



PLACE OF SUPPLY



The section numbers referred to in the Chapter pertain to IGST Act, unless otherwise specified.

LEARNING OUTCOMES

After studying this Chapter, you will be able to–

- ❑ explain the provisions relating to determination of place of supply of goods, both in case of domestic as well as cross-border transactions and analyse the same to determine the place of supply in a given situation
- ❑ explain the provisions relating to determination of place of supply of services, both in case of domestic as well as cross-border transactions and analyse the same to determine the place of supply in a given situation



1. INTRODUCTION

The basic principle of GST is that it should effectively tax the consumption of such supplies at the destination thereof or as the case may be at the point of consumption. The place of supply provisions determine the place i.e., taxable jurisdiction where the tax should reach. The place of supply and the location of the supplier are the two determinants to ascertain the nature of supply i.e., whether a supply is intra-State or inter- State. In other

words, these two factors are required to determine whether a supply is subject to SGST/UTGST plus CGST in a given State/ Union Territory or else would attract IGST if it is an inter-State supply.

If an inter-State transaction is wrongly treated as intra-State or *vice-versa* and tax paid accordingly, the correct tax will need to be paid and refund claimed for tax wrongly paid. Though no interest is levied in such a case, procedural requirements increase and working capital gets blocked where the amount involved is huge. Hence, determining correct place of supply is of paramount importance

Chapter V of the IGST Act [Sections 10 to 13] prescribes the provisions relating to place of supply of goods and services in cross border transactions as well as domestic transactions.

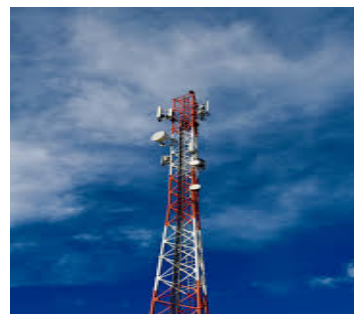
Different provisions for determining place of supply of goods and services

Goods being tangible do not pose any significant problems for determination of their place of consumption. Services being intangible pose problems w.r.t determination of place of supply mainly due to following factors:

- The manner of delivery of service could be altered easily.

For example, telecom service could change from

SGST of
Supply
Place
IGST
CGST



post-paid to pre-paid or billing address of the customer could be changed, repair or maintenance of software could be changed from onsite to online; banking services earlier required customer to go to the bank, now the customer can avail service from anywhere.



- ❑ Service provider, service receiver and the service provided may not be ascertainable or may easily be suppressed as nothing tangible moves and there would hardly be any trail.
- ❑ For supplying a service, a fixed location of service provider is not mandatory and even the service recipient may receive service while on the move. The location of billing could be changed overnight.

- ❑ Sometime the same element may flow to more than one location, for example, construction or other services in respect of a railway line, a national highway or a bridge on a river which originate in one State and end in the other State.



Similarly, a copyright for distribution and exhibition of film could be assigned for many states in a single transaction or an advertisement or a programme is broadcasted across the country at the same time.



An airline may issue seasonal tickets, containing say 10 leaflets which could be used for travel between any two locations in the country.



The card issued by New Delhi metro could be used by a person located in Noida, or New Delhi or Faridabad, without the New Delhi metro being able to distinguish the location or journeys at the time of receipt of payment.

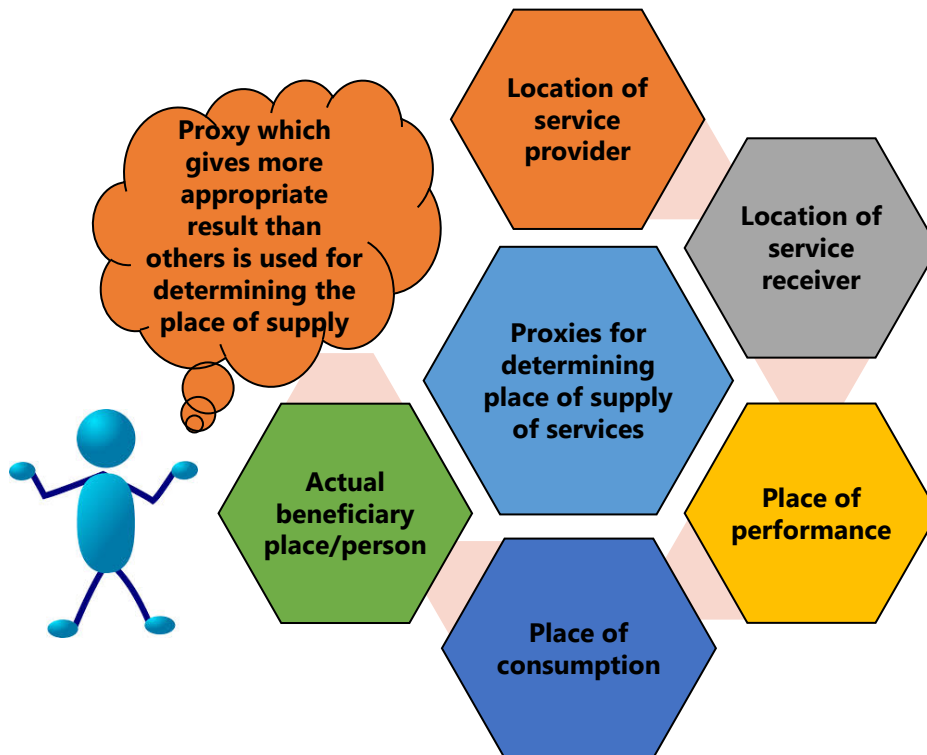
- ❑ Services are continuously evolving and thus, continue to pose newer challenges. For example, 15-20 years back no one

could have thought of DTH, online information, online banking, online booking of tickets, internet, mobile telecommunication etc.

Proxies to determine place of supply of services

The various elements involved in a service transaction can be used as proxies to determine the place of supply. An assumption or proxy which gives more appropriate result than others for determining the place of supply, can be used for determining the place of supply. The same are discussed below:

- (a) location of service provider;
- (b) location of service receiver;
- (c) place where the activity takes place/ place of performance;
- (d) place where the service is consumed; and
- (e) place/person to which/whom actual benefit flows



Separate rules for place of supply in respect of B2B and B2C transactions

In respect of B2B (business to business) transactions, the supply is made by a

registered person to another registered person and the taxes paid are taken as credit by the recipient so such transactions are just pass through. GST collected on B2B supplies effectively create a liability for the Government and an asset for the recipient of such supplies in as much as the recipient is entitled to use the input tax credit (ITC) for payment of future taxes. For B2B transactions the location of recipient takes care in almost all situations as further credit is to be taken by recipient. The recipient usually further supplies to another customer.

The supply is consumed only when a B2B transaction is further converted into B2C (business to consumer) transaction. In respect of B2C transactions, the supply is made to an unregistered person who consumes the same and the taxes paid actually reach the Government.

B2B means business to business transaction. In such type of transactions, the recipient is also a registered supplier and hence, takes ITC.

B2C means business to consumer transaction. In such type of transactions, the recipient is consumer or unregistered and hence, will not take or cannot take ITC.



2. RELEVANT DEFINITIONS



- ❑ **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, and which involves no stopover between any of the legs of the journey for which one or more separate tickets or invoices are issued.

Explanation.—For the purposes of this clause, the term “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 [Section 2(3)].

The term conveyance has been defined in section 2(34) of the CGST Act to include a vessel, an aircraft and a vehicle.

- ❑ **Export of goods** with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India; [Section 2(5)].

This definition is similar to the definition of 'export' given under Customs Act, 1962.

- ❑ **Export of services** means the supply of any service when

- (a) the supplier of service is located in India,
- (b) the recipient of service is located outside India,
- (c) the place of supply of service is outside India,
- (d) the payment for such service has been received by the supplier of service in convertible foreign exchange, and
- (e) the supplier of service and recipient of service are not merely establishments of a distinct person in accordance with explanation 1 of section 8 [Section 2(6)].

As per Explanation 1 to Section 8, the following are treated as establishments of distinct persons:

- an establishment in India and any other establishment outside India;
- an establishment in a State or Union territory and any other establishment outside that State or Union territory; or
- an establishment in a State or Union territory and any other establishment being a business vertical registered within that State or Union territory

- ❑ **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 [Section 2(7)].

- ❑ **Import of goods** with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India [Section 2(10)].

This definition is again similar to the definition of 'import' under the Customs Act, 1962.

In *Kiran Spinning Mills v. CC* 1999 (113) ELT 753 (SC 3 member bench), it has been held that import is completed only when goods cross the customs barrier.

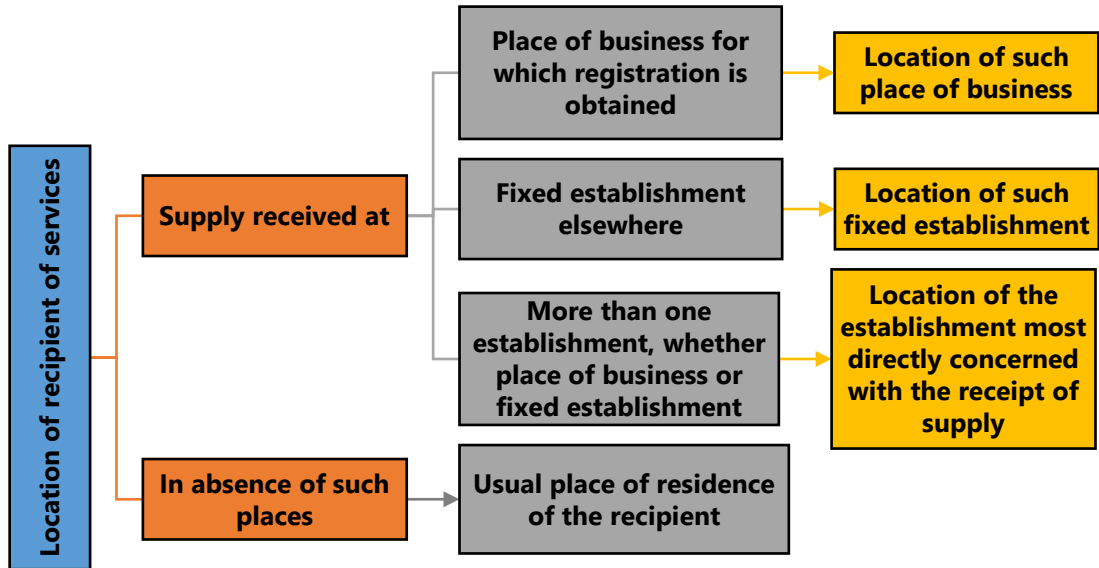
In *Garden Silk Mills Ltd. UOI* 1999 AIR SCW 4150 (SC 3 member bench), it has been held that import of goods in India commences when they enter into territorial waters but continues and is completed when the goods become part of the mass of goods within the country.

