

Law and Provisions under IGST

Chapter 4 – DETERMINATION OF NATURE OF SUPPLY

4.1 Inter-State supply [Section 7]

7(1)	01.07.2017 to till date	<p>Subject to the provisions of section 10, supply of goods, where the location of the supplier and the place of supply are in—</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 5%; text-align: center;">(a)</td> <td>two different States;</td> </tr> <tr> <td style="text-align: center;">(b)</td> <td>two different Union territories; or</td> </tr> <tr> <td style="text-align: center;">(c)</td> <td>a State and a Union territory,</td> </tr> </table> <p>shall be treated as a supply of goods in the course of inter-State trade or commerce.</p>	(a)	two different States;	(b)	two different Union territories; or	(c)	a State and a Union territory,
(a)	two different States;							
(b)	two different Union territories; or							
(c)	a State and a Union territory,							
7(2)	01.07.2017 to till date	<p>Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall be treated to be a supply of goods in the course of inter-State trade or commerce.</p>						
7(3)	01.07.2017 to till date	<p>Subject to the provisions of section 12, supply of services, where the location of the supplier and the place of supply are in—</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 5%; text-align: center;">(a)</td> <td>two different States;</td> </tr> <tr> <td style="text-align: center;">(b)</td> <td>two different Union territories; or</td> </tr> <tr> <td style="text-align: center;">(c)</td> <td>a State and a Union territory,</td> </tr> </table> <p>shall be treated as a supply of services in the course of inter-State trade or commerce.</p>	(a)	two different States;	(b)	two different Union territories; or	(c)	a State and a Union territory,
(a)	two different States;							
(b)	two different Union territories; or							
(c)	a State and a Union territory,							
7(4)	01.07.2017 to till date	<p>Supply of services imported into the territory of India shall be treated to be a supply of services in the course of inter-State trade or commerce.</p>						
7(5)	01.07.2017 to till date	<p>Supply of goods or services or both,—</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 5%; text-align: center;">(a)</td> <td>when the supplier is located in India and the place of supply is outside India;</td> </tr> <tr> <td style="text-align: center;">(b)</td> <td>to or by a Special Economic Zone developer or a Special Economic Zone unit; or</td> </tr> <tr> <td style="text-align: center;">(c)</td> <td>in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,</td> </tr> </table> <p>shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.</p>	(a)	when the supplier is located in India and the place of supply is outside India;	(b)	to or by a Special Economic Zone developer or a Special Economic Zone unit; or	(c)	in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,
(a)	when the supplier is located in India and the place of supply is outside India;							
(b)	to or by a Special Economic Zone developer or a Special Economic Zone unit; or							
(c)	in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,							

4.2 Intra-State supply [Section 8]

8(1)	01.07.2017 to till date	<p>Subject to the provisions of section 10, supply of goods where the location of the supplier and the place of supply of goods</p>
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		are in the same State or same Union territory shall be treated as intra-State supply:										
Proviso	01.07.2017 to till date	<p>Provided that the following supply of goods shall not be treated as intra-State supply, namely:—</p> <table border="1"> <tr> <td>(i)</td> <td>supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit;</td> </tr> <tr> <td>(ii)</td> <td>goods imported into the territory of India till they cross the customs frontiers of India; or</td> </tr> <tr> <td>(iii)</td> <td>supplies made to a tourist referred to in section 15.</td> </tr> </table>	(i)	supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit;	(ii)	goods imported into the territory of India till they cross the customs frontiers of India; or	(iii)	supplies made to a tourist referred to in section 15.				
(i)	supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit;											
(ii)	goods imported into the territory of India till they cross the customs frontiers of India; or											
(iii)	supplies made to a tourist referred to in section 15.											
8(2)	01.07.2017 to till date	Subject to the provisions of section 12, supply of services where the location of the supplier and the place of supply of services are in the same State or same Union territory shall be treated as intra-State supply:										
Proviso	01.07.2017 to till date	Provided that the intra-State supply of services shall not include supply of services to or by a Special Economic Zone developer or a Special Economic Zone unit.										
Explanation 1	01.07.2017 to 31.01.2019	<p>For the purposes of this Act, where a person has,—</p> <table border="1"> <tr> <td>(i)</td> <td>an establishment in India and any other establishment outside India;</td> </tr> <tr> <td>(ii)</td> <td>an establishment in a State or Union territory and any other establishment outside that State or Union territory; or</td> </tr> <tr> <td>(iii)</td> <td>an establishment in a State or Union territory and any other establishment being a business vertical registered within that State or Union territory,</td> </tr> </table> <p>then such establishments shall be treated as establishments of distinct persons.</p>	(i)	an establishment in India and any other establishment outside India;	(ii)	an establishment in a State or Union territory and any other establishment outside that State or Union territory; or	(iii)	an establishment in a State or Union territory and any other establishment being a business vertical registered within that State or Union territory,				
	(i)	an establishment in India and any other establishment outside India;										
(ii)	an establishment in a State or Union territory and any other establishment outside that State or Union territory; or											
(iii)	an establishment in a State or Union territory and any other establishment being a business vertical registered within that State or Union territory,											
	01.02.2019 to till date	<p>For the purposes of this Act, where a person has,—</p> <table border="1"> <tr> <td>(i)</td> <td>an establishment in India and any other establishment outside India;</td> </tr> <tr> <td>(ii)</td> <td>an establishment in a State or Union territory and any other establishment outside that State or Union territory; or</td> </tr> <tr> <td>(iii)</td> <td>an establishment in a State or Union territory and any other establishment ¹[*****] registered within that State or Union territory,</td> </tr> </table> <p>then such establishments shall be treated as establishments of distinct persons.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;">Notes</td> </tr> <tr> <td style="text-align: center;">1</td> <td>Omitted the words “being a business vertical” w.e.f. 01.02.2019 vide section 4 of the Integrated Goods and Services Tax (Amendment) Act, 2018 and has come into</td> </tr> </table>	(i)	an establishment in India and any other establishment outside India;	(ii)	an establishment in a State or Union territory and any other establishment outside that State or Union territory; or	(iii)	an establishment in a State or Union territory and any other establishment ¹ [*****] registered within that State or Union territory,	Notes		1	Omitted the words “being a business vertical” w.e.f. 01.02.2019 vide section 4 of the Integrated Goods and Services Tax (Amendment) Act, 2018 and has come into
(i)	an establishment in India and any other establishment outside India;											
(ii)	an establishment in a State or Union territory and any other establishment outside that State or Union territory; or											
(iii)	an establishment in a State or Union territory and any other establishment ¹ [*****] registered within that State or Union territory,											
Notes												
1	Omitted the words “being a business vertical” w.e.f. 01.02.2019 vide section 4 of the Integrated Goods and Services Tax (Amendment) Act, 2018 and has come into											

		force vide Notification No. 01/2019 – Integrated Tax, Dated 29th January, 2019.
Explanation 2	01.07.2017 to	A person carrying on a business through a branch or an agency or a representational office in any territory shall be treated as having an establishment in that territory.

4.3 Supplies in territorial waters [Section 9]

9	01.07.2017 to till date	Notwithstanding anything contained in this Act,—
		(a) where the location of the supplier is in the territorial waters, the location of such supplier; or
		(b) where the place of supply is in the territorial waters,
		the place of supply, shall, for the purposes of this Act, be deemed to be in the coastal State or Union territory where the nearest point of the appropriate baseline is located.