



The Institute of Chartered Accountants of India

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

GST & INDIRECT TAXES COMMITTEE

Webinar on GST Helpdesk: Navigating Registration & Reverse Charge Mechanism

Date: 22-09-2026

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STATUTORY FRAMEWORK

When does Reverse Charge apply?

REVERSE CHARGE MECHANISM

Recipient is liable to discharge GST

SECTION 9(3)

Specified services notified by the Government
→ Liability shifts to the recipient

SECTION 9(4)

Specified supplies / notified cases
→ Apply only where the prescribed conditions are met

Practical lens: identify the supply → check the notification → identify the liable recipient → discharge & report GST



Reverse Charge for Services u/s 9(3) of CGST Act

RCM service map • 1-5C

NOTIFIED SERVICE CATEGORIES

1

GTA services

13/2017-CT (Rate) • 01.07.2017

3

Arbitral tribunal → business entity

13/2017-CT (Rate)

5

Services supplied by Central Government

13/2017-CT (Rate)

5AA

Renting of residential dwelling → registered person

05/2022-CT (Rate) • 18.07.2022

5B

TDR / FSI for construction project by promoter

05/2019-CT (Rate) • 01.04.2019

2

Individual advocate / senior advocate

13/2017-CT (Rate)

4

Sponsorship → body corporate / partnership firm

13/2017-CT (Rate)

5A

Government renting of immovable property

03/2018-CT (Rate)

5AB

Renting of immovable property other than residential dwelling

09/2024-CT (Rate) • 10.10.2024

5C

Long-term lease of land (30+ years) for construction project

13/2017-CT (Rate)



Reverse Charge for Services u/s 9(3) of CGST Act

NOTIFIED SERVICE CATEGORIES

6

Director → company / body corporate

13/2017-CT (Rate) • 01.07.2017

8

Recovery agent → bank / FI / NBFC

13/2017-CT (Rate)

9A

Author – copyright transfer / use

22/2019-CT (Rate) • 01.10.2019

11

Individual DSA → bank / NBFC

15/2018-CT (Rate) • 27.07.2018

7

Insurance agent → insurance business

13/2017-CT (Rate)

9

Music composer / photographer / artist or like

13/2017-CT (Rate)

10

Overseeing Committee → RBI

33/2017-CT (Rate) • 13.10.2017



Reverse Charge for Services u/s 9(3) of CGST Act

RCM service map • 12-16

NOTIFIED SERVICE CATEGORIES

12

Business facilitator → banking company

29/2018-CT (Rate) • 01.01.2019

13

Agent of business correspondent → BC

13/2017-CT (Rate)

14

Security personnel → registered person

13/2017-CT (Rate)

15

Renting of motor vehicle designed to carry passengers

22/2019-CT (Rate) • 01.10.2019

16

Securities lending under SEBI Securities Lending Scheme

22/2019-CT (Rate) • 01.10.2019



Q1 — Sponsorship: identify the recipient & supplier status

DECISION FLOW

1 SERVICE PROVIDER

Is the provider a body corporate?

BODY CORPORATE

→ Forward charge (FCM)

OTHER THAN BODY CORPORATE

Move to recipient test

RECIPIENT

Body corporate / partnership firm
→ RCM

OTHER RECIPIENT

→ Forward charge (FCM)



Q2 RCM was payable in the year 2022-23. Can we pay now and claim GST Input. Q3 - RCM TIME LIMIT- FY 2023-24 & FY 2026-27

CIRCULAR 211/5/2024-GST • 26.06.2024

STEP 1

RCM supply from an unregistered supplier
→ Recipient issues the invoice

STEP 2

Identify the FY of the invoice issued by the recipient

STEP 3

Section 16(4) time limit links to that invoice FY

LATE

Interest may arise where tax is paid late

RETURN LINKAGE

GSTR-3B Table 3.1(d) = RCM ITC reflected through Table 4A(2) + 4A(3)

Key takeaway: for URP RCM, the recipient-issued invoice is central to determining the ITC time-limit year.



Rule 47A — Time limit for recipient-issued RCM invoice

EFFECTIVE 01.11.2024

TRIGGER

Supply received by a registered person liable under Section 9(3) / 9(4)

DEADLINE

Invoice to be issued within 30 days from the date of receipt of supply

LEGAL BASIS

Rule 47A
Inserted by CGST (Second Amendment) Rules, 2024 dated 08.10.2024

Operational check: track the receipt date → count 30 days → issue the recipient invoice within the prescribed period.



