

Bill No. 119 of 2023

**THE CENTRAL GOODS AND SERVICES TAX (AMENDMENT)
BILL, 2023**

A

BILL

further to amend the Central Goods and Services Tax Act, 2017.

BE it enacted by Parliament in the Seventy-fourth Year of the Republic of India as follows:—

1. (1) This Act may be called the Central Goods and Services Tax (Amendment) Act, 2023. Short title and commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amendment
of section 2.

2. In section 2 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act),— 12 of 2017.

(a) after clause (80), the following clauses shall be inserted, namely:—

'(80A) "online gaming" means offering of a game on the internet or an electronic network and includes online money gaming;

(80B) "online money gaming" means online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force;';

(b) after clause (102), the following clause shall be inserted, namely:—

'(102A) "specified actionable claim" means the actionable claim involved in or by way of—

(i) betting;

(ii) casinos;

(iii) gambling;

(iv) horse racing;

(v) lottery; or

(vi) online money gaming;';

(c) in clause (105), the following proviso shall be inserted at the end, namely:—

"Provided that a person who organises or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of this Act shall apply to such supplier of specified actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims;";

(d) after clause (117), the following clause shall be inserted, namely:—

'(117A) "virtual digital asset" shall have the same meaning as assigned to it in clause (47A) of section 2 of the Income-tax Act, 1961 ;'.

Amendment
of section 24.

3. In section 24 of the principal Act,—

(a) in clause (xi), the word "and" occurring at the end, shall be omitted;

(b) after clause (xi), the following clause shall be inserted, namely:—

"(xia) every person supplying online money gaming from a place outside India to a person in India; and".

Amendment
of Schedule
III.

4. In the principal Act, in Schedule III, in paragraph 6, for the words "lottery, betting and gambling" the words "specified actionable claims" shall be substituted.

Transitory
provision.

5. The amendments made under this Act shall be without prejudice to provisions of any other law for the time being in force, providing for prohibiting, restricting or regulating betting, casino, gambling, horse racing, lottery or online gaming.

5

10

15

20

25

30

35 43 of 1961.

40

45

STATEMENT OF OBJECTS AND REASONS

The Goods and Services Tax Council (GST Council) in its 50th and 51st meetings considered representation from various associations on the issues regarding taxability of Casinos, Horse Racing and Online Gaming and recommended to make certain amendments in the Central Goods and Services Tax Act, 2017 (the Act) to provide clarity regarding taxability of Casinos, Horse Racing and Online Gaming.

2. The proposed Central Goods and Services Tax (Amendment) Bill, 2023, *inter alia*, provides to—

(i) define the expressions "online gaming", "online money gaming", "specified actionable claim" and "virtual digital asset";

(ii) insert a proviso in the definition of "supplier" to provide clarity regarding "supplier" in case of supply of "specified actionable claim";

(iii) substitute "specified actionable claim" in paragraph 6 of Schedule III of the Act, for the present entries "lottery, betting and gambling", so as to provide clarity regarding taxability of actionable claims involved in or by way of casinos, horse racing and online gaming; and

(iv) insert a new clause in section 24 of the Act, to provide for mandatory registration of the person for supplying online money gaming, from a place outside India to a person in India.

3. The Bill seek to achieve the above objectives.

NEW DELHI;

NIRMALA SITHARAMAN.

The 9th August, 2023.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Letter No. CBIC-20006/21/2023-GST dated 9 August, 2023 from Smt. Nirmala Sitharaman, Minister of Finance and Corporate Affairs to the Secretary General, Lok Sabha]

The President, having been informed of the subject matter of the Central Goods and Services Tax (Amendment) Bill, 2023, recommends the introduction of the Bill under article 117(I) read with article 274(I) of the Constitution of India to Lok Sabha and also recommends to Lok Sabha the consideration of the Bill under article 117(3) of the Constitution of India.

FINANCIAL MEMORANDUM

The proposed Central Goods and Services Tax (Amendment) Bill, 2023 does not involve any recurring or non-recurring expenditure from and out of the Consolidated Fund of India.

ANNEXURE

EXTRACTS FROM THE CENTRAL GOODS AND SERVICES TAX ACT, 2017

(12 OF 2017)

* * * * *

2. In this Act, unless the context otherwise requires,— Definitions.

* * * * *

(105) "supplier" in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied;

* * * * *

24. Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons shall be required to be registered under this Act,— Compulsory registration in certain cases.

* * * * *

(xi) every person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered person; and

* * * * *

SCHEDULE III

[See section 7]

ACTIVITIES OR TRANSACTIONS WHICH SHALL BE TREATED NEITHER AS
A SUPPLY OF GOODS NOR A SUPPLY OF SERVICES

* * * * *

6. Actionable claims, other than lottery, betting and gambling

* * * * *

LOK SABHA

A

BILL

further to amend the Central Goods and Services Tax Act, 2017.

(Smt. Nirmala Sitharaman, Minister of Finance and Corporate Affairs)

MGIPMRND—266LS(S-3)—09.08.2023.