

## FAQ: Banking, Insurance and Stock Brokers Sector

1	Whether Banks are required to capture the details of ATMs in registration certificate as a 'place of business'?	No. Banks are not required to provide the details of ATMs while applying for registration. For the purposes of registration, ATM on its own does not constitute a place of business, as defined in the CGST Act, 2017.
2	As per RBI guidelines, Banks can use third party ATMs, Business Correspondents (BC), Customer Service Points (CSP) or third party warehouses. Are Banks required to include these third party places also in their GST registration?	No. Third party places are neither places of business nor fixed establishments from where Banks ordinarily carry on their business. These are independent service providers to the Bank which are subject to GST. Thus, these places are not required to be declared as place of business by the Bank.
3	What will be the time of supply in respect of services rendered upto 30th June, 2017 where the invoices are raised or payments are received after 30th June, 2017?	<p>Where the services are rendered upto 30th June, 2017 and invoices in respect thereof are also raised on or before 30th June, 2017, the point of taxation would be as per the earlier service tax law and the services will be subject to service tax.</p> <p>Where the services are rendered upto 30th June, 2017 and the services are liable to be taxed under the reverse charge mechanism, the point of tax for such services as per the Point of Taxation Rules, 2011 shall be the date of payment. If the payment is made on or after 1st July, 2017, the supply of services shall be liable to GST.</p>
4	Which tax is to be applied by the service provider on invoice issued on or after 1st July 2017 for services rendered up to 30th June 2017?	The time of supply being issuance of invoice under the CGST Act, 2017, the supplier of services must charge GST in this case. However, where the payment for such supplies has been made (prior to issuance of invoice) as advance before the 1st of July, 2017, the tax would be payable under the law prevalent prior to 1st July, 2017, as the point of taxation had arisen before this date to the extent of advance.
5	Is it necessary for Banks / insurers to report the details of exempt and non-GST supplies in Table 8 of GSTR-1?	Yes. In the absence of any specific exemption to the Banks / insurers, the information is required to be provided in the said table.
6	Is it necessary for Banks / insurers to report the details of invoices in Table 13 of GSTR-1?	Rule 54(2) of the CGST Rules, 2017 provides that in case of an insurer or a banking company or a financial institution, including a non-banking financial company, the tax invoice or any other document in lieu thereof, may not be serially numbered. But this does not mean that such document will not have any identification number which is required for the purpose of matching. The said entities are, therefore, required to provide the details in column 5 to 7 (but not in column 3 & 4) of the table 13 of FORM GSTR-1.

7	It is envisaged that many customers may not provide the GSTIN to the Banks in time. In such cases the Banks / insurers would report the supply as B-to-C transactions in the returns filed by it. Later, in case the customer reverts with the GSTIN, how should this amendment be reflected?	A transaction once reported as B2C cannot be amended later to add GSTIN and convert the transaction as B2B.
8	How should the turnover during the period from July 2017 to March 2018 be determined for the purposes of distribution of ISD credit?	As per the Explanation to Section 20 of the CGST Act, 2017, the relevant period on the basis of which the ratio of aggregate turnover for distribution of ISD credit will be determined has been defined to mean the last quarter, preceding the period for which credit is to be distributed, during which turnover for all recipients is available in cases where the turnover in States/Union Territories for the previous financial year is not available. Therefore, in such cases, for the quarters after July 2017 to September 2017, the State/UT-wise turnover for the purposes of ISD can be determined based on the turnovers for the quarter of July 2017 to September 2017. For the months of July, August and September, 2017, the turnover for the month of July, 2017 may be considered for the purposes of distribution of credit.
9	Is the condition to make payment for the value of supply plus the GST thereon required to be complied with by the recipient to claim the input tax credit where supplies for services are made between distinct persons?	No, this condition is not required to be complied with by the recipient. As per the proviso to sub rule (1) of Rule 37 of the CGST Rules, 2017 the value of supplies made without consideration as specified in paragraph 2 of Schedule I of the CGST Act, 2017 shall be deemed to have been paid for the purposes of the second proviso to sub-section (2) of Section 16 of the CGST Act, 2017.
10	A customer may avail numerous services from the Bank / insurer in a given taxable period. Is it mandatory for Banks to issue a tax invoice for each transaction or can the Bank issue a consolidated invoice for the service rendered during the tax period?	As per the provisions contained in the first proviso to Rule 47 of the CGST Rules, 2017 an insurer, a banking company or a financial institution, including a NBFC may issue invoices within 45 days from the date of supply of service. Further, sub-rule (2) of rule 54 of CGST Rules, 2017 provides that such entities may issue any other document in lieu of the tax invoice. Accordingly, such entities may issue a consolidated statement/ invoice/ advice to the customer at the end of the month, with the details of all the charges levied during such month and GST payable thereon.
11	When a banking company is not required to serially number its invoices / document for supply of its services, how will the service recipient get credit for GST on the services provided by the bank?	Under Rule 54(2) of the CGST Rules, 2017 a banking company or a financial institution including a NBFC or an insurer can issue an invoice or any other document in lieu thereof whether or not serially numbered and whether or not containing the address of the recipient but containing other

