PLACE OF SUPPLY

GST is primarily a destination-based consumption tax though there are occasions where it can be origin-based or the place of origin and destination may be same. This, in simple terms, means that the tax collected on supply of services should accrue to the jurisdiction or State in which those services are consumed. It is difficult for services considering the intangible nature of services. Elaborate rules have been made for determining place of supply of goods and services based on the nature of supplies.

PLACE OF SUPPLY FOR SERVICES

- ## General Rule Sec 12(2)

  The place of supply of services, **except** the services specified in **sub-sections (3) to (14)**,
  (a) made to a registered person, shall be the location of such person;
  (b) made to any person other than a registered person shall be-
  (i) the location of the recipient where the address on record exists; and
  (ii) the location of the supplier of services in other cases.

- ## Special Rule Sec 12 (3-14)

Sec	Particulars	Services Covered	Place of Supply
12(3)	Immovable Property	Including services provided by **a) 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; b) 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. c) by way of **accommodation in any immovable property** for organising any marriage or reception or matters related thereto, official, social, cultural, religious or business function including services provided in relation to such function at such property. d) any services ancillary to the services referred to in clauses (a), (b) and (c).	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. 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**
12(4)	**Restaurant**	**Restaurant and catering services, personal grooming, fitness, beauty treatment**, health service including cosmetic and plastic surgery.	Shall be the location where the services are performed.

EASY NOTES ON PLACE OF SUPPLY

Sec	Particulars	Services Covered	Place of Supply
12(5)	**Training and Performance appraisal**	Services in relation to training and performance appraisal provided -	**(a)** to a registered person, shall be the location of such person; **(b)** to a person other than a registered person, shall be the location where the services are actually performed.
12(6)	**Right of Admission**	To a **cultural, artistic, sporting, scientific, educational, entertainment 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.
12(7)	**Organisation of event**	(a) 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. (b) services ancillary to organisation of any of the events or services referred to in clause (a), or assigning of sponsorship to such events.	**(i)** to a registered person, shall be the location of such person; **(ii)** 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.
12(8)	**Transportation of goods, including by mail or courier**	**(a)** to a registered person, shall be the location of such person; **(b)** to a person other than a registered person, shall be the location at which such goods are handed over for their transportation.	
12(9)	**Passenger transportation service**	**(a)** to registered person, shall be the location of such person; **(b)** to person other than a registered person, shall be the place where the passenger embarks on the conveyance for a continuous journey.	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).
12(10)	**Supply of services on board**	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.
12(11)	**Telecommunication services**	Telecommunication services including data transfer, broadcasting, cable and direct to home television services-	

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EASY NOTES ON PLACE OF SUPPLY

Sec	Particulars	Services Covered	Place of Supply
		(a) 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; **(b)** 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; **(c)** 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,– • 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** • by any person to the final subscriber, be the location where such prepayment is received or such vouchers are sold; **(d)** 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: 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. 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.	
12(12)	**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 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.	
12(13)	**Insurance services**	(a) to a registered person, be the location of such person; (b) to a person other than a registered person, be the location of the recipient of services on the records of the supplier of services.	
12(14)	**Advertisement services**	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.	

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