- ❑ **Import of services** means the supply of any service, where
 - (a) the supplier of service is located outside India,
 - (b) the recipient of service is located in India, and
 - (c) the place of supply of service is in India [Section 2(11)].
- ❑ **Intermediary** means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services or both or securities on his own account [Section 2(13)].
- ❑ **Location of the recipient of services** means:
 - (a) where a supply is received at a place of business for which registration has been obtained, the location of such place of business;
 - (b) where a supply is received at a place other than the place of business for which registration has been obtained, that is to say, a fixed establishment elsewhere, the location of such fixed establishment;
 - (c) where a supply is received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply; and
 - (d) in absence of such places, the location of the usual place of residence of the recipient [Section 2(17)].

The definition of 'fixed establishment' for this purpose has been discussed above. The definition of 'place of business' is discussed later.



The above definition relates only to services. The term 'location of recipient of goods' has not been defined in the Act.

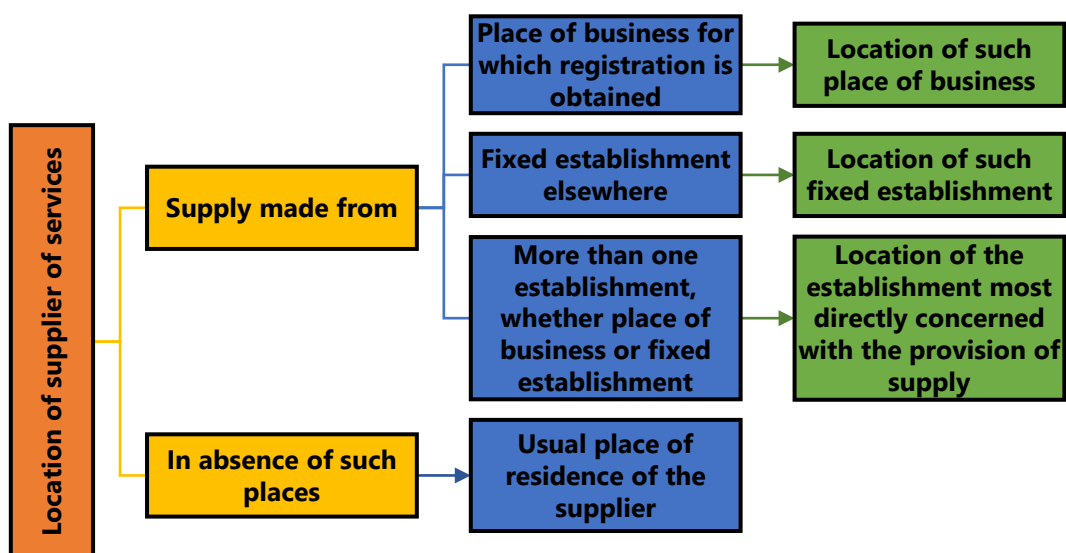


□ **Location of the supplier of services** means:

- where a supply is made from a place of business for which registration has been obtained, the location of such place of business;
- where a supply is made from a place other than the place of business for which registration has been obtained, that is to say, a fixed establishment elsewhere, the location of such fixed establishment;
- where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provision of the supply; and
- in absence of such places, the location of the usual place of residence of the supplier [Section 2(18)]



The above definition relates only to services. The term 'location of supplier of goods' has not been defined in the Act.



□ **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,—

- (i) advertising on the internet;
- (ii) providing cloud services;
- (iii) provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;
- (iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;
- (v) online supplies of digital content (movies, television shows, music and the like);
- (vi) digital data storage; and
- (vii) online gaming [Section 2(17)].



❑ **Place of business** includes

For the purposes of this Act, where a person has,—

- (i) an establishment in India and any other establishment outside India;
- (ii) an establishment in a State or Union territory and any other establishment outside that State or Union territory; or
- (iii) an establishment in a State or Union territory and any other establishment being a business vertical registered within that State or Union territory, then such establishments shall be treated as establishments of distinct persons. [Section 2(85) of CGST Act.]



This is an inclusive definition and is applicable for both goods and services.

❑ **Supply** shall have the same meaning as assigned to it in section 7 of the Central Goods and Services Tax Act [Section 2(21)].

❑ **Words and expressions** used and not defined in this Act but defined in the Central Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act shall have the same meaning as assigned to them in those Acts [Section 2(24)].

❑ **Recipient** of supply of goods or services or both, means—


- where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;
- where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and
- where no consideration is payable for the supply of a service, the person to whom the service is rendered,
- and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied [Section 2(93) of the CGST Act].

❑ **Supplier** in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting

as such on behalf of such supplier in relation to the goods or services or both supplied [Section 2(105) of the CGST Act].



3. PLACE OF SUPPLY OF GOODS OTHER THAN SUPPLY OF GOODS IMPORTED INTO, OR EXPORTED FROM INDIA [SECTION 10]

 STATUTORY PROVISIONS		
Section 10	<i>Place of supply of goods other than supply of goods imported into, or exported from India</i>	
Sub-section	Clause	Particulars
(1)		<i>The place of supply of goods, other than supply of goods imported into, or exported from India, shall be as under,—</i>
	(a)	<i>where the supply involves movement of goods, whether by the supplier or the recipient or by any other person, the place of supply of such goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient;</i>
	(b)	<i>where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person;</i>
	(c)	<i>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;</i>

	(d)	where the goods are assembled or installed at site, the place of supply shall be the place of such installation or assembly;
	(e)	where the goods are supplied on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, the place of supply shall be the location at which such goods are taken on board.
(2)		Where the place of supply of goods cannot be determined, the place of supply shall be determined in such manner as may be prescribed.



ANALYSIS

Section 10 prescribes the provisions for determining the place of supply of goods in domestic transactions i.e., within India. Sub-section (1) of section 10 sets out five rules to provide the place of supply of goods in the following specific situations:

- ❖ Supply involving movement of goods
- ❖ Goods delivered on bill to ship to model
- ❖ Supply not involving movement of goods
- ❖ Goods assembled/installed at site
- ❖ Goods supplied on board a conveyance

Each of the above situation is discussed below. For residual cases, sub-section (2) of section 10 provides that where the place of supply of goods cannot be determined, the Government may prescribe the manner to ascertain the same.

It must be kept in mind that the provisions of section 10 discussed hereunder are all in relation to domestic supply of goods.

(i) Supply involving movement of goods [Section 10(1)(a)]

In case of supply involving movement of goods, the place of supply is the location of the goods at the time when the movement of goods terminates (ends) for delivery to the recipient.

The 'location of the goods' is a question of fact to be ascertained by observing the journey that the goods supplied make from their origin from supplier to termination with the recipient. This movement, however, can be

undertaken by the supplier or recipient or even any other person after having disclosed the destination of the movement of goods.

It is important to understand that this provision does not apply in cases where there is no movement of goods. Also, the provision does not link itself to transfer of property in goods but to the movement of the goods.



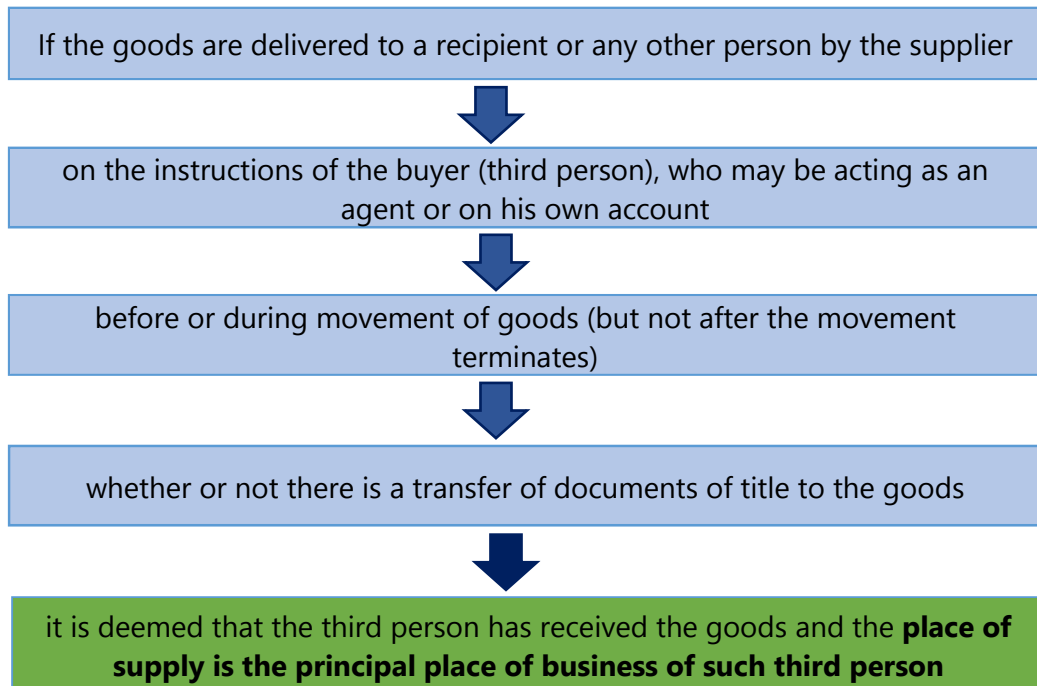
(i) Mr. A of Nasik, Maharashtra sells 10 refrigerators to Mr. B of Pune, Maharashtra for delivery at Mr. B's place of business in Pune. The place of supply is Pune in Maharashtra.

(ii) Mr. A of Nasik, Maharashtra sells 20 refrigerators to Mr. C of Ahmedabad, Gujarat for delivery at Mr. C's place of business in Ahmedabad. The place of supply is Ahmedabad.

(ii) Supply involving movement of goods delivered to recipient on the instruction of third person – Bill to Ship to Sale [Section 10(1)(b)]

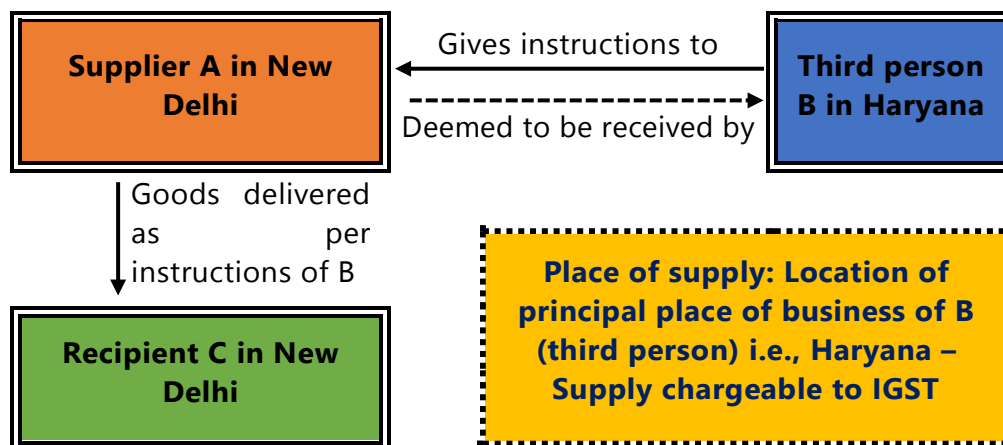
Clause (b) of section 10(1) lays down the provisions to determine the place of supply in cases where there is a tripartite arrangement of supply, commonly known as bill to ship to transactions or where there is a sale of goods in transit by the original buyer/ agents.