	information as mentioned under Rule 46. There is no restriction on the invoice/document being a consolidated invoice/document but it must bear an identification number, which need not necessarily be serially numbered. The recipient of service will get the credit for GST so long as the bank, etc. uploads the details of the invoice / document under that number with GSTIN of the recipient in its statement if FORM GSTR-1.	
12	<p>Is the registered person procuring goods or services from a supplier outside India required to raise a self-invoice, debit note or credit note in respect of the price or value of services and adjustments thereto? When should the details of such transactions be reported in the GSTR returns?</p>	<p>As per clause (f) of sub-section (3) of Section 31 of the CGST Act, 2017 read with section 20 of the IGST Act, 2017 a registered person liable to pay tax under subsection (3) or sub-section (4) of Section 9 of the CGST Act, 2017 (or sub-section (3) or (4) of section 5 of the IGST Act, 2017) shall issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both. Therefore, in case of goods or services, the registered person procuring goods or services from an unregistered person located in India or services from a person located outside India is required to raise a self-invoice on the date of receipt of such supplies. Banks / insurers may raise a self-invoice, debit note or credit note for each such supply. This invoice, debit note or credit note for each such supply should be reported in the GST return of the month in which the supply takes place as per the provisions of section 12(3) or 13(3) of the CGST Act, 2017. As the import of goods would be under the cover of a bill of entry, there is no need to raise a self-invoice.</p> <p>It may, however, be noted that section 9(4) of the CGST Act, 2017 / section 5(4) of the IGST Act, 2017 has been suspended vide notification No. 38/2017-Central Tax, as amended from time to time.</p>
13	For supply of taxable services, can a digitally signed invoice be issued in duplicate, with the original being marked as “Original” and the duplicate copy being marked as “Duplicate”?	In the context of digitally signed documents, the requirement of issuing original and duplicate invoices does not arise. A digitally signed invoice can be retained by the supplier and also be made available to the recipient.
14	Is there a requirement to issue a ‘payment voucher’ at the time of making payment to the foreign supplier? When should the details of such transactions be reported in the GSTR returns?	Section 31(3)(g) of the CGST Act, 2017 mandates issuance of a payment voucher in such cases and the same is therefore required to be issued at the time of making payment to the foreign supplier of services. It would be reflected in the GSTR return of the tax period in which the supply takes place as per the provisions of section 13(3) of the CGST Act, 2017

15	Banks deploy various equipment such as Point of Sale machines or ATMs at various locations. At times, the equipment is required to be moved between locations for the purpose of repairs, encryption, etc. Will such movement constitute a supply for the purpose of the GST law?	Procedure prescribed under Section 143 of the CGST Act, 2017 and Rule 55 of the CGST Rules, 2017 may be followed in such cases. Movement of equipment for the purpose of repairs, etc. does not constitute a supply. The equipment may be moved by the Banks to the location of the third party service providers and after repairs, the equipment may be moved to a central / regional location for the purpose of programming, encryption, reconfiguration, etc. and thereafter to that place of business from where the equipment had been sent earlier. The equipment can be moved between such locations on the basis of a 'delivery challan'.
16	Is a "Bill of Supply" to be issued by a bank for exempt services like interest on loans and advances, inter-se sale or purchase of foreign currency amongst banks?	As per clause (c) of sub-section (3) of section 31 of the CGST Act, 2017 read with Rule 49 of the CGST Rules, 2017, there is a requirement for issuance of bill of supply for supply of exempt services by Banks. It may be noted, however, that there is no need to issue a separate bill of supply in case any invoice or document has already been issued in accordance with the provisions of any other law. Further, in view of the provisions contained in sub-rule (5) of rule 54 of the CGST Rules, 2017, banks may issue any other document in lieu of bill of supply.
17	Would Input Tax Credit (ITC) be available to a GST registrant though the services procured from third party vendor are also directly used by various 'distinct persons'? In such cases, is distribution of ITC required to be done mandatorily through Input Service Distributor mechanism?	Yes. Input Tax Credit (ITC) can be availed by a GST registrant in respect of the services procured in a consolidated manner from third party vendor which are directly used in the course or furtherance of business in more than one State, e.g. statutory audit fees, advertisement and marketing expenses, consultancy fees etc. The same needs to be appropriately invoiced or distributed through the ISD mechanism to the "distinct persons" who have actually used such services.
18	Where a Bank takes a separate registration for a separate business vertical, say for Bullion business, whether the requirement for reversal of 50 percent will also apply to bullion purchased by the Bank?	In terms of Section 2(94) read with Section 25(4)&(5) of the CGST Act, 2017, a person required to obtain more than one registration within a State or more than one State shall be treated as a distinct person for each such registration. Section 17(4) of the CGST Act, 2017 is applicable qua each registration and not for the Bank as a whole, provided each of the business verticals is separately registered. Therefore, a bank engaged in trading in bullion may not opt for 50 percent reversal in respect of its purchases of bullion, where it is separately registered as a business vertical.
19	Where there is a supply of goods or services between registered branches of a banking company on which GST is paid, will the recipient branch/office be eligible	Yes, the recipient branch / office will be eligible for 100% credit. The second proviso to section 17(4) of the CGST Act, 2017, expressly provides that the restriction of 50% shall not apply to the tax paid on supplies made by one registered

	for 100% credit of the GST charged on such supply where the bank elects the 50% option to avail input tax credit on inputs, capital goods and input services?	person to another registered person having the same Permanent Account Number.
20	Whether for the services received from a related person / distinct person outside India, the recipient of services would be eligible for full input tax credit?	In terms of the second proviso to section 17(4) of the CGST Act, 2017, the restriction of reversal of 50% credit would not apply to the tax paid on supplies made by one registered person to another registered person having the same PAN. The non-applicability of 50% reversal is only to the extent of inter-branch services between registered branches having the same PAN in India. Thus, tax paid on services received from a related person / distinct person located outside India would be liable to 50% reversal.
21	Whether the provision of section 18(6) for reversal of input tax credit availed on capital goods be applicable to banks only to the extent of the input tax credit availed?	Yes. The provisions of section 18(6) of the CGST Act, 2017 for reversal of input tax credit availed on capital goods would be applicable to banks only to the extent of the input tax credit availed by it. In case the Bank opts to avail input tax credit to the extent of 50% in terms of the second proviso to Section 17(4) of the CGST Act, 2017, reversal of credit would be in proportion to the actual credit availed by the Bank i.e. only with reference to 50% of the input tax credit availed by it on capital goods.
22	Can a Bank / insurer defer the availment of input tax credit for a month or quarter and avail of the same in subsequent months?	Yes. As per section 16(4) of the CGST Act, 2017, availment of input tax credit can be deferred and availed upto the due date of furnishing of return for the month of September following the end of financial year to which relevant invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.
23	Which address should be considered for determining the 'place of supply' in the case of banking / insurance services?	As per Section 12(12) of the IGST Act, 2017, 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. Address available on the records of the Bank or Financial Institution or stock broker, which is ordinarily used for communication with the customer, may be considered as the 'Place of Supply'.  As per Section 12(13) of the IGST Act, 2017 the place of supply of insurance services shall be the location of registered person if services are provided to a registered person and the location of the recipient of services on the records of the supplier of services if services are provided to an unregistered person. Address available on records of the insurance company, which is ordinarily used for

