GOODS AND SERVICES TAX

DEFINITIONS

GOODS:

- Means every kind of movable property
- Includes:
  - Actionable claims
  - Growing crops, grass & things attached to/ forming part of the land which are agreed to be severed before supply or under a contract of supply
- Excludes:
  - Money
  - Securities

SERVICES:

- Means anything other than goods
- Includes activities relating to:
  - Use of money
  - Conversion of money by cash or by any other mode, from one form/ currency/ denomination, to another for which a separate consideration is charged
  - Facilitating or arranging transactions in securities (Eg: Stock broker)
- Excludes:
  - Money
  - Securities

CONSIDERATION:

- Payment made or to be made in money or otherwise for the supply of G/S by recipient/ any other person
- Monetary value of any act or forbearance for the supply of G/S by recipient/ any other person
- Exception:
  - Subsidy given by CG/ SG
  - Deposit given when supplier doesn't apply such deposit as consideration for the supply (Refundable security deposit)

RECIPIENT:

- Consideration is payable = Person who is liable to pay that consideration
- No consideration is payable = Person to whom the goods are delivered or the services are rendered
- Agent acting on behalf of the recipient

SUPPLIER:

- Person supplying the goods/ services/ both or his agent

DEEMED SUPPLIER OF SPECIFIED ACTIONABLE CLAIMS:

- Means a person who organises or arranges supply of specified actionable claims
- Including a person who owns, operates or manages digital/electronic platform for supply of specified actionable claims
    - Whether such actionable claims are supplied by/ through him
    - 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

REGISTERED PERSON:

- Means a person who is registered u/s 25
- Does not include a person having Unique Identity Number

TAXABLE PERSON:

- Means a person who is registered or liable to be registered u/s 22 or 24 of the CGST Act

TAXABLE EVENT:

- Any transaction that results in a tax consequence
- Under GST, "Supply" i.e., supply of goods/ services/ both is the taxable event

TAXABLE SUPPLY:

- Means a supply of G/S
    - Which is leviable to tax under GST Law

NON-TAXABLE SUPPLY:

- Means a supply of G/S
    - Which is not leviable to tax under CGST or IGST Act

EXEMPT SUPPLY:

- Means supply of any G/S
    - Which attracts nil rate of tax or
    - Which may be wholly exempt from tax
- Includes non-taxable supply

ZERO-RATED SUPPLY:

- Means any of the following supplies of G/S namely:
    - Export of G/S or
    - Supply of G/S to a SEZ developer/ unit

PRINCIPAL SUPPLY:

- Supply of G/S which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary

REVERSE CHARGE:

- Means the liability to pay tax
    - By the recipient of supply of G/S

- Instead of the supplier of such G/S

TAXABLE TERRITORY:

- Territory to which the provisions of this Act Apply

NON-TAXABLE TERRITORY:

- Territory which is outside the taxable territory

INDIA:

- Territory of India as referred to in article 1 of the Constitution
- Its territorial waters, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976
- The air space above its territory and territorial waters

PERSON:

- An individual
- A Hindu Undivided Family
- A firm
- A Limited Liability Partnership
- A company
- An association of persons or a body of individuals, whether incorporated or not, in India or outside India
- A co-operative society registered under any law relating to cooperative societies
- Society as defined under the Societies Registration Act, 1860
- Trust
- Central Government or a State Government
- A local authority
- Any corporation established by or under any Central Act, State Act or Provincial Act or a Government company as defined in section 2(45) of the Companies Act, 2013
- Any body corporate incorporated by or under the laws of a country outside India
- Every artificial juridical person, not falling within any of the above

ASSOCIATED ENTERPRISES:

- An associated enterprise in relation to another enterprise, means an enterprise which participates, directly or indirectly, or through one or more intermediaries, in the management or control or capital of the other enterprise

DOCUMENT:

- Includes written or printed record of any sort and electronic record

VOUCHER:

- An instrument where there is an obligation to accept it as consideration or part consideration for a supply of G/S

- G/S to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument

INVOICE OR TAX INVOICE:

