verification

Verify OTP

* indicates mandatory fields

Mobile OTP*

Enter OTP sent to your mobile number

Email OTP*

Enter OTP sent to your Email Address

Please check the junk/spam folder in case you do not get email.

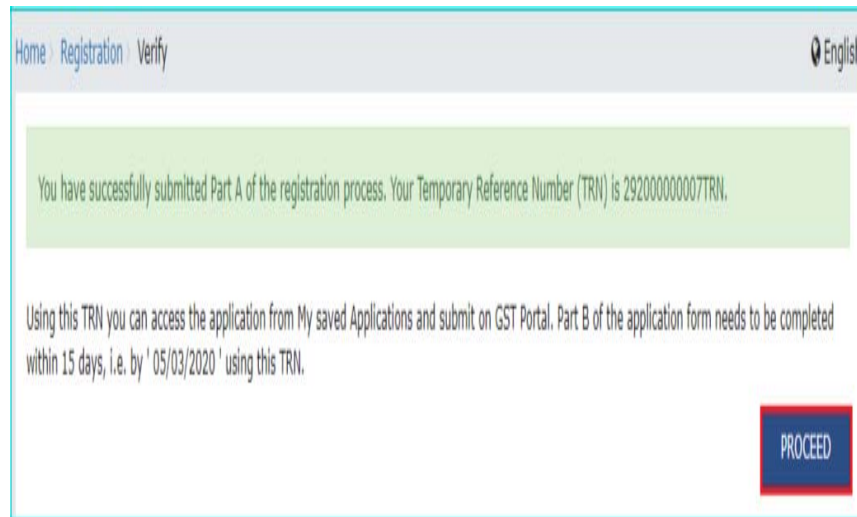
Need OTP to be resent? [Click here](#)

BACK PROCEED

16. The system generated 15-digit Temporary Reference Number (TRN) is displayed. Click PROCEED button.

Note: You will receive the TRN acknowledgment information on your e-mail address as well as your mobile number. Note that under the TRN, the expiry date of the TRN will also be mentioned.

Alternatively, you can also click SERVICES > REGISTRATION > NEW REGISTRATION option and select the Temporary Reference Number (TRN) radio button to login using the TRN.



PART B:

17. In the Temporary "Reference Number (TRN)" field, enter the TRN generated.
18. In the "Type the characters you see in the image below" field, enter the captcha text.
19. Click the PROCEED button. "Verify OTP" page is displayed. You will receive same Mobile OTP and email OTP. These OTPs are different from the OTPs you received in previous step.

20. In “Mobile / Email OTP” field, enter the OTP you received on your mobile number and email address. OTP is valid only for 10 minutes.

Note: OTP sent to mobile number and email address are the same. In case OTP is invalid, try again by clicking the “Click Here to Resend the OTP” link. You will receive the OTP on your registered mobile number or email ID again. Enter the newly received OTP again

Handbook on TCS under GST

Home | Registration | Verify English

User Credentials **2** OTP Verification

Verify OTP

• Indicates mandatory fields

Mobile / Email OTP •

Fill OTP sent to Mobile and Email

Please check the junk/spam folder in case you do not get email.

Need OTP to be resent? [Click here](#)

BACK PROCEED

21. “My Saved Application” page is displayed. Under the “Action column”, click the Edit icon (icon in blue square with white pen).
- Notice the expiry date shown below in the screenshot. If the applicant doesn’t submit the application within 15 days, TRN and the entire information filled against that TRN will be purged after 15 days.
 - The status of the registration application is ‘Draft’ unless the application is submitted. Once the application is submitted, the status is changed to ‘Pending for Validation’.

Dashboard English

My Saved Applications

Creation Date	Form No.	Form Description	Expiry Date	Status	Action
19/02/2020	GST REG-07	Application for Registration as Tax Collector at source	05/03/2020	Draft	

Track Application Status

You do not have any submitted applications

The registration application form with various tabs is displayed; that must be filled sequentially. On the top of the page, there are five tabs namely

Business Details

Tax Collecting Officer

Authorized Signatory

Office Address of Tax Collector

Verification

Click each tab to enter the details.