		communication with the customer, may be considered as the 'Place of Supply'.
24	With respect to registered customers, whether the Bank / insurance company is required to ascertain the place of consumption of service or whether the Bank can rely upon the GSTIN provided by the Customer?	The Bank / insurance company can rely upon the GSTIN provided by the customer.
25	Would intermediary services provided to an offshore client and services provided by a banking company to its offshore account holders be treated as an intra-State supply or an inter-State supply for payment of GST?	Under clause (b) of section 13(8) of the IGST Act, 2017 the place of supply of such services is the location of the provider of services. As the location of supplier and place of supply are in same State, such supplies will be treated as intra-State supply and Central tax and State tax or Union territory tax, as the case may be, will be payable.
26	Who is the 'supplier' of service of purchase or sale of foreign currency?	The 'supplier' of service of purchase or sale of foreign currency is the Authorised Dealer or authorized moneychangers who are getting the commission. For example, in case of a purchase or sale of foreign currency between a Bank and a Corporate, the bank is the 'supplier' of the service.
27	Would services provided by banks to RBI be also taxable?	Yes. Services provided by banks to RBI would be taxable as these are not covered by any of the exemptions or excluded from the purview of GST under the CGST Act, 2017 or under the IGST Act, 2017.
28	Whether a Bank / insurer is required to charge GST on the taxable services provided to United Nations or a specified international organization or, services provided for official use of a foreign diplomatic mission or consular post in India or for personal use or for the use of the family members of diplomatic agents or career consular officers posted therein?	Yes, the bank / insurer is required to charge GST in such cases. However, as per section 55 of the CGST Act, 2017, subject to such conditions and restrictions as may be prescribed, such service recipients would be entitled to claim a refund of taxes paid on the notified supplies of services received by them.
29	Who is liable to comply with GST on charges levied by Overseas Correspondent Banks facilitating trade and other cross border transactions?	In this case, there are two supplies namely, from bank in India to the importer/exporter and one from the overseas correspondent banks to the bank in India. So the liability to discharge GST on such supplies will be required to be determined accordingly.
30	Will the second proviso to Rule 28 apply in the case of a banking company that selects the 50% option to avail input tax credit set out in section 17(4) of the CGST Act, 2017?	The second proviso to Rule 28 of the CGST Rules, 2017 states that where the recipient is eligible for full input tax credit, the value as declared in the Invoice shall be deemed to be the Open Market Value of the goods or services. In view of the second proviso to section 17(4) of CGST Act, 2017,

		Banks claiming input tax credit under the 50% option will be covered under the scope of the second proviso to Rule 28 relating to valuation, where services are provided between the branches of the bank.
31	Are services supplied without consideration to a recipient other than 'related party' / 'distinct person' taxable?	Section 7 of the CGST Act, 2017 read with Schedule I thereto provides that services supplied without consideration to related persons or distinct persons only would qualify as 'supply'. Also import of services by bank from a related person or from any of its establishments outside India in the course or furtherance of business will be supply even if imported without consideration. Therefore, where the services are supplied by a supplier without consideration to an unrelated recipient or a person other than a related or distinct person, the same would not amount to supply and not liable to GST.
32	Can value of services be enhanced by invoking the CGST Rules in case of services provided by banks at a concessional / differential rate to a recipient other than 'related party' / 'distinct person'?	<p>Banks provide various services to customers for a charge. However, at times, account holders / customers are provided services free or at a concessional / differential rate. The free or concessional / differential rate is offered considering factors such as credit rating and stability of the customer, size of relationship, expected future business or the opportunity presented in the market elsewhere etc. As a result, the charges for the same service may differ from customer to customer.</p> <p>Such services provided to persons who are not related persons will be taxable on the transaction value, that is, the value of the services charged or recovered from the customers or account holders as per section 15 of the CGST Act, 2017. Thus, in case of services provided at a concessional / differential rate to a recipient other than 'related party' / 'distinct person', there is no requirement for enhancing the value of services by invoking the CGST Rules, 2017.</p>
33	In the case of Banks which are not availing the reversal of ITC at 50%, how should inter-branch services be valued where open market value of services of like kind and quality is not available?	In such cases, banks can adopt any reasonable basis consistent with Rule 30 and 31 of the CGST Rules, 2017.
34	Whether a 'derivative' is included within the meaning of 'securities' in Section 2(101) of CGST Act, 2017 and whether derivatives are liable to GST?	Section 2(101) of the CGST Act, 2017 provides that 'securities' shall have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (SCRA). 'Derivatives' are included in the definition of 'securities' under section 2(h)(ia) of the

		<p>SCRA. In terms of section 2(ac) of SCRA, “derivative” includes—</p> <p>(A) a security derived from a debt instrument, share, loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security;</p> <p>(B) a contract which derives its value from the prices, or index of prices, of underlying securities.</p> <p>The definition of ‘derivatives’ in SCRA is an inclusive definition. As ‘derivatives’ fall in the definition of securities, they are not liable to GST. However, if some service charges or service fees or documentation fees or broking charges or such like fees or charges are charged, the same would be a consideration for provision of service and chargeable to GST.</p>
35	<p>What is the nature of income / expenditure on Collateralized Borrowing and Lending Obligations (CBLO) transactions?</p>	<p>In CBLO transaction, the borrowing bank pays an amount as consideration to the lending bank for funds provided by it for a short term. Such amount would qualify as 'consideration represented by way of interest or discount' and hence, would not be subject to GST [serial no. 27 of the table of notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017, as amended]. However, if any charges or fees are levied for such transactions, the same would be a consideration and would be chargeable to GST.</p>
36	<p>Would ‘future contracts’ be chargeable to GST?</p>	<p>Future contracts are in the nature of financial derivatives, the price of which is dependent on the value of underlying stocks or index of stocks or certain approved currencies and the settlement happens normally by way of net settlement with no actual delivery.</p> <p>Since future contracts are in the nature of derivatives these qualify as ‘securities’ as defined in Section 2(101) of the CGST Act, 2017. As securities are neither ‘goods’ nor ‘services’ as defined in the CGST Act, 2017, future contracts are not chargeable to GST. But where the future contracts have a delivery option and the settlement of contract takes place by way of actual delivery of underlying commodity/currency, then such forward contracts would be treated as normal supply of goods and liable to GST.</p> <p>Further, if some service charges or service fees or documentation fees or broking charges or such like fees or charges are charged, the same would be a consideration for supply of service and chargeable to GST.</p>
37	<p>Would forward contracts in commodities</p>	<p>A forward contract is an agreement, executed, to purchase or</p>