As per section 10(1)(b),



In simple words, **where goods are delivered by the supplier to the recipient at the instruction of a third person, the place of supply is the principal place of business of such third person and not of the actual recipient.**

It is important to identify the two supplies involved in this transaction– by supplier to third person and by third person to recipient. This provision deals only with the first limb of supply i.e., supply by supplier to third person.



Even though section 2(93) of CGST Act defines recipient, *inter alia*, as the 'payer of the consideration'; in this provision, recipient is the one who actually collects the goods and the third person is the one who enjoys privity with the supplier to be able to direct him to deliver the goods.



Mr. X (a supplier registered in Uttar Pradesh having principal place of business at Noida) asks Mr. Y of Ahmedabad, Gujarat to deliver 50 washing machines to his buyer Mr. Z at Jaipur, Rajasthan. In this case, two supplies are involved, one between Mr. X and Mr. Z and other between Mr. Y and Mr. X.

While the former supply is covered under clause (a) of section 10(1), the latter one i.e., between Mr. Y and Mr. X is covered under clause (b) of section 10(1). Accordingly, in this case, the place of supply of goods is not the location of delivery of such goods (Jaipur) but the principal place of business of third person i.e., principal place of business of Mr. X located at Noida.

(iii) Supply not involving movement of goods [Section 10(1)(c)]

If the supply does not involve movement of goods, the place of supply is the location of goods at the time of delivery to the recipient.



(i) Mr. A (New Delhi) has leased his machine (cost Rs 8,00,000) to Mr. B (Noida, Uttar Pradesh) for production of goods on a monthly rent of ₹ 40,000. After 14 months Mr. B requested Mr. A to sell the machine to him for Rs 4,00,000, which is agreed to by Mr. A.

In this case, there will be no movement of goods and the same will be sold on as is where is basis. Thus, the location of the machine at the time of such sale will be the place of supply i.e., Noida.

(ii) XZ Ltd. (Mumbai, Maharashtra) opens a new branch office at Gurugram, Haryana. It purchases a building for office from KTS Builders (Gurugram) along with pre-installed office furniture and fixtures.



Though there will be no GST liability on purchase of building, office furniture and fixtures will be liable to GST. Since there is no movement of office furniture and fixtures, the place of supply of such goods is their location at the time of delivery to the recipient (XZ Ltd.) i.e., Gurugram.

(iv) Supply involving installation or assembly of goods [Section 10(1)(d)]

If the supply involves goods which are to be installed or assembled at site, the place of supply is the place of such installation or assembly.



(i) Mr. A (New Delhi) purchases a machine from Mr. B (New Delhi) for being installed in his factory at Noida, Uttar Pradesh. The place of supply is the site at which the machine is

installed i.e., Noida.



(ii) Pure Refineries (Mumbai, Maharashtra)

gives a contract to PQ Ltd. (Ranchi, Jharkhand) to assemble a power plant in its Kutch, Gujarat refinery. The place of supply is the site of assembly of power plant i.e., Kutch even though Pure refineries is located in Maharashtra.



(v) Goods supplied on board a conveyance [section 10(1)(e)]

When goods are sold during a journey on board a conveyance, it becomes

difficult to determine the place of supply of goods – whether it is the location from where the journey originates or whether it is the destination or whether it is any of the locations covered by the conveyance during the journey.

Examples of goods sold on board a conveyance can be meals sold during a flight, books and miscellaneous items sold by the hawkers in train etc.



Section 10(1)(e) lays down that **place of supply of goods supplied on a board a conveyance like aircraft, train, vessel, motor vehicle is the location where such goods have been taken on board.**

Place of supply of goods supplied on board a conveyance is determined under this provision even if the supply has been made by any of the passenger on board the conveyance and not by the carrier of the conveyance.



(i) Mr. X (New Delhi) boards the New Delhi-Kota train at New Delhi. He sells the goods taken on board by him (at New Delhi), at Jaipur during the journey. The place of supply of goods is the location at which the goods are taken on board i.e., New Delhi and not Jaipur where they have been sold.

(ii) Mr. W, an unregistered person, purchases coffee and snacks on board a Airjet Mumbai-New Delhi flight. The food items were loaded into the aircraft at Mumbai. The place of supply of goods by Airjet to Mr. W is the location at which the goods are taken on board i.e., Mumbai.

(iii) Ms. P (New Delhi) boards a New Delhi-Kolkata flight to attend a business meeting at Kolkata. She buys lunch in the flight. The food items were loaded into the aircraft at New Delhi. The Airlines is registered in New Delhi and Kolkata. The place of supply of food items by the airlines to Ms. P is the location at which the goods are taken on board i.e., New Delhi. It is irrelevant whether the buyer is registered or unregistered.




(iv) Ms. S, an unregistered person, (New Delhi) is travelling from New Delhi to Kanpur, Uttar Pradesh in a train. The train starts at New Delhi and stops at

three stations before reaching Kanpur. The food items were loaded into the train at Aligarh (Uttar Pradesh) – 2nd Station. Ms. S buys dinner on board the train. The place of supply is the location at which the goods are taken on board i.e., Aligarh. The location at which Ms. S boards the train is irrelevant.



4. PLACE OF SUPPLY OF GOODS IMPORTED INTO, OR EXPORTED FROM INDIA [SECTION 11]

 STATUTORY PROVISIONS									
Section 11	<i>Place of supply of goods imported into, or exported from India</i>								
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 15%; text-align: center;">Clause</th> <th style="text-align: center;">Particulars</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="text-align: center;"><i>The place of supply of goods,—</i></td> </tr> <tr> <td style="text-align: center;">(a)</td> <td><i>imported into India shall be the location of the importer;</i></td> </tr> <tr> <td style="text-align: center;">(b)</td> <td><i>exported from India shall be the location outside India.</i></td> </tr> </tbody> </table>	Clause	Particulars	<i>The place of supply of goods,—</i>		(a)	<i>imported into India shall be the location of the importer;</i>	(b)	<i>exported from India shall be the location outside India.</i>
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ANALYSIS

Section 11 deals with the determination of place of supply in cases involving import and export of goods.

It must be kept in mind that the provisions of section 11 discussed hereunder are all in relation to cross border supply of goods.

(i) Export of goods [Section 11(a)]

Section 2(5) defines export of goods to mean taking goods out of India to a place outside India.

Under the GST Law, export of goods has been treated as:

- inter-State supply
- 'zero rated supply' i.e., the goods or services exported shall be relieved



of GST levied upon them either at the input stage or at the final product stage.

The place of supply in case of export of goods is the place where they have been exported i.e., the destination outside India.



Ms. Reshmi (New Delhi) exports spices from New Delhi to London, UK. The place of supply is London.

(ii) Import of goods [Section 11(b)]

The import of goods has been defined in section 2(10) of the IGST Act as bringing goods into India from a place outside India. All imports are deemed as inter-State supplies and accordingly IGST is levied in addition to the applicable custom duties.

If the goods have been imported in India, the place of supply of goods is the place where the importer is located.



Ms. M imports electric kettles from China for her Kitchen Store in Noida, Uttar Pradesh. Ms. M is registered in Uttar Pradesh. The place of supply is Noida.



5. PLACE OF SUPPLY OF SERVICES WHERE LOCATION OF SUPPLIER OF SERVICE AND THE LOCATION OF THE RECIPIENT OF SERVICE IS IN INDIA [SECTION 12]



STATUTORY PROVISIONS

Section 12

Place of supply of services where location of supplier of service and the location of the recipient of service is in India

Sub-section	Clause	Particulars
(1)		<i>The provisions of this section shall apply to determine the place of supply of services where the location of supplier of services and the location of the recipient of services is in India.</i>
(2)		<i>The place of supply of services, except the services specified in sub-sections (3) to (14),—</i>
	(a)	<i>made to a registered person shall be the location of such person;</i>
	(b)	<i>made to any person other than a registered person shall be,—</i>
	(i)	<i>the location of the recipient where the address on record exists; and</i>
	(ii)	<i>the location of the supplier of services in other cases.</i>
(3)		<i>The place of supply of services,—</i>
	(a)	<i>directly in relation to an immovable property, including services provided by architects, interior decorators, surveyors, engineers and other related experts or estate agents, any service provided by way of grant of rights to use immovable property or for carrying out or co-ordination of construction work; or</i>
	(b)	<i>by way of lodging accommodation by a hotel, inn, guest house, home stay, club or campsite, by whatever name called, and including a house boat or any other vessel; or</i>
	(c)	<i>by way of accommodation in any immovable property for organising any marriage or reception or matters related thereto, official, social, cultural, religious or business</i>

		<i>function including services provided in relation to such function at such property; or</i>
	(d)	<i>any services ancillary to the services referred to in clauses (a), (b) and (c),</i>
		<i>shall be the location at which the immovable property or boat or vessel, as the case may be, is located or intended to be located:</i>
		<i>Provided that if the location of the immovable property or boat or vessel is located or intended to be located outside India, the place of supply shall be the location of the recipient.</i>
		<i>Explanation.—Where the immovable property or boat or vessel is located in more than one State or Union territory, the supply of services shall be treated as made in each of the respective States or Union territories, in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.</i>
(4)		<i>The place of supply of restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery shall be the location where the services are actually performed.</i>
(5)		<i>The place of supply of services in relation to training and performance appraisal to</i>
	(a)	<i>a registered person, shall be the location of such person;</i>
	(b)	<i>a person other than a registered person, shall be the location where the services are actually performed.</i>
(6)		<i>The place of supply of services provided by way of admission to a cultural, artistic, sporting, scientific, educational, entertainment</i>