- Q4 - One of my clients in Individual capacity has rented out a commercial Immovable Property to a GST registered Company since 2013, the rent was Rs.18.00 Lakhs annual when RCM introduced by Notification No. 09/2024- Central Tax (Rate), dated 8th October, 2024 namely: “Service by way of renting of any property other than residential dwelling by Any unregistered person to any registered person.” Hence, the Company started to pay GST under RCM from Oct-24 onwards. Now in current financial year annual rent increased to 24.00 Lakhs annual, my question is that RCM will continue to apply or Individual client is liable to get registration under Forward Charge.
- Q5 - Nature of Business is Rent from Commercial Property. A person who is not registered under GST, has crossed Turnover of Rs. 20 lakh in the month of Jan 2026 for the Financial year 2025-26. Untill Jan 2026 the Gst was paid by the tenants on Reverse Charge Basis, now that the turnover crosses Rs. 20 lakh. Is the assessee required to register under Gst and pay forward charge or can he continue with RCM?



15 [5AB	Service by way of renting of any immovable property other than residential dwelling.	Any unregistered person	Any registered person 16 [other than a person who has opted to pay tax under composition levy].]
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Q4 & Q5 — Commercial rent from an unregistered person

RENTING • 2024 NOTIFICATION

SCENARIO

Unregistered person → registered company
Commercial immovable property

FROM 10.10.2024

Notification 09/2024-CT (Rate)
introduced the stated RCM entry

REGISTRATION QUESTION

Consider turnover threshold with
Sections 22/24 and Notification 5/2017-
CT (Rate)

SOURCE POSITION IN THE DECK

Service provider can remain unregistered till the turnover crosses the threshold limit of ₹20 lakh; the presentation flags the interaction with Sections 22/24 and Notification 5/2017-CT (Rate).

For client advice, keep the RCM entry and the supplier's registration obligation as two separate tests.



Registration threshold — keep the two tests separate

SECTION 22 / 24 + NN 5/2017-CT (RATE)

TEST A

Does the notified RCM entry apply to the supply?

TEST B

Does the supplier become liable for registration under the applicable threshold / compulsory-registration provisions?

REPORTING

Once liability is determined, align invoicing and tax payment with the applicable charge mechanism.

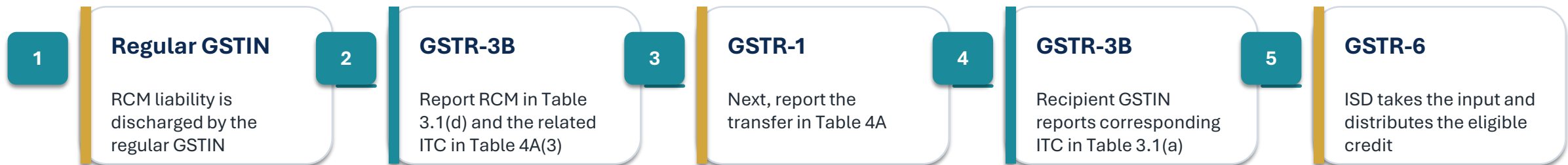
Presentation's stated position: the service provider can remain unregistered until the turnover crosses ₹20 lakh.



Q6 - What is the treatment of expenses liable to RCM and to be distributed under ISD? with regards to invoicing and returns

RCM Liable to be taxed under RCM will be billed to regular GSTIN of the

RULE 39(1A) + RULE 54(1A)



Rule 39(1A) enables transfer/distribution of credit relating to common input services subject to RCM to the ISD.



Q7 - One of my client Kurukshetra University is established under the Kurukshetra University Act, 1986 (Haryana Act No. 28 of 1986), a State Act administered under the Department of Higher Education, Haryana. KUK is a body set up by a State Legislature. legal services supplied by an advocate or by a partnership firm of advocates to a kurukshetra University are covered under RCM under Sl. No. 2 of Notification No. 13/2017-Central Tax (Rate) or not? or legal service is covered by the specific exemption under Sl. No. 45 of Notification 12/2017, the supply is Nil-rated/exempt, and there should be no GST liability under RCM. Please advise

ISSUE TO BE RESOLVED

FACTS

Kurukshetra University is a body set up by a State Legislature.

RCM ENTRY

Advocate / partnership-firm legal services are referred to Sl. No. 2 of Notification 13/2017-CT (Rate).

EXEMPTION ENTRY

The question also refers to Sl. No. 45 of Notification 12/2017-CT (Rate).

Decision point in the original query: determine the interaction between the specific RCM entry and the cited exemption.



2.	*[Services provided by an individual advocate including a <u>Senior advocate</u> or firm of advocates by way of <u>Legal services</u>, directly or indirectly. Explanation. "<u>Legal service</u>" means any service provided in relation to advice, consultancy or assistance in any branch of law, in any manner and includes representational services before any court, tribunal or authority.]	An individual advocate including a <u>Senior advocate</u> or firm of advocates.	Any <u>business entity</u> located in the <u>Taxable territory</u>.
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Q8 - On payment of GST Under reverse charge for service taken from Advocate fees, when the company under liquidation and is not carrying any business.