<p>or currencies be within the ambit of definition of 'supply'?</p>	<p>sell a predetermined amount of a commodity or currency at a pre-determined future date at a pre-determined price. The settlement could be by way of actual delivery of underlying commodity/currency or by way of net settlement of differential of the forward rate over the prevailing market rate on the settlement date.</p> <p>Where the settlement takes place by way of actual delivery of underlying commodity/currency, then such forward contracts would be treated as normal supply of goods and liable to GST.</p> <p>Where the settlement takes place by way of net settlement of differential of the forward rate over the prevailing market rate on the settlement date, the same would be falling within the purview of 'securities' as defined in Section 2(101) of the CGST Act, 2017. As securities are neither 'goods' nor 'services' as defined in the CGST Act, 2017, future contracts are not chargeable to GST. However, if some service charges or service fees or documentation fees or broking charges or such like fees or charges are charged, the same would be a consideration for supply of service and chargeable to GST.</p>
<p>38 What is the nature of income earned / expended in instruments like repos and reverse repos and is such income taxable under GST?</p>	<p>Section 45U(c) of the RBI Act, 1934 defines 'repos' as an instrument for borrowing funds by selling securities with an agreement to repurchase the securities on a mutually agreed future date at an agreed price which includes interest for the funds borrowed. Section 45U (d) of the RBI Act, 1934 defines 'reverse repos' as an instrument for lending funds by buying securities with an agreement to re-sell the securities on a mutually agreed future date at an agreed price which includes interest for the funds lent. Repos and reverse repos are financial instruments of short term call money market that are normally used by banks to borrow from or lend money to RBI.</p> <p>The margins, called the repo rate or reverse repo rate, in such transactions are nothing but interest charged for lending or borrowing of money. Thus they have the characteristics of loans and deposits for interest and are accordingly exempt from GST [serial no. 27 of the table of notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017, as amended].</p>
<p>39 Would income from Commercial Paper (CP) or Certificates of Deposit (CD) be</p>	<p>Commercial Paper ('CP') and Certificate of Deposit ('CD') are unsecured money market instruments which are issued in</p>

taxable under GST?	<p>the form of a promissory note or in a dematerialized form through any of the depositories approved by and registered with SEBI. CPs are normally issued by highly rated companies, primary dealers and financial institutions at a discount to the face value. CDs can be issued by Scheduled Commercial Banks (excluding Regional Rural Banks and Local Area Banks) and All – India Financial Institutions (FIs) permitted by RBI.</p> <p>Since these are instruments for lending or borrowing money wherein consideration is represented by way of a discount or subscription to CPs or CDs, the same would be covered by the entry relating to ‘services by way of extending deposits, loans or advances in so far as consideration is represented by way of interest or discount’ and is not liable to GST [serial no. 27 of the table of notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017, as amended].</p> <p>Further, promissory note is included in the definition of ‘money’ as given in clause (75) of Section 2 of the CGST Act, 2017 and hence not liable to GST. However, if some service charges or service fees or documentation fees or broking charges or such like fees or charges are charged, the same would be a consideration for supply of services and chargeable to GST.</p>
40 Whether assignment or sale of secured or unsecured debts is liable to GST?	<p>Section 2(52) of the CGST Act, 2017 defines ‘goods’ to mean every kind of movable property other than money and securities but includes actionable claim. Schedule III of the CGST Act, 2017 lists activities or transactions which shall be treated neither as a supply of goods nor a supply of services and actionable claims other than lottery, betting and gambling are included in the said Schedule. Thus, only actionable claims in respect of lottery, betting and gambling would be taxable under GST. Further, where sale, transfer or assignment of debts falls within the purview of actionable claims, the same would not be subject to GST Further, any charges collected in the course of transfer or assignment of a debt would be chargeable to GST, being in the nature of consideration for supply of services.</p>
41 Would sale, purchase, acquisition or assignment of a secured debt constitute a transaction in money?	<p>Sale, purchase, acquisition or assignment of a secured debt does not constitute a transaction in money; it is in the nature of a derivative and hence a security.</p>
42 If any service charges or administrative charges or entry charges are recovered in	<p>No. The services of loans, advances or deposits are exempt in so far as the consideration is represented by way of</p>

	addition to interest on a loan, advance or a deposit, would such charges be also a part of the exemption?	interest or discount. Any charges or amounts collected over and above the interest or discount would represent taxable consideration and hence liable to GST.
43	To what extent is invoice discounting or cheque discounting or any other similar form of discounting exempt under GST?	Discounting of invoices or cheques falls within the meaning of “services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount”. Such discounting is exempt from payment of GST, as such discounting is nothing but a manner of extending a credit facility or a loan.  However, if some service charges or service fees or documentation fees or broking charges or such like fees or charges are charged, the same would be a consideration for supply of service and chargeable to GST.
44	Is interest on debt instruments exempt from GST?	Yes. As debt instruments such as debentures, bonds etc. are in the nature of loans, interest thereon will be exempt from GST.
45	Is GST required to be paid on additional interest charged in case of default in instalment payment by the customer?	As per Section 15(2) of CGST Act, 2017, the value of supply includes, inter alia, interest for delayed payment of any consideration for any supply. Additional Interest charged for default in payment of instalment in respect of any supply, which is subject to GST, will be includible in the value of such supply and therefore would be liable to GST.
46	Would charges for late payment of dues on credit card outstanding be chargeable to GST?	Yes. The exemption from levy of GST on interest specifically excludes interest charged on outstanding credit card balances as per serial no. 27 of the table of notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017, as amended.
47	Whether interest on a finance lease transaction is taxable under GST?	A finance lease is a method of borrowing against the asset. The interest represents the time value of the money expended by the Bank in financing the asset. Services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) is exempt. But, in a financial lease the ownership of the asset is with the bank. In essence, it is a ‘purchase the asset and lend it further’ transaction for bank. Therefore, neither the services are purely in the nature of extending loans nor the consideration for a financial lease is purely in the nature of interest. Thus, interest on finance lease transactions will be taxable under GST.
48	Where GST is charged on a supply of service and the amounts due from the	The adjustment of GST already paid is allowed only by way of issuance of credit /debit note in terms of Section 34 of the

