



## Services under Reverse Charge Mechanism in GST on 01.10.2019

[taxguru.in/goods-and-service-tax/services-reverse-charge-mechanism-gst-01-10-2019.html](https://taxguru.in/goods-and-service-tax/services-reverse-charge-mechanism-gst-01-10-2019.html)

### **List of Services liable for Reverse Charge Mechanism (RCM) in GST including notified services effective from 1<sup>st</sup> October, 2019.**

In the normal course of taxability in GST liability to pay GST is on supplier on supply of Goods or services but in some cases recipient of goods or services are liable to pay GST.

The concept of reverse charge under GST is similar to the reverse charges liability in previous service tax law but in GST it is little bit different. In GST there are two type of reverse charge liability viz.:-

- 1. Reverse Charge Mechanism Under section 9(3) of CGST/SGST Act:** –it is similar to reverse charge liability in previous service tax law. Under this section notified supply of goods and services are covered in which specified recipient are liable to pay tax under reverse charge mechanism.
- 2. Reverse Charge Mechanism Under Section 9(4) of CGST/SGST Act :-** under this section only registered person under GST act are liable to pay GST under reverse charge mechanism on all taxable goods or services or both receipt from the unregistered supplier.

The Central Government on the recommendations of the Council by **Notification No. 13/2017-Central Tax (Rate) dated 28th June, 2017** notify following services which are liable for Reverse Charge Mechanism (RCM) under section 9(3) of CGST Act.

#### Table

Sr. No.	Category of Supply of Services	Effective Date Period	Supplier of Service	Recipient of service
(1)	(2)		(3)	(4)

<p>1. <b>GTA Services</b> Supply of Services by a Goods Transport Agency (GTA) who has not paid central tax @ 6% in respect of transportation of goods by road to –</p> <p>(a) any factory registered under or governed by the Factories Act, 1948; or</p> <p>(b) any society registered under the Societies Registration Act, 1860 or under any other law for the time being in force in any part of India; or</p> <p>(c) any cooperative society established by or under any law; or</p> <p>(d) any person registered under CGST/IGST/SGST/or UTGST Act; or</p> <p>(e) anybody corporate established, by or under any law; or</p> <p>(f) any partnership firm whether registered or not under any law including association of persons; or</p> <p>(g) any casual taxable person; located in the taxable territory.</p> <p>“Provided that nothing contained in this entry shall apply to services provided by a goods transport agency, by way of transport of goods in a goods carriage by road, to, –</p>	01.07.2017	Goods Transport Agency (GTA)	<p>(a) any factory registered under or governed by the Factories Act, 1948; or</p> <p>(b) any society registered under the Societies Registration Act, 1860 or under any other law for the time being in force in any part of India; or</p> <p>(c) any cooperative society established by or under any law;</p> <p>(d) any person registered under CGST/IGST/SGST/UTGST Act; or(e) anybody corporate established, by or under any law; or(f) any partnership firm whether registered or not under any law including association of persons; or(g) any casual taxable person located in the taxable territory.</p>
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(a) a Department or Establishment of the Central Government or State Government or Union territory; or

(b) local authority; or

(c) Governmental agencies, which has taken registration under the **Central Goods and Services Tax Act, 2017** (12 of 2017) only for the purpose of deducting tax under Section 51 and not for making a taxable supply of goods or services.”

2.	<p><b>Legal Services-</b> Services provide by an individual advocate including a senior advocate or firm of advocates by way of legal services, directly or indirectly.</p> <p><i>Explanation.</i> – ‘Legal service’ means any service provided in relation to advice, consultancy or assistance in any manner and includes representational services before any Court, Tribunal or Authority.</p>	01.07.2017	An individual advocate including a senior advocate or firm of advocates.	Any business entity located in the taxable territory.
3	<p><b>Arbitral Services</b> Services supplied by an arbitral Tribunal to a business entity.</p>	01.07.2017	<b>An arbitral Tribunal</b>	Any business entity located in the taxable territory.

4	<p><b>Sponsorship Services</b> Service provided by way of Sponsorship Service to anybody corporate or partnership firm.</p>	01.07.2017	<b>Any person</b>	Anybody corporate or partnership firm located in the taxable territory.
5	<p><b>Government Services</b> Services supplied by the Central Government, State Government, Union territory or local authority to a business entity excluding the following :</p> <p>(A) renting of immovable property service, and</p> <p>(B) services specified below :-</p> <p>(i) services by the Department of posts by way of speed post, life insurance, express parcel post and agency services provided to a person other than Central Government, State Government or Union territory or local authority;</p> <p>(ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</p> <p>(iii) transport of goods or passengers.</p>	01.07.2017	Central Government, State Government, Union territory or Local Authority	Any Business Entity located in the taxable territory.

5A	<b>Services by the Government:</b> Services supplied by the Central Government, State Government, Union territory or local authority by way of renting of immovable property to a person registered under the Central Goods and Services Tax Act, 2017 (with effect from 25-1-2018.	25.01.2018	Central Government, State Government, Union territory or Local Authority.	Any person registered under the Central Goods and Services Tax Act, 2017
5B	Services supplied by any person by way of transfer of development rights or Floor Space Index (FSI) (including additional FSI) for construction of a project by a promoter.	01.04.2019	Any Person	Promoter
5C	Long term lease of land (30 years or more) by any person against consideration in the form of upfront amount (called as premium, salami, cost, price, development charges or by any other name) and/or periodic rent for construction of a project by a promoter.	01.04.2019	Any person	Promoter
6	<b>Services by the Director:</b> Services supplied by a director of a company or a body corporate to the said company or the body corporate.	01.07.2017	A director of a company or a body corporate	A company or a body corporate located in the taxable territory
7	<b>Insurance Agent Service:</b> Services provided by an insurance agent to person carrying on insurance business.	01.07.2017	An Insurance Agent	Any person carrying on insurance business, located in the taxable territory.