	<i>event or amusement park or any other place and services ancillary thereto, shall be the place where the event is actually held or where the park or such other place is located.</i>								
(7)	<p><i>The place of supply of services provided by way of,—</i></p> <table border="1"> <tr> <td><i>(a)</i></td> <td><i>organisation of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events; or</i></td> </tr> <tr> <td><i>(b)</i></td> <td><i>services ancillary to organisation of any of the events or services referred to in clause (a) , or assigning of sponsorship to such events,—</i></td> </tr> <tr> <td><i>(i)</i></td> <td><i>to a registered person, shall be the location of such person;</i></td> </tr> <tr> <td><i>(ii)</i></td> <td><i>to a person other than a registered person, shall be the place where the event is actually held and if the event is held outside India, the place of supply shall be the location of the recipient.</i></td> </tr> </table> <p><i>Explanation.—Where the event is held in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such event, the place of supply of such services shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.</i></p>	<i>(a)</i>	<i>organisation of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events; or</i>	<i>(b)</i>	<i>services ancillary to organisation of any of the events or services referred to in clause (a) , or assigning of sponsorship to such events,—</i>	<i>(i)</i>	<i>to a registered person, shall be the location of such person;</i>	<i>(ii)</i>	<i>to a person other than a registered person, shall be the place where the event is actually held and if the event is held outside India, the place of supply shall be the location of the recipient.</i>
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<i>(b)</i>	<i>services ancillary to organisation of any of the events or services referred to in clause (a) , or assigning of sponsorship to such events,—</i>								
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<i>(ii)</i>	<i>to a person other than a registered person, shall be the place where the event is actually held and if the event is held outside India, the place of supply shall be the location of the recipient.</i>								
(8)	<p><i>The place of supply of services by way of transportation of goods, including by mail or courier to,—</i></p> <table border="1"> <tr> <td><i>(a)</i></td> <td><i>a registered person, shall be the location of such person;</i></td> </tr> </table>	<i>(a)</i>	<i>a registered person, shall be the location of such person;</i>						
<i>(a)</i>	<i>a registered person, shall be the location of such person;</i>								

	(b)	<i>a person other than a registered person, shall be the location at which such goods are handed over for their transportation.</i>
(9)	<i>The place of supply of passenger transportation service to,—</i>	
	(a)	<i>a registered person, shall be the location of such person;</i>
	(b)	<i>a person other than a registered person, shall be the place where the passenger embarks on the conveyance for a continuous journey:</i>
	<i>Provided that where the right to passage is given for future use and the point of embarkation is not known at the time of issue of right to passage, the place of supply of such service shall be determined in accordance with the provisions of sub-section (2).</i>	
	<i>Explanation.—For the purposes of this sub-section, the return journey shall be treated as a separate journey, even if the right to passage for onward and return journey is issued at the same time.</i>	
(10)	<i>The place of supply of services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, shall be the location of the first scheduled point of departure of that conveyance for the journey.</i>	
(11)	<i>The place of supply of telecommunication services including data transfer, broadcasting, cable and direct to home television services to any person shall,—</i>	
	(a)	<i>in case of services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna, be the location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services;</i>

	(b)	<i>in case of mobile connection for telecommunication and internet services provided on post-paid basis, be the location of billing address of the recipient of services on the record of the supplier of services;</i>
	(c)	<p><i>in cases where mobile connection for telecommunication, internet service and direct to home television services are provided on pre-payment basis through a voucher or any other means,—</i></p> <p>(i) <i>through a selling agent or a re-seller or a distributor of subscriber identity module card or re-charge voucher, be the address of the selling agent or re-seller or distributor as per the record of the supplier at the time of supply; or</i></p> <p>(ii) <i>by any person to the final subscriber, be the location where such pre- payment is received or such vouchers are sold;</i></p>
	(d)	<p><i>in other cases, be the address of the recipient as per the records of the supplier of services and where such address is not available, the place of supply shall be location of the supplier of services:</i></p> <p><i>Provided that where the address of the recipient as per the records of the supplier of services is not available, the place of supply shall be location of the supplier of services:</i></p> <p><i>Provided further that if such pre-paid service is availed or the recharge is made through internet banking or other electronic mode of payment, the location of the recipient of services on the record of the supplier of services shall be the place of supply of such services.</i></p>
	<i>Explanation.—Where the leased circuit is installed in more than</i>	

	<p><i>one State or Union territory and a consolidated amount is charged for supply of services relating to such circuit, the place of supply of such services shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.</i></p>				
(12)	<p><i>The place of supply of banking and other financial services, including stock broking services to any person shall be the location of the recipient of services on the records of the supplier of services:</i></p> <p><i>Provided that if the location of recipient of services is not on the records of the supplier, the place of supply shall be the location of the supplier of services.</i></p>				
(13)	<p><i>The place of supply of insurance services shall,—</i></p> <table border="1" data-bbox="419 938 1299 1170"> <tr> <td data-bbox="419 938 535 1006" style="text-align: center; vertical-align: top;"><i>(a)</i></td> <td data-bbox="543 938 1299 1006"><i>to a registered person, be the location of such person;</i></td> </tr> <tr> <td data-bbox="419 1016 535 1170" style="text-align: center; vertical-align: top;"><i>(b)</i></td> <td data-bbox="543 1016 1299 1170"><i>to a person other than a registered person, be the location of the recipient of services on the records of the supplier of services.</i></td> </tr> </table>	<i>(a)</i>	<i>to a registered person, be the location of such person;</i>	<i>(b)</i>	<i>to a person other than a registered person, be the location of the recipient of services on the records of the supplier of services.</i>
<i>(a)</i>	<i>to a registered person, be the location of such person;</i>				
<i>(b)</i>	<i>to a person other than a registered person, be the location of the recipient of services on the records of the supplier of services.</i>				
(14)	<p><i>The place of supply of advertisement services to the Central Government, a State Government, a statutory body or a local authority meant for the States or Union territories identified in the contract or agreement shall be taken as being in each of such States or Union territories and the value of such supplies specific to each State or Union territory shall be in proportion to the amount attributable to services provided by way of dissemination in the respective States or Union territories as may be determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.</i></p>				



ANALYSIS

Section 12 contains the provisions for determining the place of supply of services where both the location of supplier and the location of recipient are in India. If either of the two persons (supplier or recipient) is outside India, the place of supply is determined by section 13.

Section 12 lays down a general rule to determine the place of supply of services as well as few other rules to determine place of supply of certain specific services. Thus, place of supply is determined as per general rule in respect of services other than the ones covered by the specific rules.

It is also important to note that in many cases, the section provides different places of supply for a service supplied to registered and unregistered persons.

It must be kept in mind that the provisions of section 12 discussed hereunder are all in relation to domestic supply of services.

(i) General Rule [Section 12(2)]

The rule is applicable only if the supply of service does not fall in any of the specific cases provided under section 12.

The rule provides that the **place of supply of services made to a registered person is the location of the person receiving the services**. Since the supplier has the GSTIN of the person receiving the service, the location of such GSTIN is the place of supply.

However, if the services is supplied to an unregistered person, the place of supply is:

- a) the location of such unregistered person, if the address of the unregistered person is available in the records of the supplier
- b) the location of the supplier of services in other cases

The provision can be summarized as under:

Nature of Supply	Place of Supply	
	Recipient is registered	Recipient is unregistered
Supply of services	Location of	a) If the address of the

other than the ones specified in sub-sections (3) to (14) of section 12	recipient	unregistered person is available in the records of the supplier, the location of such unregistered person. b) In other cases, the location of the supplier of services
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★ **The default presumption for place of supply in respect of registered recipients (B2B supply of services) is the location of such person. Since the recipient is registered, address of recipient is always there and the same can be taken as proxy for place of supply.**

★ **The default presumption for place of supply in respect of unregistered recipients (B2C supply of services) is also the location of recipient. However, in many cases, the address of recipient is not available; in such cases, location of the supplier of services is taken as proxy for place of supply.**



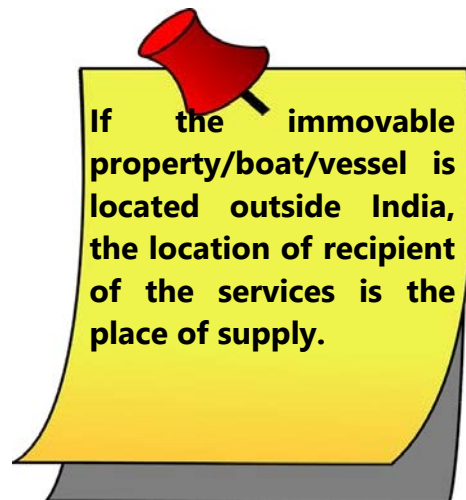
(i) Mr. A (a Chartered Accountant registered in New Delhi) makes a supply of service to his client Mr. B of Noida, Uttar Pradesh (registered in Uttar Pradesh). In this cases, since the supply is made to a registered person, the place of supply is the location of the registered recipient i.e., Noida.

(ii) Mr. A, a barber in Gurugram, Haryana, (registered in Haryana) provides hair cutting services to his client Mr. C who is a resident of New Delhi but is not registered under GST. If the address of Mr. C is available in the records of Mr. A, location of Mr. C i.e., New Delhi will be the place of supply, else the location of Mr. A, which is Gurugram, will be the place of supply.

(ii) Services in relation to an immovable property/boat/vessel [Section 12(3)]

Section 12(3) covers supplies of services which are in relation to an immovable property or a boat or a vessel. Such services are classified in following major categories:

- (a) Services provided directly in relation to an immovable property including those by
- architect,
 - interior decorator,
 - surveyor,
 - engineer and other related experts,
 - estate agent
- (b) Service provided by way of grant of rights to use immovable property or for carrying out or co-ordination of construction work
- (c) Services provided by way of lodging, accommodation by a
- hotel
 - inn
 - guest house
 - homestay
 - club
 - campsite
 - house boat
 - vessel
- (d) Services provided by way of accommodation in an immovable property for organizing
- any marriage/reception or matters related thereto,
 - official, social, cultural, religious or business functions
 - including services provided in relation to such function at such property
- (e) Services ancillary to the above-mentioned services



In all above cases, **location of the immovable property or the boat or the vessel is the place of supply.**

If the services have been supplied for an immovable property which is yet to be constructed/developed (e.g. architect's services for drawing the plan of a building), the place where such immovable property is intended to be located is the place of supply.



(i) KTS Builders (Mumbai) is constructing a factory building for PLM Pvt. Ltd. (Kolkata), in New Delhi. The place of supply is the location of the immovable property i.e., New Delhi.

(ii) Shah and Shah, an architectural firm at Kolkata, has been hired by MKF Builders of Mumbai to draw up a plan for a high rise building to be constructed by them in Ahmedabad, Gujarat. The place of supply is the place where the immovable property is intended to be located i.e., Ahmedabad.

(iii) Mr. Ramesh, a Chartered Accountant, (New Delhi) travels to Mumbai for business and stays in a hotel there. The place of supply of accommodation service is the place where the hotel is located i.e., Mumbai.

(iv) Mr. X, a consulting engineer based in Mumbai, Maharashtra renders professional services in respect of an immovable property of Mr. Y (Bangalore) located in Australia. Since the immovable property is located outside India, the place of supply of service is the location of recipient i.e., Bangalore and not the place where the immovable property is located (Australia).