<p>customer become irrecoverable as a bad debt in commercial practice, would such GST paid on accrual basis be refundable to the service provider by the Government?</p>	<p>CGST Act, 2017. The proviso to section 34(2) of the CGST Act, 2017 provides that no reduction in liability would be allowed if the incidence of tax has been passed on to another person. If bad debts are on account of deficiency in supply of services, or tax charged being greater than actual tax liability, or goods returned, GST paid on the same is refundable subject to fulfilment of the prescribed conditions. Therefore, GST already paid on bad debts, as used in the trade parlance, cannot be adjusted.</p>
<p>49) Would imposition of a fine or penalty for violation of a provision of law be a consideration for the activity of breaking the law, making such activity as service?</p>	<p>No. Fines and penalties are imposed for breaking the law by a person. They are not in the nature of a consideration for an activity and hence, would not constitute a supply of service.</p>
<p>50) Which services will qualify as services provided to 'account holder' as per Section 13(8) of the IGST Act, 2017?</p>	<p>The place of supply of services supplied by a banking company located in India to account holders located outside India is the location of the service provider i.e. banking company.</p> <p>“Account” has been defined in Explanation (a) to section 13(8) of the IGST Act, 2017 to mean an account which bears interest to the depositor, and includes a non-resident external (NRE) account and a non-resident ordinary (NRO) account.</p> <p>Services provided to holders of demand deposits, term deposits, NRE account and NRO account outside India will be covered by the definition of account referred to above.</p> <p>Examples of such services are:</p> <ul style="list-style-type: none"> <li>(i) services linked to or requiring opening and operation of bank accounts, such as, lending and deposits;</li> <li>(ii) transfer of money including telegraphic transfer, mail transfer, electronic transfer etc.</li> </ul>
<p>51) Which services do not qualify as services provided to 'account holder' as per Section 13(8) of the IGST Act, 2017 and thus the place of supply will be the location of the recipient of services?</p>	<p>Following are examples of services that are generally not provided by a banking company or financial institution to an account holder (holder of a deposit account bearing interest to the depositor including NRE and NRO account holders) in the ordinary course of business:</p> <ul style="list-style-type: none"> <li>(i) financial leasing services including equipment leasing and hire-purchase;</li> <li>(ii) merchant banking services;</li> <li>(iii) securities and foreign exchange (forex) broking, and purchase or sale of foreign currency, including money changing;</li> <li>(iv) asset management including portfolio management, all forms of fund management, pension fund management,</li> </ul>

	<p>custodial, depository and trust services;</p> <p>(v) advisory and other auxiliary financial services including investment and portfolio research and advice, advice on mergers and acquisitions and advice on corporate restructuring and strategy;</p> <p>(vi) banker to an issue service.</p> <p>In case of any service which does not qualify as service provided to an account holder, the place of supply for such services shall be the location of the recipient of services.</p>
<p>52 What is the location of the supplier in case of banking and other financial services where multiple locations are involved in providing the services to a customer?</p>	<p>Banking services emanate from the bank account opened by a customer with the branch of a bank or through a contractual relationship between the branch of a bank and the customer. The branch holding the customer's account is referred to as the 'Account Branch' or the 'Home Branch'. An account would include all types of accounts – viz. interest bearing, non- interest bearing, loan account, deposit account, etc. In the present day of “anywhere banking”, the customer avails banking services through mobile/ internet banking or by visiting any branch of the bank. At times the services are provided through branches / locations other than the 'Account Branch' or the 'Home Branch'. It is clarified that the services provided by the other branches are actually services provided to the 'Home branch' and are ultimately billed to the home branch. Thus, the location of supplier in such cases is the Home Branch/Account Branch.</p>
<p>53 What is the manner of dealing with various services provided by banks and other financial institutions?</p>	<p>Banks and financial institutions provide a bouquet of financial services relating to lending or borrowing of money or investments in money and other related services. For such services invariably a variety of instruments are used in the financial markets. Transactions in such instruments have to be examined on the touchstone of definition of 'supply' given in Section 7(1) of the CGST Act, 2017 to see whether such transactions would be chargeable to GST. Broadly, the following legal provisions would have a bearing on determining the taxability of such transactions.</p> <p>The definition of 'goods' and 'services' in Section 2(52) and Section 2(102) of the CGST Act, 2017 specifically excludes money and securities respectively. 'Money' has been defined in Section 2(75) of the CGST Act, 2017 to include instruments like cheques, drafts, pay orders, promissory notes, letters of credit, etc.</p> <p>Therefore, activities that are only transactions in such</p>

		<p>instruments would be outside the definition of service. This would include transactions in Commercial Paper ('CP') and Certificate of Deposit ('CD') (as they are in the nature of promissory notes), issuance of drafts or letters of credit, etc. While these transactions would be outside the ambit of supply, the related activity, for which a separate consideration is charged, would be chargeable to GST if other elements of taxability are present. Therefore, GST would be levied on service charges normally charged for various transactions in money including charges for making drafts, issuance charges for letter of credit etc. Definition of 'securities' includes 'derivatives'. Transactions in instruments like interest rate swaps, and foreign exchange swaps would be excluded from the definition of 'supply' since such instruments are derivatives, being securities, based on contracts of difference. However, any attendant service charges or fees would be chargeable to GST.</p> <p>Further, services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount is exempt from the levy of GST.</p>
54	<p>Are services supplied by a Bank to its branch / head-office outside India, which are neither intermediary services nor services to account holders, taxable under GST?</p>	<p>GST is a destination based consumption tax. Such services provided by a Bank or the branch of a foreign Bank in India to its offshore branch / head-office, which are neither intermediary services nor services to account holders, are inter-State supply of services between distinct establishments (as per section 7(5)(a) read with Explanation to section 8 of the IGST Act, 2017), and will be taxable in India, as the location of the supplier is in India and the place of supply is outside India. Such services will not be treated as exports in view of the sub-clause (v) of section 2(6) of the IGST Act, 2017 read with Explanation 1 to section 8 of the IGST Act, 2017.</p>
55	<p>Will the management oversight or stewardship activities performed in relation to business operations by the Head Office of a Bank to a Branch in India be considered as a supply of services by the Head Office even when there is no consideration charged by the Head Office, nor any expenditure recorded in the books of account of the Branches?</p>	<p>As per Schedule – I to the CGST Act, 2017, supply of services between distinct entities will be a taxable supply even in absence of a consideration.</p>
56	<p>If tax is payable on provision of management oversight or stewardship</p>	<p>As per Rule 28 of the CGST Rules, 2017, the Bank may obtain a certificate from the Branch or Office providing the</p>