8	<b>Recovery Agent Service:</b> Services provided by a recovery agent to a banking company or a financial institution or a non-banking financial company.	01.07.2017	A Recovery Agent	Banking company or financial institution or a non-banking financial company, located in the taxable territory.
9	<b>Copyright Service –</b> Supply of Services by an author, music or the like by way of transfer or permitting the use or enjoyment of a copyright of a covered under clause (a) of sub-section (1) of Section 13 of the Copyright Act, 1957 relating to original literary, dramatic, musical or artistic works to a publisher, music company, producer or the like.	01.07.2017 to 30.09.2019	Author or music composer, photographer, artist, or the like.	Publisher, Music company, producer or the like, located in the taxable territory.
9	<b>Copyright Service by a music composer, photographer, artist or the like</b> Supply of services by a music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original dramatic, musical or artistic works to a music company, producer or the like.	01.10.2019	Music composer, photographer, artist, or the like	Music company, producer or the like, located in the taxable territory.”;

“9A	<p><b>Copyright Service by Author</b> – w.e.f. 1st October 2019</p> <p>Supply of services by an author by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original literary works to a publisher.</p>	01.10.2019	Author	<p>Publisher located in the taxable territory: Provided that nothing contained in this entry shall apply where, -(i) the author has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017), and filed a declaration, in the form at Annexure I, within the time limit prescribed therein, with the jurisdictional CGST or SGST commissioner, as the case may be, that he exercises the option to pay central tax on the service specified in column (2), under forward charge in accordance with Section 9 (1) of the Central Goods and Service Tax Act, 2017 under forward charge, and to comply with all the provisions of Central Goods and Service Tax Act, 2017 (12 of 2017) as they apply to a person liable for paying the tax in relation to the supply of any goods or services or both and that he shall not withdraw the said option within a period of 1 year from the date of exercising such option;(ii) the author makes a declaration, as prescribed in Annexure II on the invoice issued by him in Form GST Inv-I to the publisher. ”;</p>
10	<p><b>Reserve Bank Services :</b> w.e.f 13th October, 2017</p> <p>Supply of services by the members of Overseeing Committee to (Reserve Bank of India Effective from 13-10-2017)</p>	13.10.2017	<p>Members of Overseeing Committee constituted by the Reserve Bank of India.</p>	Reserve Bank of India

11	<b>Services by DSAs :</b> Services supplied by individual Direct Selling Agents (DSAs) other than a body corporate partnership or limited liability partnership firm to bank or non-banking financial company (NBFCs) Effective from 27-7-2018).	27.07.2018	Individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm.	A banking company or a non-banking financial company, located in the taxable territory.
12	Services provided by Business Facilitator (BF) to a banking company.	01.01.2019	Business facilitator (BF)	A banking company, located in the taxable territory.
13	Services provided by an agent of Business Correspondent (BC) to Business Correspondent (BC).	01.01.2019	An agent of Business Correspondent (BC).	A business correspondent, located in the taxable territory.



14	<p>Security Services (services provided by way of supply of security personnel) provided to a registered person :</p>	01.01.2019	Any person other than a body corporate.	A registered person, located in the "taxable territory."
	<p><b>Provided</b> that nothing contained in the entry shall apply to,- (i)(a) a Department or Establishment of the Central Government or State Government or Union territory; or</p> <p>(b) local authority; or</p> <p>(c) Government agencies;</p> <p>which has taken registration under the Central Goods and Services Tax Act, 2017</p> <p>(12 of 2017) only for the purpose of deducting tax under Section 51 of the said Act and not for making a taxable supply of goods or services; or (ii) a registered person paying tax under Section 10 of the said Act.</p>			
15	<p>Services provided by way of renting of a motor vehicle provided to a body corporate.</p>	01.10.2019	Any person other than a body corporate, paying central tax at the rate of 2.5% on renting of motor vehicles with input tax credit only of input service in the same line of business	Any body corporate located in the taxable territory.

16	Services of lending of securities under Securities Lending Scheme, 1997 ("Scheme") of Securities and Exchange Board of India ("SEBI"), as amended.	01.10.2019	Lender i.e. a person who deposits the securities registered in his name or in the name of any other person duly authorised on his behalf with an approved intermediary for the purpose of lending under the Scheme of SEBI	Borrower i.e. a person who borrows the securities under the Scheme through an approved intermediary of SEBI.
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### List of Notifications issued from time to time related to RCM

#### S. No. Notification No. and date with link

1	Notification No. 13/2017- Central Tax (Rate) dated 28th June, 2017
2	Notification No. 22/2017 – Central Tax (Rate) dated 22nd August, 2017
3	Notification No. 33/2017 – Central Tax (Rate), dated 13th October, 2017
4	Notification No. 3/2018 – Central Tax (Rate), dated 25th January, 2018
5	Notification No. 15/2018 – Central Tax (Rate), dated 26th July, 2018
6	Notification No.29/ 2018- Central Tax (Rate), dated 31st December, 2018
7	Notification No. 5/2019 – Central Tax (Rate), dated 29th March, 2019
8	Notification No. 22/2019- Central Tax (Rate) Dated 30th September, 2019