Immovable property/Boat/Vessel located in more than one State/Union Territory

Sometimes the immovable property may extend to more than one location, for example, a railway line, a national highway or a bridge on a river may originate in one State and end in the other State or a house boat stay may traverse more than one State.

In such cases, i.e., where the immovable property or boat or vessel is located in more than one State/Union territory, the service is deemed to have been supplied in each of the respective States/Union territories, proportionately in terms of the value of the services.



The provision can be summarized as under:

Nature of Supply	Location of immovable property/ boat/ vessel	Place of Supply
Supply of services relating to immovable property/boat/vessel including accommodation therein	In India	Location of such immovable property/ boat/ vessel
	Outside India	Location of the recipient

(iii) Restaurant service, personal grooming/fitness/ beauty and health services [Section 12(4)]

The place of supply of restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery is the location where such services are actually performed.





(i) Mr. A, a business man from Pune dines in a restaurant at Mumbai while on a business trip. The place of supply of restaurant service is the location where such service is performed i.e., Mumbai.

(ii) Mr. Timmy Ferreira, a makeup artist at Kolkata, goes to Jaipur, Rajasthan for doing the makeup of Ms. Simran Kapoor, a Bollywood actress based in Mumbai. The place of supply is the location where such service is performed i.e., Jaipur.

(iv) Training and performance appraisal services [Section 12(5)]

The place of supply of services in relation to training and performance appraisal depends upon whether the supply is B2B or B2C.

In B2B supply i.e., **where the recipient of service is a registered person, the place of supply is the location of such person.**

However, in case of B2C supply i.e., **where the recipient of service is unregistered, the place of supply is the place where the service is actually performed.**



(i) DEO Consultants (Kolkata) impart GST training to accounts and finance personnel of Sun Cements Ltd. (Guwahati, Assam) at the company's Kolkata office. Since the recipient is registered, the place of supply is the location of the registered person i.e., Guwahati.



(ii) Mr. Suresh (unregistered person based in Noida) signs up with Excellent Linguistics (New Delhi) for training on English speaking at their New Delhi Centre. Since the recipient is unregistered, the place of supply is the location where services are provided i.e., New Delhi.

(v) Services by way of admission to events/amusement park/other places [Section 12(6)]

The place of supply of following services-

(i) services provided by way of admission to following types of events:

Cultural



Educational



Sporting



Scientific

Artistic



Entertainment



- (ii) services provided by way of admission to amusement park or any other place
- (iii) services ancillary to the above-mentioned services

is the **place where the event is actually held or where the park or such other place is located.**



(i) Mr. A, a resident of Ghaziabad, Uttar Pradesh, buys a ticket for a circus organized at Gurugram, Haryana by a circus company based in New Delhi. The place of supply is the location where the circus is held i.e., Gurugram.

(ii) Mr. B of New Delhi buys a ticket for an amusement park located in Noida, Uttar Pradesh. The place of the supply is the location where the park is located i.e., Noida.

(vi) Organisation of events [Section 12(7)]

For supplies related to organization of events or assigning sponsorship to such events, the place of supply depends on whether the supply is made to a registered person or an unregistered person.

When such service is provided to a registered person, the place of supply is location of recipient. When it is provided to an unregistered person, the place of supply is the location where the event is actually held and if the event is held outside India, the place of supply is the location of recipient.

The event can be a cultural, artistic, sporting, scientific, educational or entertainment event. It can also be a conference, fair, exhibition, celebration or other similar event. Place of supply of services ancillary to organisation of such type of events or assigning of sponsorship to such events is also determined under sub-section (7) of section 12 i.e., in the manner described above.

Event held in more than one State/Union Territory

If the event is held in more than one State/union Territory and a consolidated amount is charged for services relating to such event, the place of supply of such services is deemed to be in each of the respective States/Union territories in proportion to the value for services.

The provision can be summarized as under:

Nature of Supply	Place of Supply	
	Recipient is registered	Recipient is unregistered
Organisation of events or services ancillary to the same or assigning of sponsorship to such events	Location of recipient	Location where the event is held
Organisation of events outside India		Location of recipient



(i) Mega Events, an event management company at New Delhi, organizes an award function for Shah Diamond Merchants of Ahmedabad (registered in Gujarat), at Mumbai. Since the recipient is a registered person, the place of supply is the location of the recipient, i.e., Ahmedabad.

(ii) Mega Events, an event management company at New Delhi, organizes an award function for Shah Diamond Merchants of Ahmedabad (registered in Gujarat), at Mauritius. Since the recipient is a registered person, the place of supply is the location of the recipient, i.e., Ahmedabad.

(iii) Grand Wedding Planners (Chennai) is hired by Mr. Ramesh (unregistered person based in Hyderabad) to plan and organise his wedding at New Delhi. The recipient being an unregistered person, the place of supply is the location where the event is held i.e., New Delhi.

(iv) Grand Wedding Planners (Chennai) is hired by Mr. Ramesh (unregistered person based in Hyderabad) to plan and organise his wedding at Seychelles. The recipient being an unregistered person and the event held outside India, the place of supply is the location of the recipient i.e., Hyderabad and not the location where the event is held i.e., Seychelles.

(vii) Transportation of goods including mails [Section 12(8)]

The place of supply of services by way of **transportation of goods, including by mail or courier, etc. provided to a registered person, is the location of such person.**



However, where such **services are provided to an unregistered person, the place of supply is the location at which such goods are handed over for their transportation.**



(i) M/s XYZ Pvt. Ltd. is a registered company in New Delhi. It sends its courier to Pune through M/s Brue Air Courier Service. The recipient being registered person, the place of supply is the location of recipient i.e., New Delhi.

(ii) Mr. Y, an unregistered person, of New Delhi sends a courier to his brother in Amritsar, Punjab. The recipient being unregistered person, the place of supply is the location where goods are handed over for their transportation i.e., New Delhi.

(iii) PR Pvt. Ltd., a Goods Transportation Agency based in Kanpur, Uttar Pradesh, is hired by Hajela Enterprises (registered supplier in Kanpur) to transport its consignment of goods to a buyer in New Delhi. The recipient being registered, the place of supply is the location of recipient i.e., Kanpur.

(iv) ST Pvt. Ltd., a Goods Transportation Agency based in Noida, Uttar Pradesh, is hired by Chhaya Trade Links (registered supplier in New Delhi) to transport its consignment of goods to a buyer in Kanpur, Uttar Pradesh. The recipient being registered, the place of supply is the location of recipient i.e., New Delhi.

(v) Mr. Srikant, a manager in a Bank, is transferred from Bareilly, Uttar Pradesh to Bhopal, Madhya Pradesh. Mr. Srikant's family is stationed in Kanpur, Uttar Pradesh. He hires Goel Carriers of Lucknow, Uttar Pradesh (registered in Uttar Pradesh), to transport his household goods from Kanpur to Bhopal. The recipient being unregistered person, the place of supply is the location where goods are handed over for their transportation i.e., Kanpur.

(viii) Passenger transportation service [Section 12(9)]

Nature of Supply	Place of Supply	
	Recipient is registered	Recipient is unregistered
Passenger transportation	Location of the recipient	Location where the passenger embarks on the conveyance for a continuous journey [See definition]
Issue of right to passage for future use*-point of boarding not known at the time of issue of right		a) If the address of the unregistered person is available in the records of the supplier, the location

		<p>of such unregistered person.</p> <p>b) In other cases, the location of the supplier of services</p>
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* The return journey is treated as a separate journey, even if the tickets for onward and return journey are issued at the same time.



Examples of issue of right to passage for future use-point of boarding not known at the time of issue of right

(i) An airline may issue seasonal tickets, containing say 10 leafs which could be used for travel between any two locations in the country.

(ii) The card issued by New Delhi metro could be used by a person located in Noida, or New Delhi or Faridabad, without the New Delhi metro being able to distinguish the location or journeys at the time of receipt of payment.



(i) Mr. Amar (registered person in New Delhi) travels from Mumbai to Bangalore in Airjet flight. Mr. Amar has bought the tickets for the journey from Airjet's office registered in New Delhi. The place of supply is the location of recipient i.e., New Delhi.

(ii) Mr. C (unregistered person in Chennai) has come to Delhi on a vacation. He buys pre-paid Delhi Metro Card from Delhi Metro (New Delhi) for hassle free commute in the National Capital Region. Recipient being unregistered person, the place of supply is the address of Mr. C i.e., Chennai. If address of Mr. C is not available with the Delhi Metro, the place of supply will be the location of the supplier of services i.e., New Delhi.

(iii) Mr. Shyam, an unregistered person, based in Gurugram, Haryana books a two-way air journey ticket from New Delhi to Mumbai on 5th December. He leaves New Delhi on 10th December in a late-night flight and lands in Mumbai the next day. He leaves Mumbai on 14th December in a morning flight and lands in New Delhi the same day.

The return journey is treated as a separate journey, even if the tickets for onward and return journey are issued at the same time. Thus, being an unregistered person, the place of supply for the outward and return journeys are the locations where the unregistered person embarks on the conveyance for the continuous journey i.e., New Delhi and Mumbai respectively.

(ix) Service supplied on board a conveyance [Section 12(10)]

Nature of Supply	Place of Supply
Service supplied on board a conveyance*	Location of the first scheduled point of departure of that conveyance for the journey

* Note - Conveyance includes a vessel, an aircraft, a train or a motor vehicle.

You may recollect that the proxy for place of supply of goods on board a conveyance is the location at which the goods are taken on board. Services being intangible, the same proxy cannot be used for determining the place of supply for services supplied on board a conveyance. Therefore, for services, the proxy is the location of the first scheduled point of departure of that conveyance for the journey

However, for determining the place of supply of both goods and services supplied on board a conveyance, no distinction is made between registered and unregistered recipients.



Mr. X is travelling from Delhi to Mumbai in an Airjet flight. He desires to watch an English movie during the journey by making the necessary payment. The place of supply of such service of showing 'movie on demand' is the first scheduled point of departure of the conveyance for the journey i.e., Delhi.

