

Electronic Commerce

Q 1. What is Electronic Commerce?

Ans. Electronic Commerce has been defined to mean the supply of goods or services or both, including digital products over digital or electronic network.

Q 2. Who is an e-commerce operator?

Ans. Electronic Commerce Operator has been defined to mean any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.

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

Ans. Yes. The benefit of threshold exemption is not available to e-commerce operators and they would be liable to be registered irrespective of the value of supply made by them.

Q 4. Whether a supplier of goods or services supplying through e-commerce operator would be entitled to threshold exemption?

Ans. No. The threshold exemption is not available to such suppliers and they would be liable to be registered irrespective of the value of supply made by them. This requirement, however, is applicable only if the supply is made through such electronic commerce operator who is required to collect tax at source.

Q 5. Will an e-commerce operator be liable to pay tax in respect of supply of goods or services made through it, instead of actual supplier?

Ans. Yes, but only in case of certain notified services. In such cases tax shall be paid by the electronic commerce operator if such services are supplied through it and all the provisions of the Act shall apply to such electronic commerce operator as if he is the person liable to pay tax in relation to supply of such services.

The logo consists of the letters 'ANK' in a bold, blue, sans-serif font. The letters are slightly blurred and have a soft glow effect, giving it a modern, digital appearance.

Q 6. Will threshold exemption be available to electronic commerce operators liable to pay tax on notified services?

Ans. No. Threshold exemption is not available to e-commerce operator who are require to pay tax on notified services provided through them.

Q 7. What is Tax Collection at Source (TCS)?

Ans. The e-commerce operator is required to collect an amount calculated at the rate not exceeding one percent of the net value of taxable supplies made through it, where the consideration with respect to such supplies is to be collected by such operator. The amount so collected is called as Tax Collection at Source (TCS).

Q 8. It is very common that customers of e-commerce companies return goods. How these returns are going to be adjusted?

Ans. An e-commerce company is required to collect tax only on the net value of taxable supplies. In other words, value of the supplies which are returned are adjusted in the aggregate value of taxable supplies.

Q 9. What is meant by "net value of taxable supplies"?

Ans. The "net value of taxable supplies" means the aggregate value of taxable supplies of goods or services or both, other than the services on which entire tax is payable by the e-commerce operator, made during any month by all registered persons through such operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.

Q 10. Is every e-commerce operator required to collect tax on behalf of actual supplier?

Ans. Yes, every e-commerce operator is required to collect tax where consideration with respect to the supply is being collected by the e-commerce operator.

The logo for ANK, consisting of the letters 'A', 'N', and 'K' in a bold, blue, sans-serif font. The letters are slightly shadowed, giving them a 3D appearance as if they are floating above a surface.

Q 11. At what time should the e-commerce operator make such collection?

Ans. The e-commerce operator should make the collection during the month in which supply was made.

Q 12. What is the time within which such TCS is to be remitted by the e-commerce operator to Government account?

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

Q 13. How can actual suppliers claim credit of this TCS?

Ans. The amount of TCS deposited by the operator with the appropriate government will be reflected in the cash ledger of the actual registered supplier (on whose account such collection has been made) on the basis of the statement filed by the operator. The same can be used at the time of discharge of tax liability in respect of the supplies by the actual supplier.

Q 14. Is the e-commerce operator required to submit any statement? What are the details that are required to be submitted in the statement?

Ans. Yes, every operator is required to furnish a statement, electronically, containing the details of outward supplies of goods or services effected through it, including the supplies of goods or services returned through it, and the amount collected by it as TCS during a month within ten days after the end of such month. The operator is also required to file an annual statement by 31st day of December following the end of the financial year in which the tax was collected.

Q 15. What is the concept of matching in e-commerce provisions and how it is going to work?

Ans. The details of supplies and the amount collected during a calendar month, and furnished by every operator in his statement will be matched with the corresponding

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details of outward supplies furnished by the concerned supplier in his valid return for the same calendar month or any preceding calendar month. Where the details of outward supply, on which the tax has been collected, as declared by the operator in his statement do not match with the corresponding details declared by the supplier the discrepancy shall be communicated to both persons.

Q 16. What will happen if the details remain mismatched?

Ans. The value of a supply relating to any payment in respect of which any discrepancy is communicated and which is not rectified by the supplier in his valid return for the month in which discrepancy is communicated shall be added to the output liability of the said supplier, for the calendar month succeeding the calendar month in which the discrepancy is communicated. The concerned supplier shall, in whose output tax liability any amount has been added shall be liable to pay the tax payable in respect of such supply along with interest on the amount so added from the date such tax was due till the date of its payment.

Q 17. Are there any additional powers to tax officers available?

Ans. Any authority not below the rank of Deputy Commissioner may issue a notice to the electronic operator to furnish specified details within a period of 15 working days from the date of service of such notice.

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