ABC Limited was having GST registration since July 2017. Corporate Insolvency Resolution Process was initiated in March, 2018 and ABC was ordered for Liquidation in Oct, 2019. under IBC, 2016. Since there were no assets to be sold further, cancellation of GST registration was applied in during 2024. SCN was issued by GST department, which was replied and thereafter, Authorities cancelled the GST Registration. During Liquidation which is still continuing, services of Advocate is taken, whose quantum each financial year is around 4 lacs.

The cancellation was done keeping in view of the notification, where it is mentioned that where the turnover of the business entity is less than 20 lacs, GST under reverse charge is not applicable.

As per Notification No. 12/2017- Central Tax (Rate) dated 28th June, 2017 read with Notification No. 2/2018- Central Tax (Rate) dated 25th Jan,2018, Legal Service are Exempted from GST when,



Q8 — Advocate services during liquidation

CASE FLOW

2018

Corporate Insolvency Resolution Process initiated.

2019

Company ordered into liquidation.

2024

GST registration cancellation applied and subsequently cancelled by authorities.

NOW

Advocate services continue during liquidation (~₹4 lakh p.a.).

QUESTION IN THE SOURCE

Does RCM apply where the entity is in liquidation and the cited exemption / ₹20 lakh condition is relevant?

Source references: Notification 12/2017-CT (Rate) read with Notification 2/2018-CT (Rate).



Q9 — URP rent: 2022 provision vs 2024 provision

COMPARE THE NOTIFIED ENTRIES

2022 — RESIDENTIAL DWELLING

Notification 05/2022-CT (Rate)

Effective: 18.07.2022

Entry: renting of residential dwelling to a registered person

2024 — OTHER THAN RESIDENTIAL DWELLING

Notification 09/2024-CT (Rate)

Effective: 10.10.2024

Entry: renting of property other than residential dwelling by an unregistered person to a registered person

The key distinction is the property category and the wording of the notified supply.



Inserted by Noti. No.05/2022-Central Tax (Rate) dated 13.07.2022 w.e.f. 18.07.2022

10 [5AA	Service by way of renting of residential dwelling to a <u>Registered person</u> .	Any person	Any <u>Registered person</u> .]
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Inserted by Noti. No.09/2024-Central Tax (Rate) dated 08.10.2024 w.e.f. 10.10.2024

15 [5AB	Service by way of renting of any immovable property other than residential dwelling.	Any unregistered person	Any registered person 16 [other than a person who has opted to pay tax under composition levy].]
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Q10 — Residential accommodation in Delhi for staff

If my client is registered in UP and has taken place of residence for staff members in Delhi... Company is claiming expenses, whether gst would be applicable on RCM basis? If yes the. How would the company pay?

PLACE OF SUPPLY / REGISTRATION PRACTICAL

ENTITY

Company registered in UP

PROPERTY

Residence taken for staff in Delhi

SOURCE DECK ANSWER

Take GST registration in Delhi and discharge RCM as CGST + SGST

PRACTICE

Deck notes IGST has been observed in practice, with POS display limitation.

Notification referred to: Sl. No. 5AA of Notification 13/2017-CT (Rate).



Q11 — RCM in joint-venture / real-estate transactions

- **Tax Liability:** The developer pays GST under RCM, not the landowner.
- **Time of Supply:** Liability arises on the date of the completion certificate (CC) or first occupancy for unsold residential units.
- **Sr No 41A of Exemption Notification - Residential Exemption:** TDR/FSI allocated to residential apartments *sold before* the completion certificate is fully exempt from GST.
- **Unsold Units:** GST under RCM is payable only on the portion of TDR corresponding to *unsold* residential units as of the CC date, capped at 1% (affordable) or 5% (non-affordable) of the value of those unsold flats.
- **Commercial Projects:** No exemption applies; 18% RCM on TDR is fully taxable for commercial area shares, and developers can claim Input Tax Credit (ITC) on it.



Q12 — RCM on secondment of employees

FACT PATTERN + LEGAL LENS

BASE RULE

Services by an employee to the employer in the course of employment are outside supply under Schedule III.

SECONDMENT FACTS

Overseas group-company employees worked under the Indian assessee's guidance/control; remuneration was initially paid by overseas entity and reimbursed.

REFERENCE

Supreme Court decision referred to in the deck + CBIC Instruction 05/2023-GST dated 13.12.2023.

The deck presents the facts and references; the tax conclusion should follow from the applicable secondment arrangement and the cited judicial/CBIC guidance.