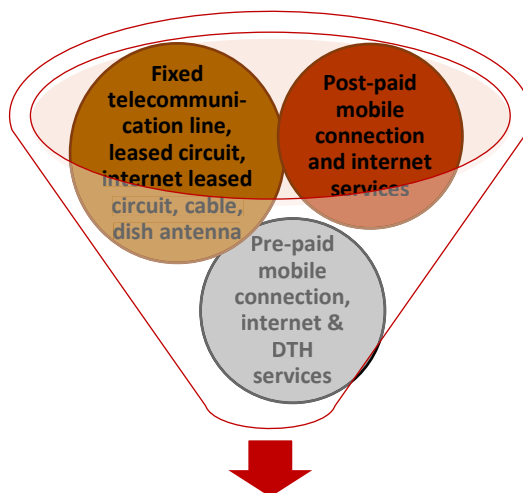
(x) Telecommunication service [Section 12(11)]

Telecommunication services include the services of telephone, data transfer (internet), cable, DTH (Direct to home) services, etc. Section 12(11) classifies the telecommunication services into 3 categories for the purpose of determining the place of supply as under:

- Services provided using a fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna
- Post-paid mobile connection and post-paid internet services



- Pre-paid mobile connection and pre-paid internet and DTH services



Telecommunication Services

The place of supply of the various types of telecommunication services is tabulated as under:

Nature of Supply	Place of Supply	Recipient
<ul style="list-style-type: none"> <input type="checkbox"/> Fixed telecommunication line <input type="checkbox"/> Leased circuits <input type="checkbox"/> Internet leased circuit <input type="checkbox"/> Cable or dish antenna 	Location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services	ANY PERSON
Post-paid mobile connection and internet services	<ul style="list-style-type: none"> • Location of billing address of the recipient of services in the records of the supplier of services 	

	<ul style="list-style-type: none"> • Location of the supplier of services, if the address is not available 	
Pre-paid mobile connection, internet services and DTH services (recharge coupon, vouchers, net pack etc.)	Address of the selling agent/ re-seller/ distributor at the time of supply	
Services provided through a <ul style="list-style-type: none"> <input type="checkbox"/> selling agent <input type="checkbox"/> re-seller <input type="checkbox"/> distributor of subscriber identity module card or recharge voucher 		
Services provided by any person to final subscriber		
Pre-paid services, the payment for which is made through internet banking/other electronic mode of payment	Location of the recipient of services in the records of the supplier of services	
Other cases	<ul style="list-style-type: none"> • The address of the recipient as per the records of the supplier of services • Location of the supplier of services if the address is not available 	

Leased circuit is installed in more than one State/Union territory

If the leased circuit is installed in more than one State/Union territory and a consolidated amount is charged for supply of services, the place of supply is deemed to be in each of the respective States/Union territories in proportion to the value of services.



(i) Mr. X (Kolkata) gets a landline phone installed at his home from Skybel Ltd. The place of supply is the location where the telecommunication line is installed i.e., Kolkata.

(ii) Mr. Y (Mumbai) gets a DTH installed at his home from RT Ltd. The place of supply is the location where the DTH is installed i.e., Mumbai.

(iii) Mr. D (Mumbai) takes a post-paid mobile connection in Mumbai from Skybel Ltd. The place of supply is the location of billing address of the recipient i.e., Mumbai.

(iv) Mr. E (New Delhi) gets his post-paid bill paid online from Goa. The payment being made through electronic mode, the place of supply is the location of the recipient in the records of the supplier i.e., New Delhi.

(v) Mr. C (Pune) purchases a pre-paid card from a selling agent in Mumbai. The place of supply is the address of the selling agent or re-seller i.e., Mumbai.

(vi) Mr. F (Puducherry) gets a pre-paid recharged from a grocery shop in Chennai. The place of supply is the location where such pre-payment is received i.e., Chennai.

(xi) Financial and stock broking services [Section 12(12)]



The place of supply of banking and other financial services, including stock broking services to any person is the **location of the recipient of services**



on the records of the supplier of services.

However, if the location of recipient of services is not on the records of the supplier, the place of supply is the **location of the supplier of services.**



(i) Mr. A (Chennai) buys shares from a broker in BSE (Mumbai). The place of supply is the location of the recipient of services on the records of the supplier i.e., Chennai.

(ii) Mr. B (New Delhi) withdraws money from Best Bank's ATM in Amritsar. Mr. B has crossed his limit of free ATM withdrawals. The place of supply is the location of the recipient of services in the records of the supplier i.e., New Delhi.

(iii) Mr. C, an unregistered person from Varanasi, Uttar Pradesh, visits a bank registered in New Delhi for getting a demand draft made. Since the location of recipient is not available in the records of the supplier, the place of supply is the location of the supplier of services i.e., New Delhi.

(xii) Insurance services [Section 12(13)]

The place of supply of insurance services is the **location of recipient when provided to a registered recipient.**

If such services are provided to a person other than a registered person, the place of supply is the **location of the recipient of services in the records of the supplier of services.**



(i) Mr. A, CEO of XY Ltd., Mumbai (a company registered in Maharashtra) buys insurance cover for the inventory stored in company's factory located at Mumbai, from Excellent Insurers, Chennai (registered in Tamil Nadu). The place of supply is the location of the registered recipient i.e., Mumbai.

(ii) Ms. B (unregistered resident of Kolkata) goes to her native place Patna, Bihar and buys a medical insurance policy for her parents there from Safe Insurers, Patna (registered in Bihar). The place of supply is the location of the recipient of services on the records of the supplier i.e., Patna.

(xiii) Advertisement service to the Government [Section 12(14)]

Nature of Supply	Place of Supply
Advertisement service to the Central Government/ State Government/ Statutory body/ Local authority meant for the State or Union Territory identified in contract or agreement	Each of such States or Union territories where the advertisement is broadcasted/ run /played.

Note: The value of such supplies is in proportion to the services provided by way of dissemination in the respective States or Union territories.




(i) Gujarat Government gives an advertisement contract to an advertising agency (registered in Ahmedabad) to promote Gujarat tourism throughout the country. The place of supply is in all the States and Union Territories of India.

(ii) Delhi Government gives an advertisement contract to an advertising agency registered in Delhi to promote its 'Every Child Can Read' campaign in Delhi. The place of supply is Delhi.



6. PLACE OF SUPPLY OF SERVICES WHERE LOCATION OF SUPPLIER OR LOCATION OF RECIPIENT IS OUTSIDE INDIA [SECTION 13]

 STATUTORY PROVISIONS				
Section 13	<i>Place of supply of services where location of supplier or location of recipient is outside India</i>			
Sub-section	Clause	Particulars		
(1)		<i>The provisions of this section shall apply to determine the place of supply of services where the location of the supplier of services or the location of the recipient of services is outside India.</i>		
(2)		<p><i>The place of supply of services except the services specified in sub-sections (3) to (13) shall be the location of the recipient of services:</i></p> <p><i>Provided that where the location of the recipient of services is not available in the ordinary course of business, the place of supply shall be the location of the supplier of services.</i></p>		
(3)		<p><i>The place of supply of the following services shall be the location where the services are actually performed, namely:—</i></p> <table border="1" data-bbox="412 1624 1305 1696"> <tbody> <tr> <td>(a)</td> <td><i>Services supplied in respect of goods which are required</i></td> </tr> </tbody> </table>	(a)	<i>Services supplied in respect of goods which are required</i>
(a)	<i>Services supplied in respect of goods which are required</i>			

		<p><i>to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services:</i></p>
		<p><i>Provided that when such services are provided from a remote location by way of electronic means, the place of supply shall be the location where goods are situated at the time of supply of services:</i></p>
		<p><i>Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are temporarily imported into India for repairs and are exported after repairs without being put to any other use in India, than that which is required for such repairs; Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are temporarily imported into India for repairs and are exported after repairs without being put to any other use in India, than that which is required for such repairs;</i></p>
	(b)	<p><i>services supplied to an individual, represented either as the recipient of services or a person acting on behalf of the recipient, which require the physical presence of the recipient or the person acting on his behalf, with the supplier for the supply of services.</i></p>
(4)		<p><i>The place of supply of services supplied directly in relation to an immovable property, including services supplied in this regard by experts and estate agents, supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called, grant of rights to use immovable property, services for carrying out or co-ordination of construction work, including that of architects or interior decorators, shall be the place where the immovable property is located or intended to be located.</i></p>

(5)	<p>The place of supply of services supplied by way of admission to, or organisation of a cultural, artistic, sporting, scientific, educational or entertainment event, or a celebration, conference, fair, exhibition or similar events, and of services ancillary to such admission or organisation, shall be the place where the event is actually held.</p>	
(6)	<p>Where any services referred to in sub-section (3) or sub-section (4) or sub-section (5) is supplied at more than one location, including a location in the taxable territory, its place of supply shall be the location in the taxable territory.</p>	
(7)	<p>Where the services referred to in sub-section (3) or sub-section (4) or sub-section (5) are supplied in more than one State or Union territory, the place of supply of such services shall be taken as being in each of the respective States or Union territories and the value of such supplies specific to each State or Union territory shall be in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.</p>	
(8)	<p>The place of supply of the following services shall be the location of the supplier of services, namely:—</p>	
	(a)	<p>services supplied by a banking company, or a financial institution, or a non-banking financial company, to account holders;</p>
	(b)	<p>intermediary services;</p>
	(c)	<p>services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month.</p>

	<i>Explanation.—For the purposes of this sub-section, the expression,—</i>	
	(a)	<i>“account” means an account bearing interest to the depositor, and includes a non-resident external account and a non-resident ordinary account;</i>
	(b)	<i>“banking company” shall have the same meaning as assigned to it under clause (a) of section 45A of the Reserve Bank of India Act, 1934;</i>
	(c)	<i>“financial institution” shall have the same meaning as assigned to it in clause (c) of section 45-1 of the Reserve Bank of India Act, 1934;</i>
	(d)	<i>“non-banking financial company” means,—</i>
	(i)	<i>a financial institution which is a company;</i>
	(ii)	<i>a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or</i>
	(iii)	<i>such other non-banking institution or class of such institutions, as the Reserve Bank of India may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.</i>
(9)	<i>The place of supply of services of transportation of goods, other than by way of mail or courier, shall be the place of destination of such goods.</i>	
(10)	<i>The place of supply in respect of passenger transportation services shall be the place where the passenger embarks on the conveyance for a continuous journey.</i>	