Business Details tab

The "Business Details" tab is selected by default. This tab displays the information to be filled for the business details required for registration.

(a) In the "Trade Name" field, enter the trade name of your business.

Note: Trade name of the business is different from the legal name of the business.

(b) In the "Constitution of Business" drop-down list, select the type of constitution of your business. This will be validated with the CBDT Database for a match with the PAN entered in Part A of the form.

(c) In the "Sector/ Circle / Ward/ Charge/ Unit" drop-down list, select the appropriate choice.

(d) In the "Commissionerate Code, Division Code and Range Code" drop-down list, select the appropriate choice.

(e) Click the SAVE & CONTINUE button.

Handbook on TCS under GST

Dashboard > TCS Registration English

Application Type	Last Modified	Due Date to Complete	Profile
TCS Application	19/02/2020	05/03/2020	96%

Business Details Tax Collecting Officer Authorized Signatory Office Address of Tax Collector Verification

Office Address of Tax Collector * indicates mandatory fields

Address

Building No. / Flat No.*

Floor No.

Name of the Premises / Building

Road / Street*

City / Town / Locality / Village*

State*

District*

PIN Code*

Latitude

Longitude

Contact Information

Office Email Address*

Office Telephone Number (with STD Code)
STD

Mobile Number*
+91

Office FAX Number (with STD Code)
STD

Have you obtained any other registrations under GST in the same State?
 No

IEC (Importer Exporter Code), if applicable

Nature of possession of premises*
Please Select

Document Upload

Proof of Address of Tax Collector*

File with PDF or JPEG format is only allowed.
Maximum file size for upload is 1 MB

No file chosen

Verification tab:

This tab page displays the details of the verification for authentication of the details submitted in the FORM.

- (a) Select the Verification checkbox.
- (b) In the "Name of Authorized Signatory" drop-down list, select the name of authorized signatory.
- (c) In "Place" field, enter the place where the form is filed.

- (d) After filling the registration application, you need to digitally sign the application using Digital Signature Certificate (DSC) or E-Signature. Submission of application with required details is NOT complete unless DSC or E-Signature is affixed.

Note:

- For E-Signature and EVC, you must update your Aadhaar number in the “Applicant Details” section.
- After submission, you cannot make any changes to your application

The screenshot shows the 'TCS Registration' dashboard. At the top, there is a table with the following data:

Application Type	Last Modified	Due Date to Complete	Profile
TCS Application	19/02/2020	05/03/2020	100%

Below the table is a progress bar with five sections: Business Details, Tax Collecting Officer, Authorized Signatory, Office Address of Tax Collector, and Verification. The Verification section is currently active.

The Verification section contains the following form fields:

- A declaration checkbox: I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.
- Name of Authorized Signatory: gyan [AJIPA1572E]
- Place: Delhi
- Designation / Status: 444
- Date: 19/02/2020

At the bottom, there are four buttons: BACK, SUBMIT WITH DSC, SUBMIT WITH E-SIGNATURE, and SUBMIT WITH EVC. The SUBMIT WITH DSC button is highlighted with a red box.

In Case of DSC:

- Click the SUBMIT WITH DSC button.
- Click the PROCEED button.
- Select the certificate and click the SIGN button.
Note: To view the details of your DSC, click the “View Certificate” button.
- Select the certificate and click the SIGN button.

Handbook on TCS under GST

In Case of E-Signature:

- (a) Click the SUBMIT WITH E-SIGNATURE button.
- (b) In "Please select Service Provider" option, select the appropriate Service Provider.

Note: C-DAC and NSDL are e sign service providers (Both are free of cost).

- (c) Select the checkbox for declaration.

Note: OTP will be sent to your e-mail address and mobile phone number registered with Aadhaar.

- (d) Click the CONTINUE button.

"Verify Aadhaar OTP" screen is displayed. Enter the OTP received on your e-mail address and mobile phone number registered with Aadhaar. Click the SUBMIT button.

