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# CGST AMENDMENT BILL

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The Central Goods and Services Tax (Amendment) Act, 2023 seeks to make amendments in the CGST Act, 2017 to give effect to the recommendations made by the GST Council, the amendment targets specific areas of taxability, such as casinos, horse racing, and online gaming. It adds new definitions, clarifies existing terms, and introduces provisions that reflect the changing landscape of the digital economy.

Kindly note that the effective date from which these amendments will be implemented is yet to be decided as corresponding matching amendments have to be made in all State GST Acts.

The proposed amendments are given hereunder:

**Replacement of Terms: The words “specified actionable claims” are substituted for “lottery, betting, and gambling” in paragraph 6 of Schedule III to clarify the taxability of certain actions.**

Amendment in Schedule III

Para 6 of Schedule III is proposed to be amended to substitute the words "lottery, betting and gambling" with the words "specified actionable claims".

**The bill adds new definitions for “online gaming”, “online money gaming”, “specified actionable claim”, and “virtual digital asset”.**

Amendments in section 2 (Definitions)

a) Definition of specified actionable claim - Clause 102A is proposed to be inserted to define specified actionable claim to mean the actionable claim involved in or by way of

(i) betting; (ii) casinos; (iii) gambling; (iv) horse racing; (v) lottery; or (vi) online money gaming

b) Definition of online money gaming - Clause 80B defines online money gaming to mean online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force.

c) Definition of online gaming - Clause 80A is proposed to be inserted to define online gaming to mean offering of a game on internet or an electronic network and includes online money gaming.

d) Definition of virtual digital asset - Clause 117A is proposed to be inserted to define virtual digital asset to have the same meaning as assigned to it in section 2(47A) of the Income Tax Act, 1961.

**Amendment to the Definition of Supplier. A proviso is inserted to clarify the meaning of “supplier” in the context of the supply of specified actionable claims.**

Amendment in definition of supplier - Clause 105 is proposed to be amended by inserting a proviso therein. The proviso lays down that a person who organises or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner.

All the provisions of the CGST Act shall apply to such supplier of specified actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims.

Amendment to Compulsory Registration: A new clause is added to require mandatory registration for every person supplying online money gaming from a place outside India to a person in India.

Amendment in section 24 (Compulsory registration in certain cases)

Clause (xia) is proposed to be inserted in section 24 to provide that every person supplying online money gaming from a place outside India to a person in India shall be required to be mandatorily registered under the CGST Act, 2017.

***Transitory provision.***

Clause (5) of the bill seeks to provide that the amendments made under this Act shall be without prejudice to provisions of any other law for the time being in force, providing for prohibiting, restricting or regulating betting, casino, gambling, horse racing, lottery or online gaming.