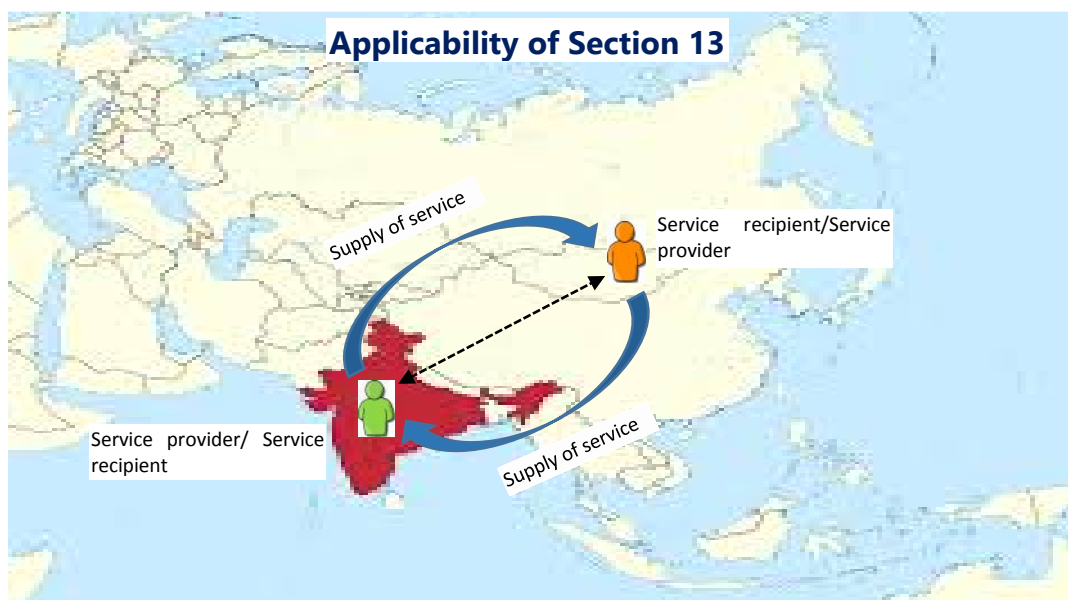
(11)	<p><i>The place of supply of services provided on board a conveyance during the course of a passenger transport operation, including services intended to be wholly or substantially consumed while on board, shall be the first scheduled point of departure of that conveyance for the journey.</i></p>	
(12)	<p><i>The place of supply of online information and database access or retrieval services shall be the location of the recipient of services.</i></p>	
	<p><i>Explanation.—For the purposes of this sub-section, person receiving such services shall be deemed to be located in the taxable territory, if any two of the following non- contradictory conditions are satisfied, namely:—</i></p>	
	(a)	<p><i>the location of address presented by the recipient of services through internet is in the taxable territory;</i></p>
	(b)	<p><i>the credit card or debit card or store value card or charge card or smart card or any other card by which the recipient of services settles payment has been issued in the taxable territory;</i></p>
	(c)	<p><i>the billing address of the recipient of services is in the taxable territory;</i></p>
	(d)	<p><i>the internet protocol address of the device used by the recipient of services is in the taxable territory;</i></p>
	(e)	<p><i>the bank of the recipient of services in which the account used for payment is maintained is in the taxable territory;</i></p>
	(f)	<p><i>the country code of the subscriber identity module card used by the recipient of services is of taxable territory;</i></p>
(g)	<p><i>the location of the fixed land line through which the service is received by the recipient is in the taxable territory.</i></p>	

(13)

In order to prevent double taxation or non-taxation of the supply of a service, or for the uniform application of rules, the Government shall have the power to notify any description of services or circumstances in which the place of supply shall be the place of effective use and enjoyment of a service.



ANALYSIS



Section 13 provides for determination of place of supply of services in cases where either the location of the supplier of services or the recipient of services is outside India. Thus, this section provides the place of supply in relation to international or cross-border supply of services. Place of supply of a service is one of the factors which determines as to whether a service can be termed as import or export of service.

Similar to section 12, section 13 also lays down a general rule to determine the place of supply of services as well as few other rules to determine place of supply of certain specific services. Thus, place of supply is determined as per general rule in respect of services other than the ones covered by the specific rules.

Further, sub-section (13) of section 13 empowers the Central Government to notify services or circumstances for which the place of supply will be the place of

effective use and enjoyment of service so as to prevent double taxation/non-taxation of the supply of a service.

It must be kept in mind that the provisions of section 13 discussed hereunder are all in relation to cross border supply of services.

(i) General Rule [Section 13(2)]

The rule is applicable only if the supply of service does not fall in any of the specific cases provided in section 13.

The rule provides that the place of supply of services is **the location of the person receiving the services.**

However, **if the location of the recipient of services is not available** in the ordinary course of business, the place of supply is **the location of the supplier of services.**

The provision can be summarized as under:

Nature of Supply	Place of Supply	
	Location of recipient is available	Location of recipient is not available
Supply of services other than the ones specified in sub-sections (3) to (13) of section 13	Location of the recipient of services	Location of the supplier of services

The principal exceptions to the above general rule relating to place of supply of cross border services are:


- Performance-based services
- Services directly in relation to immovable property
- Admission to and/or organization of events, celebrations etc.
- Services supplied by a banking company, financial institution, non-banking financial company (NBFS) to account holders
- Intermediary services
- Hiring of means of transport other than aircrafts and vessels except yachts, up to a period of one month

- Transportation of goods, other than by way of mail or courier
- Passenger transportation services
- Services on board a conveyance during the course of a passenger transport operation
- Online information and database access or retrieval services

The place of supply of each of the above exceptions is discussed below.

(ii) Performance based services [Section 13(3)]

Nature of Supply		Place of Supply
(i)	<p>Services requiring physical presence of goods</p> <p>Exceptions:</p> <p>Services supplied in respect of goods, that are temporarily imported into India for repairs and are exported after repairs, without being put to any other use in India</p>	<p>Location where the service is actually performed</p> <hr/> <p><input type="checkbox"/> Location of the recipient</p> <p><input type="checkbox"/> Location of the supplier, if location of recipient is not available</p>
	<p>Services supplied in respect of goods, that are provided from a remote location by electronic means</p>	<p>Location where goods are situated at the time of supply of services</p>
(ii)	<p>Services supplied to an individual, which require the physical presence of the recipient</p>	<p>Location where the service is actually performed</p>

(iii)	Services at (i) and (ii) above supplied at more than one location including a location in the taxable territory 	Location in the taxable territory
(iv)	Services at (i) and (ii) supplied in more than one State/Union Territory	Each of State/Union Territory



(i) Mr. X (New Delhi) imports a machine from Germany for being installed in his factory at New Delhi. To install such machine, Mr. X takes the service of an engineer who comes to India from Germany for this specific installation. The place of supply of installation service, which requires the physical presence of machinery, is the location where the service is actually performed i.e., New Delhi.



(ii) A software company located in United States of America (USA) takes services of a software company located in Bangalore to service its software in USA. The Indian software company provides its services through electronic means from its office in India. The place of supply is the location where goods are situated at the time of supply of service i.e., USA.

(iii) ABC Ltd., Hyderabad has exported a machine to a company in Indonesia. The machine stops functioning and is thus, imported by ABC Ltd. for free repairs in terms of the sale contract. The machine is exported after repairs. The place of supply of repair service is the location of the recipient i.e., Indonesia.

(iv) Mr. X, a hair stylist registered in New Delhi, travels to Singapore to provide his services to Ms. Y, a resident of Singapore. The place of supply is the location where the services are actually performed i.e., Singapore.

(v) PQR Consultants, New Delhi, bags a contract for doing a market research for a vehicle manufacturing company based in South Korea, in respect of its upcoming model of a car. The research is to be carried out in five countries including New Delhi. Since the services are supplied at more than one location including a location in the taxable territory, the place of supply is the location in the taxable territory i.e., New Delhi.

(iii) Services in relation to immovable property [Section 13(4)]


Nature of Supply	Place of Supply
<p>Services supplied directly in relation to an immovable property like</p> <ul style="list-style-type: none"> <input type="checkbox"/> Services of experts and estate agents <input type="checkbox"/> Accommodation by a hotel, inn, guest house, club or campsite <input type="checkbox"/> Grant of rights to use immovable property <input type="checkbox"/> Construction and related services <input type="checkbox"/> Services of architects or interior decorators 	  <p>Location of immovable property</p>
<p>Above services supplied at more than one location, including a location in the taxable territory</p>	<p>Location in the taxable territory</p>
<p>Above services supplied in more than one State/Union Territory</p>	<p>Each of State/Union Territory</p>



(i) Mr. C, an architect (New Delhi), provides professional services to Mr. Z of New York in relation to his immovable property located in Pune. The place of supply is the location of immovable property i.e., Pune.

(ii) Mr. C, an architect (New Delhi), enters into a contract with Mr. Z of New York to provide professional services in respect of immovable properties of Mr. Z located in Pune and New York. Since the immovable properties are located in more than one location including a location in the taxable territory, the place of supply is the location in the taxable territory i.e., Pune.

(iv) Services by way of admission to and/or organization of events or celebrations etc. [Section 13(5)]

Nature of Supply	Place of Supply
<p>Services supplied by way of admission to or organisation of following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Cultural, artistic, sporting, scientific, educational, entertainment events  <ul style="list-style-type: none"> <input type="checkbox"/> Celebration, conference, fair, exhibition <input type="checkbox"/> Similar events 	<p>Place where the event is actually held</p>
<p>Services ancillary to such admission or organization of event</p>	
<p>Above services supplied at more than one location, including a location in the taxable territory</p>	<p>Location in the taxable territory</p>
<p>Above services supplied in more than one State/Union Territory</p>	<p>Each of State/Union Territory</p>



(i) A circus team from Russia organizes a circus in New Delhi. The place of supply is the location where the event is actually held i.e., New Delhi.



(ii) An event management company registered in New Delhi organises an art exhibition displaying works of an international painter based in Dubai. The exhibition is organised in 3 countries including New Delhi. Since the service is supplied at more than one location including a location in the taxable territory, the place of supply is the location in the taxable territory i.e., New Delhi.

(v) Banking and financial services, Intermediary services and Hiring of means of transport [Section 13(8)]

Nature of Supply	Place of Supply
Services supplied by a banking company, or a financial institution, or a non-banking financial company, to account holders [See definition of these terms in Explanation to sub-section (8) of section 13]	Location of the supplier of services
Intermediary [See definition] services	
Services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of 1 month	



(i) Mr. C, a foreign tourist, on a visit to Varanasi (Uttar Pradesh) uses his international debit card to withdraw money from an ATM of a local Bank registered in Uttar Pradesh. The place of supply is the location of the supplier of services i.e., Varanasi.

(ii) A travel agent registered in New Delhi books a tour of famous Indian cities for a Dubai resident. The place of supply is the location of the supplier of services i.e., New Delhi.

(iii) Mr. D, an unregistered person based in New Delhi, leaves for a European holiday. He hires a car from London, UK for 20 days. The place of supply is the location of the supplier of services i.e., London.

(vi) Transportation services [Sub-sections (9) (10) and (11) of section 13]

Nature of Supply	Place of Supply
Transportation of goods, other than by way of mail or courier	Destination of such goods
Passenger transportation services	Place where the passenger embarks on the conveyance for a continuous journey [See definition]
Services provided on board a conveyance during passenger transportation including services intended to be wholly or substantially consumed while on board	First scheduled point of departure of that conveyance for the journey



(i) A shipping line, Mumbai, Maharashtra transports a shipment of flowers from Mumbai to Paris, for an event management company based in Paris. The place of supply is the location of destination of goods transported i.e., Paris.

(ii) Mr. A, a foreign tourist, has booked a ticket for New Delhi-Sri Lanka flight from an airline registered in New Delhi for a continuous journey without any stopover. The place of supply is the place where the passenger embarks on the conveyance for a continuous journey i.e., New Delhi.