In Case of EVC:

- (a) Click the SUBMIT WITH EVC button.
- (b) Enter the OTP sent to email and mobile number of the Authorized Signatory registered at the GST Portal and click the VALIDATE OTP button.
- (c) SUCCESS message is displayed. You will receive the acknowledgement in the next 15 minutes on your registered e-mail address and mobile phone number. *Application Reference Number (ARN)* receipt is sent on your e-mail address and mobile phone number.

 **SUCCESS**

Thank you for submission.

System will verify / validate the information submitted after which acknowledgement will be sent in next 15 minutes

12. LATE FEE, INTEREST AND PENALTY

- (a) Where tax collector fails to deposit TCS vide Return in FORM GSTR - 8 within 10 days of the month succeeding the month in which tax was

collected, he shall be liable to pay Interest @ 18% for the delay period, in terms of the provisions of section 50(1).

- (b) The default amount shall be determined in the manner specified in section 73 or 74 of the CGST Act.

13. FREQUENTLY ASKED QUESTIONS (FAQs)

1. What is meant by tax collection at source (TCS)?

Ans. Section 52 of the CGST Act, 2017 is relevant in this regard according to which an e-commerce operator, not being an agent, is required to collect an amount calculated at the rate not exceeding one per cent, as notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it, where the consideration with respect to such supplies is to be collected by such operator. The amount so collected is called tax collection at source (TCS).

2. What is the rate of TCS?

Ans. Rate of TCS is 0.5% under each of CGST and SGST/UT Acts respectively. It is 1% under the IGST Act, 2017 vide Notifications No. 52/2018 – (Central Tax) and 02/2018-(Integrated Tax) both dated 20th September, 2018. Corresponding notifications have been issued by the respective State Governments/ UTs also.

3. Is it mandatory for e-commerce operator to obtain registration?

Ans. Yes. As per section 24(x) of the CGST Act, 2017, every electronic commerce operator has to obtain compulsory registration irrespective of the value of supply made by him.

4. Whether an e-Commerce operator is required to obtain registration in every State/UT in which suppliers listed on their e-commerce platform are located?

Ans. Registration for TCS would be required in each State/ UT as the obligation for collecting TCS would be there for every intra-State or inter-State supply. In order to facilitate the obtaining of registration in each State/ UT, the e-commerce operator may declare the Head Office as its place of business for obtaining registration in that State/ UT where it does not have physical presence.

5. **Foreign e-commerce operator do not have place of business in India. But their supplier and customers are located in India. In this scenario will the TCS provisions be applicable and if yes, how will foreign e-commerce operator obtain registration?**

Ans. Where the registered supplier is supplying goods or services through a foreign e-commerce operator to a customer in India, such foreign e-commerce operator would be liable to collect TCS on such supply and would be required to obtain registration in each State/ UT. If the foreign e-commerce operator does not have physical presence in a particular State/ UT, he may appoint an agent on his behalf.

6. **Whether a supplier of goods or services supplying through e-commerce operator would be entitled to threshold exemption?**

Ans. According to Section 24(ix) of the CGST Act, 2017, every person supplying goods through an e-commerce operator shall be mandatorily required to register irrespective of the value of supply made by him. However, a person supplying services, other than services under section 9 (5) of the CGST Act, 2017, through an e-commerce platform is exempted from obtaining compulsory registration provided its aggregate turnover does not exceed INR 20 lakhs (or INR 10 lakhs in case of specified special category States) in a financial year. [vide notification No. 65/2017 – Central Tax dated 15th November, 2017].

7. **Is it necessary for e-Commerce operators who are already registered under GST and have GSTIN, to have separate registration for TCS as well?**

Ans. E-Commerce operator has to obtain separate registration for TCS irrespective of the fact whether such operator is already registered under GST as a supplier or otherwise and has GSTIN.

8. **What is meant by “net value of taxable supplies”?**

Ans. “Net value of taxable supplies” means the aggregate value of taxable supplies of goods or services or both, other than the services on which entire tax is payable by the e-commerce operator, made during any month by a registered supplier through such operator reduced by the aggregate value of taxable supplies returned to such supplier during the said month.