<p>services by a related person, what shall be the value of supply when no invoice is raised, no payment is made by recipient or no entry is made in the books of accounts of the recipient of service? What will be the time of supply?</p>	<p>estimated cost of rendering the support. It may be backed by a certificate issued by a chartered accountant or cost accountant.</p> <p>In such cases, the time of supply shall be the date when such costs are determined or certificate is received and the GST liability on the said costs shall be discharged accordingly. This can be done before the expiry of the quarter during which such supply was made as provided in 2nd proviso to Rule 47 of the CGST Rules, 2017. For this purpose a document may be issued by the entity supplying such services.</p>
<p>57 Is the Nominated Bank, receiving gold on consignment basis, required to pay IGST on import of gold from the overseas supplier?</p>	<p>The dispatch of gold by the principal from a place outside India to the Bank in India is deemed to be a supply in terms of para 3 of Schedule I to the CGST Act, 2017. Accordingly, IGST will be payable on such import of gold by the Nominated Bank at the time of clearance of gold by the Customs.</p>
<p>58 Will there be another liability for payment of GST when the gold (metal) is appropriated or drawn from the consignment stock by the Nominated Bank?</p>	<p>The supply of gold (metal) is already deemed to have taken place in terms of para 3 of Schedule I of the CGST Act, 2017 when the same was despatched by the overseas supplier to the Nominated Bank. Since the supply has already taken place, there will not be another supply when the gold is drawn or appropriated by the Nominated Bank from the stock. There will, therefore, not be another levy of GST.</p>
<p>59 In the case of gold (metal) loan, whether the supply of gold (metal) to the jeweller will be deemed to take place at the time of delivery of gold (metal) or at the time when the price of gold (metal) is fixed by the jeweller?</p>	<p>The Gold (Metal) Loan Scheme approved by the Reserve Bank of India is a means of financing. The Banks deliver gold (metal) to the jewellers who appropriate and use the same in the course of their business. The gold (metal) is seldom returned and the jeweller fixes the price of gold (metal) within the stipulated period of 180 to 270 days.</p> <p>Considering the nature of transaction, the supply of gold (metal) will take place on the date of delivery of gold (metal) to the jeweller. The Banks should raise the invoice at the time of delivery of gold (metal) in terms of section 12 of the CGST Act, 2017. Since the price of gold (metal) is not fixed, banks may issue an invoice wherein the value of the supply may be indicated on the basis of the metal rate in the international or domestic market. As and when the price is finally fixed by the jeweller, the Bank should issue debit or credit notes for the difference in the price as per the original invoice and the price finally fixed, along with applicable GST.</p>

60	Whether tax is payable on interest charged by the Banks on the outstanding amount of gold (metal) loan?	The Gold (Metal) Loan Scheme is a means of financing. The jewellers can purchase gold (metal) from the Banks on outright basis on payment of the price. The gold (metal) loan only provides an option to the jeweller to avail a loan and pay for gold (metal) at a future date. For this facility, the jeweller pays interest to the Bank. The grant of loan and levy of interest is dependent on the purchase of gold, and therefore, part of the same transaction or facility; therefore the interest, which is the consideration, will not be exempt as per provisions of section 15(2)(d) of the CGST Act, 2017.
61	What will be the place of supply in cases where the account is held in a bank in one State but some services are availed in a different branch of the same bank in another State.	As per the provisions of Section 12(12) of the IGST Act, 2017, the place of supply of services for a bank is the location of the recipient of the services on the records of the supplier of services. In general, this will be the State in which the account exists. For example, if the account is held in Delhi, and some services are obtained by the account holder in Maharashtra, the place of supply of services will be Delhi (and hence Central tax / State tax or Union territory tax will be chargeable). In such transactions, the branch in Maharashtra will only be a facilitator for providing these services. If the branch in Maharashtra levies any charges on the branch in Delhi for providing this facility, that will be a separate supply between the two branches, it will be chargeable to Integrated tax.
62	Will GST be charged in transactions, where loan of one bank is taken over by another bank?	GST will be chargeable on any transaction processing fees levied for such takeover of loans, but not on the interest component (as interest is exempted).
63	Whether GST will be levied on sale of re-possessed asset?	Sale of repossessed asset falls within the scope of supply and will be chargeable to GST.
64	Whether GST will be levied on interchange fees on card settlement fees paid/shared by banks?	Fees charged for card settlement is a consideration which is part of a separate transaction between the banks which are parties to this transaction and shall be liable to GST. This is a B2B supply and credit of this transaction is available.
65	What is the leviability of GST on securitization transactions undertaken by banks?	Securitized assets are in the nature of securities and hence not liable to GST. However, if some service charges or service fees or documentation fees or broking charges or such like fees or charges are charged, the same would be a consideration for provision of services related to securitization and chargeable to GST.
INSURANCE SECTOR		
66	What is the location of the supplier of service for fund management charges in ULIP policies?	The fund management charges are charges towards managing and administering the fund. These funds are managed by the Fund Management team. The location of the