- Tax invoice referred to in section 31

WORKS CONTRACT:

- Contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract

PRINCIPAL:

- A person on whose behalf an agent carries on the business of supply or receipt of G/S

AGENT:

- Means a person who carries on the business of supply or receipt of G/S on behalf of another
- Including a factor, broker, commission agent, del credere agent, arhatia, an auctioneer or any other mercantile agent

GOVERNMENT:

- Means the Central Government

LOCAL AUTHORITY:

- A "Panchayat" as defined in clause (d) of article 243 of the Constitution
- A "Municipality" as defined in clause (e) of article 243P of the Constitution
- A Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund
- A Cantonment Board as defined in section 3 of the Cantonments Act, 2006
- A Regional Council or a District Council constituted under the Sixth Schedule to the Constitution
- A Development Board constituted under article 371 and article 371J of the Constitution
- A Regional Council constituted under article 371A of the Constitution

PROPER OFFICER:

- In relation to any function to be performed under this Act, means the Commissioner or the officer of CGST who is assigned that function by the Commissioner in the Board

COMMISSIONER:

- Means the Commissioner of central tax
- Includes the Principal Commissioner of CGST appointed u/s 3 and the Commissioner of IGST appointed under IGST Act

TAX PERIOD:

- Period for which the return is required to be furnished

MANUFACTURE:

- Processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term "manufacturer" shall be construed accordingly

ACTIONABLE CLAIM:

- A claim to any debt, other than
  - Debt secured by mortgage of immovable property
  - Debt secured by hypothecation or pledge of movable property
  - Debt secured to any beneficial interest in movable property

  not in the possession, either actual or constructive, of the claimant, which the civil courts recognise as affording grounds for relief, whether such debt or beneficial interest be existent, accruing, conditional or contingent

MONEY:

- Means the Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveller cheque, money order, postal or electronic remittance or any other instrument
- Recognised by RBI when used as a consideration to settle an obligation or exchange with Indian legal tender of another denomination
- Not include any currency that is held for its numismatic value

BUSINESS:

- Any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, even if there is no pecuniary benefit
  - Any activity incidental/ ancillary to it
  - Any activity of same nature even if no volume/ continuity
- Supply/ acquisition of goods including capital G/S in connection with commencement/ closure of business
- Provision of facilities by club/ association etc., to its members for consideration
- Admission of persons to any premises for consideration
- Services as holder of office accepted in course/ furtherance of trade, profession or vocation
- Activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club
- Any activity by Government/ local authority as public authorities

COMMON PORTAL:

- Common goods and services tax electronic portal referred to in section 146

ELECTRONIC COMMERCE:

- Supply of G/S including digital products over digital or electronic networks

ELECTRONIC COMMERCE OPERATOR:

- Any person who owns, operates or manages a digital or electronic facility or platform for electronic commerce

CONTINUOUS JOURNEY:

- Means a journey for which a single or more than one ticket or invoice is issued at the same time, either by a single supplier of service or through an agent acting on behalf of more than one supplier of service
- Involves no stopover between any of the legs of the journey for which one or more separate tickets or invoices are issued

STOPOVER:

- Means a place where a passenger can disembark either to transfer to another conveyance or break his journey for a certain period in order to resume it at a later point of time

CONTINUOUS SUPPLY OF GOODS:

- Supply of goods provided or agreed to be provided continuously or on recurring basis, under a contract, and for which the supplier issues an invoice to the recipient on a regular or periodic basis
- Includes supply of goods specified by CG

CONTINUOUS SUPPLY OF SERVICES:

- Supply of services provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding 3 months with periodic payment obligations
- Includes supply of services specified by CG

PLACE OF BUSINESS:

- A place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives G/S, or
- A place where a taxable person maintains his books of account, or
- A place where a taxable person is engaged in business through an agent

PRINCIPAL PLACE OF BUSINESS:

- Means the place of business specified as the principal place of business in the certificate of registration

FIXED ESTABLISHMENT:

- Means a place other than the place of business which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs

CONVEYANCE:

- Includes a vessel, an aircraft and a vehicle

AGGREGATE TURNOVER:

- Value of all taxable supplies + Exempt supplies + Exports of G/S + Inter-State supplies of persons having same Permanent Account computed on all India basis
- Excluding value of inward supplies on which tax is paid on RCM, taxes & cess

✓ Aggregate turnover ⇒ Computed on all India basis
✓ Turnover ⇒ Computed on State/ UT wise

LOCATION OF THE RECIPIENT OF SERVICES:

- Supply is received at:
  - Place of business for which registration is obtained = Location of such place of business
  - Place other than the place of business for which registration has been obtained (Fixed establishment) = Location of such fixed establishment
  - More than 1 establishment (Whether place of business or fixed establishment) = Location of the establishment most directly concerned with the receipt of the supply
- In absence of such places = Location of usual place of residence of the recipient

LOCATION OF THE SUPPLIER OF SERVICES:

- Supply is made from:
  - Place of business for which registration is obtained = Location of such place of business
  - Place other than the place of business for which registration has been obtained (Fixed establishment) = Location of such fixed establishment
  - More than 1 establishment (Whether place of business or fixed establishment) = Location of the establishment most directly concerned with the provision of the supply
- In absence of such places = Location of usual place of residence of the supplier

FAMILY:

- Spouse & children
- Parents, grandparents, brothers & sisters (only if they are wholly/ mainly dependant)

CENTRAL TAX:

- Central goods and services tax levied under section 9 of the CGST Act

INTEGRATED TAX:

- Integrated goods and services tax levied under section 5 of the IGST Act

STATE TAX:

- Tax levied under any State Goods and Services Tax Act

NOTIFICATION:

- Means a notification published in the official gazette
- Expressions “notify” and “notified” shall be constructed accordingly

CAPITAL GOODS:

- Means goods,
  - Value of which is capitalized in the books of account of the person claiming the ITC &
  - Used or intended to be used in the course or furtherance of business

INPUT:

- Means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business

INPUT SERVICE:

- Means any service used or intended to be used by a supplier in the course or furtherance of business

INPUT TAX:

- In relation to a registered person, means the central tax, State tax, integrated tax or Union territory tax charged on any supply of G/S made to him
- Includes:
  - IGST charged on import of goods
  - Tax payable under reverse charge mechanism
- Does not include the tax paid under the composition levy

INPUT TAX CREDIT:

- Means the credit of input tax

INWARD SUPPLY:

- In relation to a person, means receipt of G/S whether by purchase, acquisition or any other means with or without consideration

MOTOR VEHICLE:

- Means
  - Any mechanically propelled vehicle
  - Adapted for use upon roads
  - Whether power of propulsion is transmitted thereto from an external or internal source
- Includes a chassis to which a body has not been attached and a trailer
- Does not include
  - Vehicle running upon fixed rails

- Vehicle of a special type adapted for use only in a factory or in any other enclosed premises
- Vehicle having less than 4 wheels fitted with engine capacity of not exceeding 25cc

NON-RESIDENT TAXABLE PERSON:

- Means any person who occasionally undertakes transactions involving supply of G/S, whether as principal or agent or in any other capacity
- Has no fixed place of business or residence in India

QUARTER:

- Means a period comprising 3 consecutive calendar months, ending on the last day of March, June, September and December of a calendar year

SPECIFIED ACTIONABLE CLAIMS:

- Lottery, betting, gambling, horse racing, casinos & online money gaming

ONLINE MONEY GAMING:

- 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
  - Whether the same is permissible or otherwise under any other law for the time being in force

ONLINE GAMING:

- Means offering of a game on the internet or an electronic network and includes online money gaming

Note: It Covers all the definitions from the following chapters as per the ICAI Material:
Chapter 2 – Supply under GST
Chapter 3 – Charge of GST
Chapter 4 – Place of Supply
Chapter 6 – Time of Supply
Chapter 7 – Value of Supply
Chapter 8 – Input Tax Credit
Chapter 11 – Accounts and Records
Chapter 12 – E-way Bill
Chapter 14 – TDS & TCS