9. Whether the value of net taxable supplies should be calculated at gross level or at GSTIN level?

Ans. The value of net taxable supplies is calculated at GSTIN level.

10. What is the correct valuation methodology for ascertainment of GST on tax collected at source (TCS) under the provisions of the GST Act 2017?

Ans. Section 15(2) of CGST Act specifies that the value of supply shall include "any taxes, duties cesses, fees and charges levied under any law for the time being in force other than this Act, the SGST Act, the UTGST Act and the GST (Compensation to States) Act, if charged separately by the supplier."

For the purpose of determination of value of supply under GST, TCS amount under Income tax Act would not be includible as it is an interim levy and not having the character of tax. [Ref: Circular No. 76/50/2018-GST dated 31st December 2018 and corrigendum F.No 20/16/04/2018-GST dated 7th March 2019.]

11. Is every e-commerce operator required to collect tax on behalf of actual supplier?

Ans. Yes, every e-commerce operator is required to collect tax where the supplier is supplying goods or services through e-commerce operator and consideration with respect to the supply is to be collected by the said e-commerce operator.

12. At what point of time should the e-commerce operator collect TCS?

Ans. TCS is to be collected once supply has been made through the e-commerce operator and where the business model is such that the consideration is to be collected by the e-commerce operator irrespective of the actual collection of the consideration. For example, if the supply has taken place through the e-commerce operator on 30th January, 2020 but the consideration for the same has been collected in the month of March, 2020, then TCS for such supply has to be collected and reported in the statement for the month of January, 2020.

13. Whether TCS to be collected on exempt supplies?

Ans. No, TCS is not required to be collected on exempt supplies.

14. Whether TCS to be collected on supplies on which the recipient is required to pay tax on reverse charge basis?

Ans. No, TCS is not required to be collected on supplies on which the recipient is required to pay tax on reverse charge basis.

15. Whether TCS is to be collected in respect of supplies made by the composition taxpayer?

Ans. As per section 10(2)(d) of the CGST Act, 2017, a composition taxpayer cannot make supplies through e-commerce operator. Thus, the question of collecting TCS in respect of supplies made by the composition taxpayer does not arise.

16. Whether tax is to be collected at source on import of goods or services or both?

Ans. Tax is not liable to be collected at source on any supplies on which the recipient is required to pay tax on reverse charge basis. Hence, tax is not liable to be collected on import of goods or services.

17. Whether payment of TCS through input tax credit of operator for depositing TCS as per Section 52 (3) of the CGST Act, 2017 is allowed?

Ans. No, payment of TCS is not allowed through input tax credit of e-commerce operator.

18. It is very common that customers of e-commerce companies return goods. How these sales returns are going to be adjusted?

Ans. An e-commerce company is required to collect tax only on the net value of taxable supplies made through it. In other words, value of the supplies which are returned (supply return) may be adjusted from the aggregate value of taxable supplies made by each supplier (i.e. on GSTIN basis). In other words, if two suppliers "A" and "B" are making supplies through an e-commerce operator, the "net value of taxable supplies" would be calculated separately in respect of "A" and "B". If the value of returned supplies is more than supplies made on behalf of any of such supplier during any tax period, the same would be ignored in his case.

19. Under Section 52 of CGST Act, e-commerce operator collects tax at source at the net of returns. Sometimes sales return is more than sales and hence can negative amount be reported?

Ans. Negative amount cannot be declared. There will be no impact in next tax period also. In other words, if returns are more than the supplies made during any tax period, the same would be ignored in current as well as future tax period(s).

20. What is the time within which such TCS is to be remitted by the e-commerce operator to the Government account?

Ans. The amount collected by the operator is to be paid to appropriate government within 10 days after the end of the month in which the said amount was so collected.

21. How can actual suppliers claim credit of TCS?

Ans. The amount of TCS deposited by the operator will be reflected in the electronic cash ledger of the actual registered supplier (on whose account such collection has been made) on the basis of the statement filed by the operator in FORM GSTR-8. The said credit can be used at the time of discharge of tax liability by the actual supplier.