		supplier of service for fund management charges shall be the location / office which manages the fund.
67	Whether commission paid to insurance agents shall be construed as supplies received under Section 9(3) of CGST Act, 2017? If yes, whether the Life Insurance Company can raise a consolidated invoice for such commission payments?	Sr. No. 7 of notification No. 13/2017-Central Tax (Rate), dated 28th June, 2017 as amended covers supplies received from Insurance Agents and provides for the Insurance Company to pay GST on such supplies under Section 9(3) of the CGST Act, 2017. In such cases, the insurance company may issue agent-wise consolidated invoice at the end of the month for the supply of services received during the month.
68	Whether insurance policies issued to Non-Resident Indians, where the premium is paid through the NonResident External Bank account, will be 'export of services'? Would the insurance premiums be taxable in cases where the same is not received in convertible foreign exchange or from the NRE Accounts?	No. The amounts paid from the Non-Resident External Accounts are paid in Indian Rupees and are not received in convertible foreign exchange. Therefore, the conditions for export of services as provided under section 2(6) of IGST Act, 2017 are not satisfied. Life Insurance services in such cases would be treated as inter-State supplies and subject to GST.
69	Will the requirements of Letter of Undertaking or Bond be required to be complied with in the case of Life Insurance Premium where the conditions of export of services are satisfied before or at the time of supply of the Life Insurance Service?	Yes. As per Section 16(3) of the IGST Act, 2017, read with Rule 96A of the CGST Rules, 2017, an exporter is required to submit a Letter of Undertaking or Bond in case the export of service is made without payment of integrated tax.
70	What would be the time of supply of life insurance services?	Insurance policies are contracts for indemnifying any loss suffered by the policyholder. The policyholder is required to pay a premium at the time of inception of the policy. Renewal premiums are required to be paid on periodical basis during the tenure of the policy. For renewal of the policies the policyholders are allowed grace period ranging from 15 days to 30 days in accordance with the IRDA (Protection of Policyholders' Interests) Regulation, 2002. The time of supply of life insurance services to the policy holders would be as under:- (a) New Policy – At the time of issuance of the policy; (b) Renewal of Policy – The time of issuance of renewal notice for insurance premium; (c) Other charges including ULIP charges – At the time of levy or recovery of the charges from the policyholder.
71	When service tax was paid on or before 30th June, 2017 for the services to be provided, but subsequently not provided, whether refund claim can be made under	Section 142(5) of the CGST Act, 2017 specifically provides for refund of tax paid under the Finance Act, 1994 in respect of services not provided. The same shall be disposed off in accordance with the provisions of the Chapter V of the

	Section 142(5) of the CGST Act?	Finance Act, 1994.
72	Can the input tax credit of Krishi Kalyan Cess be carried forward?	No. It is not permitted in terms of section 140(1) of the CGST Act, 2017 read with Rule 117(1) of the CGST Rules, 2017.
73	In the case of group insurance policies, a Master Policy is issued; the beneficiaries of the Master Policy may be located in more than one State. In such cases, what will be the place of supply of services?	In the case of issuance of Master / Group Policy to a registered person where the premium charged is a single premium and not segregated based on the beneficiaries of the insurance policies, the place of supply for such policy will be the location of the registered person paying the premium.
74	What is the time of supply of services for deposits and advances in cases of the recipient issuing a bank guarantee or making a deposit before assumption of risk and issuance of a policy?	As per the proviso to Section 2(31) of the CGST Act, 2017, a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply. In case of advances, however, the time of supply is the time of receipt of advance as provided in section 13(2)(a) of the CGST Act, 2017.
75	Whether ITC will be allowed on motor garage services used by insurance company for claim settlement?	Yes, ITC will be allowed on services of motor garage used by an insurance company for claim settlement.
76	Whether the service provided by the re-insurance company to an insurer will be treated as a supply?	The service of re-insurance falls within the scope of supply, and is chargeable to GST.
<b>STOCK BROKING SERVICES</b>		
77	In the case of stock broking, whether stamp duty or securities transaction tax or other Central or State taxes would be considered as a part of the value of supply as prescribed under Section 15 of the CGST Act, 2017, for levy of GST?	GST is not payable by the stock brokers on these recoveries as long as the conditions of pure agent as provided in Rule 33 of the CGST Rules, 2017 are met. If not, then valuation will be done as per section 15 of the CGST Act, 2017 read with Rule 27 of CGST Rules, 2017.
78	Is brokerage earned in stock broking service liable to Goods and Services Tax?	Yes. Since the stock brokers are engaged in the business of supplying the stock broking service, appropriate GST is payable on the same.
79	Can a person take voluntary registration under the Act?	Section 25(3) of the CGST Act, 2017 states that “a person, though not liable to be registered under section 22 or section 24 of the CGST Act, 2017 may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered person, shall apply to such person.” Therefore, any person may choose to get voluntary registration under the Act.
80	Is GST leviable on interest/ delayed payment charges charged to clients for debit for settlement obligations/margin	Any interest/ delayed payment charges charged for delay in payment of brokerage amount/settlement obligations/margin trading facility shall be leviable to GST.

	trading facility?	
81	What will be the “place of supply of services” in case of stock brokers?	In case of stock broking, the details of the address of the client are required to be updated with the Stock Exchange as part of the “Unique Client Code” details. Therefore, in case of domestic supplies of such services, address on record with the stock brokers shall be the “location of the recipient of services” in terms of section 12(12) of the IGST Act, 2017. However, in cases where the the location of the recipient is outside India, the place of supply shall be determined as per section 13(8) of the IGST Act, 2017 i.e. as an intermediary.
82	Do stock brokers fall in the definition of “intermediary” under section 2(13) of the IGST Act, 2017?	Yes. Since stock brokers arrange the supply of securities between two or more persons, stock brokers would be covered by the definition of “intermediary”.
83	Would sub-brokers/ Authorized Persons fall in the definition of “agent” under Section 2(5) of the CGST Act, 2017? What would be the registration requirement for subbrokers/Authorized Persons in the context of the Goods and Services Tax Regime?	As per Stock Brokers and Sub Brokers Regulation, 1992 issued by SEBI, a “subbroker” means “any person, not being a member of stock exchange, who acts on behalf of a stock broker as an agent or otherwise for assisting the investors in buying, selling or dealing in securities through such stock brokers”. It is, therefore, apparent that the sub broker may not only be providing services to the stock broker but may also be providing services to the clients and receiving consideration from both. Thus, in such a scenario where the sub broker is providing services both to the broker and the investor on behalf of the broker, he would be duly covered by the definition of ”agent” as provided in Section 2(5) of the CGST Act, and needs to compulsorily register without the threshold under Section 24(vii) of the CGST Act, 2017.  In case the sub-brokers do not provide any service to the clients on behalf of stock broker (for example referral commission only), then the said sub-brokers would not fall in the definition of “agent” under the CGST Act, 2017.
84	What is the “place of business” for a stock broker?	Section 2(85) of the CGST Act, 2017 defines “place of business” to include: (i) a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or (ii) a place where a taxable person maintains his books of account; or (iii) a place where a taxable person is engaged in business through an agent, by whatever name called. In case of operations of a stock broker, it is required by law that all transactions would be via screen based trading on the