(vii) Online information and database access or retrieval services (OIDAR) [Section 13(12)]

The place of supply of OIDAR [See definition] is the location of the recipient of services.

It is difficult to determine the location of the recipient in case of OIDAR as such recipients normally access the services online and are not required to disclose their location. The explanation to sub-section (12) lays down 7 conditions. On satisfying any 2 non-contradictory conditions out of such seven conditions, the service recipient is deemed to be located in the taxable territory i.e., India.

The seven conditions are:

- the recipient gives an Indian address through internet;
- the payment is settled by an Indian credit card/debit card/other card;
- the recipient has an Indian billing address;
- the computer used by the recipient has an Indian IP address;
- the recipient uses an Indian bank account for payment;
- the country code of the subscriber identity module card used by the recipient of services is of India;
- the recipient receives the service through an Indian fixed land line.



LET US RECAPITULATE

A. Place of supply of goods other than import and export [Section 10]

S. No.	Nature of Supply	Place of Supply
1.	Where the supply involves the movement of goods, whether by the supplier or the recipient or by any other person	Location of the goods at the time at which, the movement of goods terminates for delivery to the recipient
2.	Where the goods are delivered to the recipient, or any person on the direction of the third person by way of transfer of title or otherwise, it	The principal place of business of such third person

	shall be deemed that the third person has received the goods	
3.	Where there is no movement of goods either by supplier or recipient	Location of such goods at the time of delivery to the recipient
4.	Where goods are assembled or installed at site	The place where the goods are assembled or installed
5.	Where the goods are supplied on-board a conveyance like a vessel, aircraft, train or motor vehicle	The place where such goods are taken on-board the conveyance
6.	Where the place of supply of goods cannot be determined in terms of the above provisions	It shall be determined in such manner as may be prescribed

B. Place of supply of goods imported into, or exported from India [Section 11]

S. No.	Nature of Supply of Goods	Place of Supply
1.	Import	Location of importer
2.	Export	Location outside India

C. Place of supply of services where location of supplier AND recipient is in India [Section 12]

- (i) In respect of the following 12 categories of services, the place of supply is determined with reference to a proxy; rest of the services are governed by the default provision.

S. No.	Nature of Service	Place of Supply
1.	Immovable property related-services including accommodation in	<input type="checkbox"/> Location at which the immovable property or boat or vessel is located or intended to be located

	hotel/boat/vessel	<input type="checkbox"/> If located outside India: Location of the recipient
2.	Restaurant and catering services, personal grooming, fitness, beauty treatment and health service	Location where the services are actually performed
3.	Training and performance appraisal	<input type="checkbox"/> B2B: Location of such registered person <input type="checkbox"/> B2C: Location where the services are actually performed
4.	Admission to an event or amusement park	Place where the event is actually held or where the park or the other place is located
5.	Organisation of an event	<input type="checkbox"/> B2B: Location of such registered person <input type="checkbox"/> B2C: Location where the event is actually held <ul style="list-style-type: none"> • If the event is held outside India: Location of the recipient
6.	Transportation of goods, including mails	<input type="checkbox"/> B2B: Location of such registered person <input type="checkbox"/> B2C: Location at which such goods are handed over for their transportation
7.	Passenger transportation	<input type="checkbox"/> B2B: Location of such registered person <input type="checkbox"/> B2C: Place where the passenger embarks on the conveyance for a continuous journey

8.	Services on board a conveyance	Location of the first scheduled point of departure of that conveyance for the journey
9.	Banking and other financial services	<input type="checkbox"/> Location of the recipient of services on the records of the supplier <input type="checkbox"/> Location of the supplier of services if the location of the recipient of services is not available
10.	Insurance services	<input type="checkbox"/> B2B: Location of such registered person <input type="checkbox"/> B2C: Location of the recipient of services on the records of the supplier
11.	Advertisement services to the Government	<input type="checkbox"/> Each of States/Union Territory where the advertisement is broadcasted/displayed/run <input type="checkbox"/> Proportionate value in case of multiple States
12.	Telecommunication services	<input type="checkbox"/> Services involving fixed line, circuits, dish etc: Location of such fixed equipment <input type="checkbox"/> Mobile/ Internet post-paid services: Location of billing address of the recipient <input type="checkbox"/> Sale of pre-paid voucher: Place of sale of such vouchers <input type="checkbox"/> Other cases: Address of the recipient in records

- (ii) For the rest of the services other than those specified above, the default provision has been prescribed as under:

Default rule for the services other than the 12 specified services		
S. No.	Description of Supply	Place of Supply
1.	B2B	Location of such registered person
2.	B2C	<input type="checkbox"/> Where the address on record exists: Location of the recipient <input type="checkbox"/> Other cases: Location of the supplier of services

D. Place of supply of services where location of supplier OR location of recipient is outside India [Section 13]

- (i) In respect of the following categories of services, the place of supply is determined with reference to a proxy; rest of the services are governed by the default provision.

S. No.	Nature of Service	Place of Supply
1.	Services supplied in respect of goods which are required to be made physically available	Location where the services are actually performed
	Services supplied in respect of goods but from a remote location by way of electronic means	Location where the goods are situated at the time of supply of services
	<i>Above provisions are not applicable in case of goods that are temporarily imported into India for repairs and exported after repairs</i>	
2.	Services which require the physical presence of the recipient	Location where the services are actually performed

	or the person acting on his behalf with the supplier of services	
3.	Service supplied directly in relation to an immovable property	Place where the immovable property is located or intended to be located
4.	Admission to or organisation of an event	Place where the event is actually held
<p>If the above services are supplied at more than one locations. i.e.,</p> <p>(i) Goods & individual related</p> <p>(ii) Immovable property-related</p> <p>(iii) Event related</p>		
	At more than one location, including a location in the taxable territory	Location in the taxable territory
	In more than one State	Each such State in proportion to the value of services provided in each State
5.	Services supplied by a banking company, or a financial institution, or a NBFC to account holders	Location of the supplier of services
	Intermediary services	
	Services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month	
6.	Transportation of goods, other	Place of destination of such

	than by way of mail or courier	goods
7.	Passenger transportation	Place where the passenger embarks on the conveyance for a continuous journey
8.	Services provided on-board a conveyance	First scheduled point of departure of that conveyance for the journey
9.	Online information and database access or retrieval services	Location of recipient of service

- (ii) For the rest of the services other than those specified above, a default provision has been prescribed as under:

Default rule for the cross-border supply of services other than nine specified services		
S. No.	Description of supply	Place of Supply
1.	Any	<input type="checkbox"/> Location of the recipient of service <input type="checkbox"/> Location of the supplier of service, if location of recipient is not available in the ordinary course of business

TEST YOUR KNOWLEDGE

1. *What is the place of supply where goods are removed?*
2. *What will be the place of supply if the goods are delivered by the supplier to a person on the direction of a third person?*
3. *What is the place of supply where the goods or services are supplied on board a conveyance, such as a vessel, an aircraft, a train or a motor vehicle?*
4. *The place of supply in relation to immovable property is the location of immovable property. Suppose a road is constructed from Delhi to Mumbai covering multiple states.*

What will be the place of supply of construction services?

5. *What would be the place of supply of services provided by an event management company for organizing a sporting event for a Sports Federation which is held in multiple States?*
6. *What is the place of supply of goods services by way of transportation of goods, including mail or courier?*
7. *What will be the place of supply of passenger transportation service, if a person travels from Mumbai to Delhi and back to Mumbai?*
8. *What is the place of supply for mobile connection? Can it be the location of supplier?*
9. *A person from Mumbai goes to Kullu-Manali and takes some services from ICICI Bank in Manali.*

What is the place of supply?

10. *An unregistered person from Gurugram travels by Air India flight from Mumbai to Delhi and gets his travel insurance done in Mumbai.*

What is the place of supply of insurance services?

ANSWERS/HINTS

1. As per section 10 (1)(a) of the IGST Act, the place of supply of goods is the location of the goods at the time at which the movement of goods terminates for delivery to the recipient.

2. As per section 10(1)(b) of the IGST Act, it would be deemed that the third person has received the goods and the place of supply of such goods will be the principal place of business of such person.
3. As per section 10(1)(e) of the IGST Act, in respect of goods, the place of supply is the location at which such goods are taken on board.

However, in respect of services, the place of supply is the location of the first scheduled point of departure of that conveyance for the journey in terms of sections 12(10) and 13(11) of the IGST Act.

4. Where the immovable property is located in more than one State, the supply of service is treated as made in each of the States in proportion to the value for services separately collected or determined, in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other reasonable basis as may be prescribed in this behalf [Explanation to section 12(3) of the IGST Act, for domestic supplies].
5. In case of an event, if the recipient of service is registered, the place of supply of services for organizing the event is the location of such person.

However, if the recipient is not registered, the place of supply is the place where event is held. Since the event is being held in multiple states and a consolidated amount is charged for such services, the place of supply will be taken as being in each state in proportion to the value of services so provided in each state [Explanation to section 12(7) of the IGST Act].

6. **In case of domestic supply**

If the recipient is registered, the location of such person is the place of supply. However, if the recipient is not registered, the place of supply is the place where the goods are handed over for transportation [Section 12(8) of the IGST Act].

In case of international supply

The place of supply of transport services, other than the courier services, is the destination of goods. For courier, the place of supply of services is where goods are handed over to courier. However, if the courier services are performed even partially in India, the place of supply is deemed as India [Section 13(2), 13(6) and 13(9) of the IGST Act].

7. If the person is registered, the place of supply will be the location of recipient. If the person is not registered, the place of supply for the forward journey from

Mumbai to Delhi will be Mumbai, the place where he embarks [Section 12(9) of IGST Act].

However, for the return journey, the place of supply will be Delhi as the return journey has to be treated as separate journey [Explanation to section 12(9) of the IGST Act].

8. **For domestic supplies**

The location of supplier of mobile services cannot be the place of supply as the mobile companies are providing services in multiple states and many of these services are inter-state. The consumption principle will be broken if the location of supplier is taken as place of supply and all the revenue may go to a few states where the suppliers are located.

The place of supply for mobile connection would depend on whether the connection is on postpaid or prepaid basis. In case of postpaid connections, the place of supply is the location of billing address of the recipient of service.

In case of pre-paid connections, the place of supply is the place where payment for such connection is received or such pre-paid vouchers are sold. However, if the recharge is done through internet/e-payment, the location of recipient of service on record will be the taken as the place of service.

For international supplies

The place of supply of telecom services is the location of the recipient of service.

9. If the service is not linked to the account of person, place of supply will be Kullu i.e., the location of the supplier of services. However, if the service is linked to the account of the person, the place of supply will be Mumbai, the location of recipient on the records of the supplier.
10. When insurance service is provided to an unregistered person, the location of the recipient of services on the records of the supplier of insurance services is the place of supply. So Gurugram is the place of supply [Section 12(13) of the IGST Act].