22. How is TCS to be credited in the cash ledger? Whether the refund of such TCS credit lying in the ledger would be allowed at par with the refund provisions contained in section 54(1) of the CGST Act, 2017?

Ans. Based on the statement (FORM GSTR-8) filed by the e-commerce operator after the deposit of the tax, the TCS would be credited to the electronic cash ledger of the actual supplier in the respective tax head viz., CGST, SGST, UTGST and IGST. If the supplier is not able to use the amount lying in the said cash ledger(s), the actual supplier may claim refund of the excess balance lying in his electronic cash ledger in accordance with the provisions of section 54(1) of the CGST Act, 2017.

23. Is the e-commerce operator required to submit any statement?

Ans. Yes, every operator is required to furnish a monthly statement, electronically in FORM GSTR-8. The operator is also required to file an annual statement by 31st day of December following the end of the financial year in which the tax was collected in FORM GSTR-9B.

24. What are the details that are required to be submitted in the statement?

Ans. The Statements to be filed by the e-commerce operator should contain the details of outward supplies of goods or services effected through it, including the supplies of goods or services returned through it, and the amount collected by it as TCS during a month within 10 days after the end of such month in FORM GSTR-8.

25. Whether interest would be chargeable for non-collection of TCS?

Ans. As per section 52(6) of the CGST Act, 2017, interest is chargeable on omission as also in case of incorrect particulars noticed. Further penalty under section 122(vi) of the CGST Act, 2017 would also be leviable.

26. Is there any requirement to furnish additional details by e-commerce operator to the tax officers under this Act?

Ans. As per section 52(12) of the CGST Act, 2017, any authority not below the rank of Deputy Commissioner may serve a notice requiring the operator to furnish the details of their supplies of goods or services or both as well as stock of goods held by the suppliers within 15 working days of the date of service of such notice.

27. Where the e-commerce operator does not provide invoicing and invoice is generated by the seller and received by the buyer without the e-commerce operator getting to know about it, the payment flows through the e-commerce operator. In such cases, on what value should the tax be collected? Can TCS be collected on the entire value of the transaction?

Ans. Section 52(1) of the CGST Act, 2017, mandates that tax is to be collected on the net taxable value of such supplies in respect of which the e-commerce operator collects consideration. So the amount collected should be duly reported in the GSTR-8 and remitted to the Government. Any such amount collected will be available to the concerned supplier as credit in his electronic cash ledger.

28. Sellers supplying goods through e-commerce operators (ECO) may have common places of business, especially if their goods are stored in a shared facility operated by the ECO. This will result in the same additional place of business being registered by multiple suppliers. Is this allowed?

Ans. Yes, this is allowed. Any registered person can declare a premises as a place of business if he has requisite documents for use of the

premises as his place of business (like ownership document, agreement with the owner etc.) and there is no restriction about use of a premises by multiple persons. The registered person shall have to comply with the requirements of maintaining records as per section 35 of the CGST Act, 2017 and Rules 56 to 58 of the CGST Rules, 2017.

29. What if tax is not collected at source and remitted; would it affect the liability to discharge GST?

Ans. The related GST involved in this will not get affected irrespective of the fact whether GST is collected or not since charging section 9 is independent of TCS section 52.

30. Is tax to be collected on charges?

Ans. Convenience/other charges may fall within the TCS ambit in as much payment is passed through ECO to the supplier.

However, a contrary and a relatively litigative view may be taken that since the same may not be "Service provided through e-commerce operator" u/s 52(1), no TCS needs to be made.

31. Should the ECO get registered State-wise?

Ans. Registration is required in each State/UT where tax collectors are located, where it does not have physical presence. However, Registration can be taken using the head office address as the place of business.

32. Is there any scope for lower rate of TCS?

Ans. TCS shall be at a rate not exceeding 1% as may be notified. As of now the rate notified is 0.5% (each for CGST & SGST), without any exception. There seems to be no provision in the Act or Rules which empowers a lower rate of TCS.