Q13 — Government fee vs registration charges (e.g., MCA fee)

CLASSIFICATION CHECK

GOVERNMENT FEE

Identify whether the amount is a fee for a statutory / regulatory function.

REGISTRATION CHARGE

Identify whether the charge is covered by the specific exemption referred to in the deck.

REFERENCE

Exemption entry: Sr. No. 47
RCM entry: Sr. No. 5

Start with the nature of the payment—not merely the name used on the challan / receipt.



Q12 — Secondment: quick recap

3-POINT CHECK

1 EMPLOYMENT LINK

Is the secondee providing services as an employee to the employer in the course of employment?

2 CONTROL & ARRANGEMENT

Review the secondment agreement, control/supervision and remuneration flow.

3 GUIDANCE

Use the Supreme Court facts and CBIC Instruction 05/2023-GST cited in the deck.

Source deck reminder: Schedule III is the starting point for the employee–employer relationship.



Q13 — When can an intra-State-looking supply attract IGST?

NATURE OF SUPPLY FIRST

START

Do not infer the tax type only from the location of the parties.

CLASSIFY THE SUPPLY

Determine the statutory nature / place-of-supply treatment.

SOURCE EXAMPLES

PSLC traded through RBI e-Kuber and securities lending are cited as examples where IGST treatment arises.

The next slide captures the two circular-based examples from the source deck.



Q14 – Requirement of Invoice and reporting in GST Return for RCM

SECTION 31(3)(f) & (g)

RECIPIENT INVOICE

Registered person liable under 9(3)/9(4) issues an invoice for goods/services received from an unregistered supplier.

PAYMENT VOUCHER

Issue payment voucher at the time of payment to the supplier.

RETURN REPORTING

Align the RCM liability and eligible ITC with the relevant GSTR-3B tables.

Rule reference in source: Section 31(3)(f) and (g); Rule 52 is cited for payment voucher.



Q14 – Requirement of Invoice and reporting in GST Return for RCM

Section 31. Tax invoice.

(3) Notwithstanding anything contained in sub-sections (1) and (2)—

(f) a registered person who is liable to pay tax u/s 9(3) or 9(4) 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;

(g) a registered person who is liable to pay tax u/s 9(3) or 9(4) shall issue a **payment voucher** at the time of making payment to the supplier. [See Rule 52]

13. Documents issued during the tax period

Sr. No.	Nature of document	Sr. No.		Total number	Cancelled	Net issued
		From	To			
1	2	3	4	5	6	7
1	Invoices for outward supply					
2	Invoices for inward supply from unregistered person					
6	Receipt voucher					
7	Payment Voucher					



Q15 – What is Meaning of Intra State Supply attracting IGST

Dashboard > Returns > GSTR-1/IFF > B2B English

B2B – Add Invoice

← • Indicates Mandatory Fields

☐ Deemed Exports ☐ SEZ Supplies with payment ☐ SEZ Supplies without payment

☒ Supply attract reverse charge ☐ Intra-State Supplies attracting IGST

☐ Is the supply eligible to be taxed at a differential percentage (%) of the existing rate of tax, as notified by the Government?

Recipient GSTIN/UIN • Search by recipient name as in master or er	Recipient Name • 	Name as in Master
Invoice no. • 	Invoice date • DD/MM/YYYY	Total invoice value (₹) •
POS ⓘ • Select	Supply Type 	
Source 	IRN 	IRN date



Circular No. 93/12/2019-GST 8th March, 2019

It is further clarified that nature of supply of PSLC between banks may be treated as a supply of goods **in the course of inter-State** trade or commerce. Accordingly, **IGST shall be payable** on the supply of PSLC traded over e-Kuber portal of RBI for both periods i.e 01.07.2017 to 27.05.2018 and from 28.05.2018 onwards.

However, where the bank liable to pay GST has already paid CGST/SGST or CGST/UTGST as the case may be, such banks for payment already made, shall not be required to pay IGST towards such supply.

Circular No. 119/38/2019-GST dated 11th October 2019

Subject: Clarification regarding taxability of supply of securities under Securities Lending Scheme, 1997 – reg.

5.1 For the past period i.e. from 01.07.2017 to 30.09.2019, GST is payable under forward charge by the lender and request may be made by the lender (supplier) to SEBI to disclose the information about borrower for discharging GST under forward charge. The nature of tax payable shall be IGST. However, if the service provider has already paid CGST / SGST / UTGST treating the supply as an intra-state supply, such lenders shall not be required to pay IGST again in lieu of such GST payments already made.

5.2 With effect from 1st October, 2019, the borrower of securities shall be liable to discharge GST as per Sl. No 16 of Notification No. 22/2019-Central Tax (Rate) dated 30.09.2019 under reverse charge mechanism (RCM). The nature of GST to be paid shall be IGST under RCM



Thank You

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