		<p>Stock Exchanges. Therefore, the following would be the “place of business” in case of stock brokers:</p> <p>(i) All the branches of the stock broker where the Stock Exchange Trading terminals are located and where trade is carried out on behalf of clients;</p> <p>(ii) Main office/ Head office/ Registered Office/ Branch office where back office operations are carried out including issuing of bills/ contracts/ tax invoices/ account statements to the clients.</p> <p>In case of sub-brokers’ / Authorised Person office, where the premises are neither owned by the stock broker nor rented/ leased in favour of the stock broker and there are no employees on the payroll of the stock broker in such an office, then such premises shall not be considered a place of business of the stock broker.</p>
85	<p>Stock Brokers deal with clients who are not residents of India like Foreign Portfolio Investors, Non Resident Indians, Persons of Indian Origin, etc. Will brokerage earned from such clients who are not resident in India qualify as “export of service” under section 2(6) of the IGST Act, 2017?</p>	<p>The stock broker being an intermediary, this situation shall be covered under the provisions of section 13(8)(b) of the IGST Act, 2017 which provides that the place of supply shall be the location of the supplier of services. Thus such a supply will be treated as an intra-State supply and would be subject to Central tax and State tax / Union territory tax, as the case may be.</p>
86	<p>What will be the effect if we have paid</p> <p>(i) Integrated tax instead of Central tax and State tax / Union territory tax?</p> <p>(ii) Central tax and State tax / Union territory tax instead of Integrated tax?</p>	<p>Under section 19(1) of the IGST Act, 2017 “a registered person who has paid integrated tax on a supply considered by him to be an inter-State supply, but which is subsequently held to be an intra-State supply, shall be granted refund of the amount of integrated tax so paid in such manner and subject to such conditions as may be prescribed”.</p> <p>Under section 19(2) of the IGST Act, 2017 “a registered person who has paid Central tax and State tax or Union territory tax, as the case may be, on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall not be required to pay any interest on the amount of integrated tax payable”.</p> <p>Therefore, in case a registered person has paid Integrated tax instead of Central tax and State tax or Union territory tax, then he shall be granted refund of the amount paid as Integrated tax and he will have to pay Central tax and State tax or Union territory tax. Further, no interest will be payable on the Central tax and State tax or Union territory tax so paid. Further, in case a registered person has paid Central tax</p>

		and State tax or Union territory tax instead of Integrated tax, then he shall be granted refund of the amount paid as Central tax and State tax or Union territory tax and he will have to pay Integrated tax. However, no interest shall be payable on the Integrated tax amount so paid.
87	In the course of stock broking, funds are received from the clients as margin money for trade. Would the same be treated as consideration?	In the context of stock broking, funds/ securities are provided by the clients to the stock brokers in advance of the potential orders/ trades that would lead to margin/ settlement obligations. All such advances will fall in the category of deposit under the proviso to section 2(31) of the CGST Act, 2017 and thus will not be considered as payment made for such supply unless the stock broker applies such deposit as consideration for the said supply in his books of accounts.
88	Can the stock broker continue to issue bills and contracts under the normal Stock Exchange mechanism and issue a monthly tax invoice for the purpose of Goods and Services Tax?	The stock broker can issue bills and contracts under the normal Stock Exchange mechanism mentioning the GST amount but will have to issue a tax invoice as envisaged under Section 31(2) of the CGST Act, 2017 read with Rule 47 of the CGST Rules, 2017.
89	What is considered as 'securities' under the Goods and Services Tax Act? Are they taxable under GST?	<p>Section 2(101) of the CGST Act, 2017 defines "securities" to have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.</p> <p>Section 2(52) of the CGST Act, 2017 defines "goods" to mean every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply. Thus, securities are not goods under the CGST Act, 2017.</p> <p>Section 2(102) of the CGST Act, 2017 defines "services" to mean anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged. Thus, securities are not services under the CGST Act, 2017.</p> <p>Since securities neither fall in the definition of goods nor in the definition of services, they fall in the definition of "non-taxable supply" under section 2(78) of the CGST Act, 2017.</p>
90	Stock brokers provide many other services like Depository Participant Services /	Section 2(18) of the CGST Act, 2017 defines "business vertical" to mean "a distinguishable component of an

<p>Portfolio Management Services, etc. Do they require registration as separate Business Verticals?</p>	<p>enterprise that is engaged in the supply of individual goods or services or a group of related goods or services which is subject to risks and returns that are different from those of the other business verticals.</p> <p>Explanation.—For the purposes of this clause, factors that should be considered in determining whether goods or services are related include—</p> <ul style="list-style-type: none"> <li>(i) the nature of the goods or services;</li> <li>(ii) the nature of the production processes;</li> <li>(iii) the type or class of customers for the goods or services;</li> <li>(iv) the methods used to distribute the goods or supply of services; and</li> <li>(v) the nature of regulatory environment (wherever applicable), including banking, insurance, or public utilities”.</li> </ul> <p>It is the choice of the taxable person to build all the services provided in one vertical or separate verticals based on their business models and requirements. They may choose to obtain separate registration as a business vertical in terms of the proviso to section 25(2) of the CGST Act, 2017.</p>
<p>91 Whether GST will be levied on the exit-load on mutual funds?</p>	<p>Exit load in the form of a fee (whether or not as a fixed percentage of the investment) is liable to GST. Even if the exit load is in the form of units in the fund, it may be concluded that the consideration received in money was later converted to NAV units.</p>