33. Under multiple e-commerce operator model, Customer A books a Hotel via ECOM operator-1 who in turn is integrated with ECOM operator-2 who has agreement with the hotelier. In this case, ECOM operator-1 will not have any GST information of the hotelier. Under such circumstances, which e-commerce operator should be liable to collect TCS?

Ans. Tax is to be collected at source by that e-commerce operator who is making payment to the supplier for the particular supply happening through it, which in this case will be ECOM Operator-2.

14. MULTIPLE CHOICE QUESTIONS

1. In respect of intra-State supply, TCS by electronic commerce operator is at the rate of:

- (a) 1% CGST
- (b) ½% CGST
- (c) ½% CGST + ½% SGST/UTGST
- (d) None of the above.

Ans. (c) ½% CGST + ½% SGST/UTGST

Q2. The amount of tax collected by the e-commerce operator has to be paid to the credit of the appropriate Government within days after the end of the month in which such collection is made:

- (a) 20 days
- (b) 10 days
- (c) 15 days
- (d) 5 days

Ans. (b) 10 days

Q3. The time limit for furnishing the annual statement of collection is:

- (a) 30th September of the year succeeding the year of collection
- (b) 31st December of the year succeeding the year of collection
- (c) No need to file annual statement
- (d) None of the above.

Ans. (c) 31st December of the year succeeding the year of collection

Q4. The collectee can claim credit of the remittance made by the tax collector in his,

- (a) Electronic Credit Ledger
- (b) Tax liability Ledger
- (c) Electronic Cash Ledger
- (d) None of the above.

Ans. (c) Electronic Cash Ledger

Q5. If excess or erroneous collection of TCS has been made by the Collector and this amount is credited to Electronic Cash Ledger of the collectee, refund can be claimed by,

- (a) Collector
- (b) Collectee
- (c) Either the collector or the collectee
- (d) None of the above

Ans. (b) Collectee

15. GENERAL COMPLIANCES

(i) By Collector

<i>Sr. No</i>	<i>Particulars</i>	<i>Relevant Section</i>
1	Taking Registration	Section 24
2	Furnishing Monthly Statement in GSTR 8 in time	Section 52(4)
3	Furnishing Annual Statement in GSTR 9B in time	Section 52(5)
4	Keeping proper record of all transactions as required under section 35 of the CGST Act	Section 35
5	Keeping record of all tax collections	Section 35
6	Keep in record all GSTR 8, GSTR 9B etc.	Section 35

(ii) By Collectee

<i>Sr. No.</i>	<i>Particulars</i>	<i>Relevant Section</i>
1	Taking Registration	Section 22 or 24
2	Acceptance of TCS Statement showing at his GST portal	Section 39
3	Furnishing Monthly/ Quarterly Return for taking credit of TCS	Section 39(1)/ (3)
4	Keeping proper record of all transactions/ supplies	Section 35
5	Keeping record of all TCS certificates	Section 35
6	Keep in record all contracts	Section 35

16. RELEVANT NOTIFICATIONS / CIRCULARS

16.1 Section 9 of The CGST Act, 2017 - Levy & Collection of Tax - Notified categories of services the tax on Intra-State supplies of which shall be paid by Electronic Commerce Operator - Notification No. 17/2017-Central Tax (Rate), dated 28-6-2017 as amended by Notification No. 23/2017-Central Tax (Rate), dated 22-8-2017

In exercise of the powers conferred by sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby notifies that in case of the following categories of services, the tax on intra-State supplies shall be paid by the electronic commerce operator—

- (i) services by way of transportation of passengers by a radio-taxi, motor cab, maxi cab and motor cycle;
- (ii) services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, except where the person supplying such service through electronic commerce operator is liable for registration under sub-section (1) of section 22 of the said Central Goods and Services Tax Act;
- (iii) services by way of house-keeping, such as plumbing, carpentering etc., except where the person supplying such service through

electronic commerce operator is liable for registration under sub-section (1) of section 22 of the said Central Goods and Services Tax Act.

Explanation.- For the purposes of this notification,-

- (a) "radio taxi" means a taxi including a radio cab, by whatever name called, which is in two way radio communication with a central control office and is enabled for tracking using Global Positioning System (GPS) or General Packet Radio Service (GPRS);
- (b) "maxi cab", "motor cab" and "motor cycle" shall have the same meanings as assigned to them respectively in clauses (22), (25) and (26) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988).

- 2. This notification shall come into force with effect from the 1st day of July, 2017.

The corresponding Notification of the above notification for Inter State supply in Integrated Goods and Services Tax act 2017 is contained in Notification No. 14/2017-Integrated Tax (Rate), Dated 28-6-2017 as amended by, Notification No. 23/2017- Integrated Tax (Rate), dated 22-8-2017

16.2 CBIC Press Release dated 29th June, 2018

Extension of suspension of provisions relating to tax deduction at source (TDS) and collection of tax at source (TCS) till 30.09.2018. The competent authority has decided that the provisions of sections 51 and 52 of the Central Goods and Services Tax Act, 2017 relating to tax deduction at source (TDS) and collection of tax at source (TCS) respectively, shall remain suspended till 30.09.2018.

16.3 Section 1 read with section 52, of the Central GST Act, 2017

TCS Provisions Applicable from October 1, 2018

Notification No.51/2018- Central tax, dated 13-9-2018

In exercise of the powers conferred by sub-section (3) of section 1 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government hereby appoints the 1st day of

October, 2018, as the date on which the provisions of section 52 of the said Act shall come into force.

16.4 Section 52 of the Central GST Act, 2017 - Collection of tax at Source

Notification No.52/2018-Central Tax, dated 20-9-2018

In exercise of the powers conferred by sub-section (1) of section 52 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby notifies that every electronic commerce operator, not being an agent, shall collect an amount calculated at a rate of half per cent of the net value of intra-State taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said operator.

16.5. Circular No. 136/06/2020-GST dated the 3rd April, 2020

What are the measures that have been specifically taken for taxpayers who are required to collect tax at source under section 52 in view of COVID 19?

Under the provisions of section 168A of the CGST Act, in terms of notification No. 35/2020- Central Tax, dated 03.04.2020, the said class of taxpayers have been allowed to furnish the statement specified in section 52, for the months of March, 2020 to May, 2020 on or before the 30th day of June, 2020.

The time has been further extended upto 31st August, 2020 vide Notification No. 55/2020 central tax dated 27th June, 2020.

16.6. Extracts from Circular No.74/48/2018-GST [No.20/16/04/2018-GST], dated 5-11-2018

Section 52 of the Central Goods and Services Tax Act, 2017 - Collection of tax at Source - Collection of tax at Source by Tea Board of India

Tea Board of India being the operator of the electronic auction system for trading of tea including for collection and settlement of payments, falls under the category of electronic commerce operator liable to TCS

The participants in the said auction are the sellers i.e. the tea producers and auctioneers who carry out the auction on behalf of such sellers and buyers.

The buyers in the said auction make payment of a consolidated amount to an escrow account maintained by the Tea Board. The said consolidated amount

is towards the value of the tea, the selling and buying brokerages charged by the auctioneers and also the amount charged by the Tea Board from sellers, auctioneers and buyers. Thereafter, Tea Board pays to the sellers (i.e. tea producers), from the said escrow account, for the supply of goods made by them (i.e. tea) and to the auctioneers for the supply of services made by them (i.e. brokerage). Under no circumstances, the payment is made by the Tea Board to the auctioneers on account of supply of goods i.e., tea sold at auction.

For the query whether Tea Board should collect TCS under section 52 of the CGST Act from the sellers of tea (i.e. the tea producers), or from the auctioneers of tea or from both, it has been clarified, that TCS at the notified rate shall be collected by Tea Board respectively from the —

- (i) sellers (i.e. tea producers) on the net value of supply of goods i.e. tea;
and
- (ii) auctioneers on the net value of supply of services (i.e. brokerage).