## F. No. CBIC-20001/14/2024-GST Government of India Ministry of Finance Department of Revenue Central Board of Indirect Taxes and Customs GST Policy Wing

North Block, New Delhi, Dated the 31st December, 2024

To,

The Principal Chief Commissioners/ Chief Commissioners of Central Tax (All) The Principal Directors General/ Directors General (All)

Madam / Sir,

Sub: Clarification in respect of input tax credit availed by electronic commerce operators where services specified under Section 9(5) of Central Goods and Services Tax Act, 2017 are supplied through their platform -reg.

Reference is invited to Circular No. 167/23/2021 – GST dated 17.12.2021 which clarified that electronic commerce operators (hereinafter referred to as "ECOs") required to pay tax under section 9(5) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act") are not required to reverse input tax credit (ITC) in respect of supply of restaurant services through their platform (notified services under section 9(5)). In this regard, representations have been received seeking clarification regarding requirement of reversal of ITC, if any, in respect of supply of services, other than restaurant services, under section 9(5) of CGST Act.

2. The issue has been examined and to ensure uniformity in the implementation of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the CGST Act, hereby clarifies the issue as below:

S. No	Issue		Clarification	
1.	Whether electronic	1.	ECO, required to pay tax under section	
	commerce operator, required		9(5) of CGST Act, is making supplies	
	to pay tax under section 9(5)		under two counts:	
	of CGST Act, is liable to		i. Supplies notified under section	
	reverse proportionate input		9(5) of CGST Act for which he	
	tax credit on his inputs and		is liable to pay tax as if he is	
	input services to the extent of		the supplier of the said	
	supplies made under section		services.	
	9(5) of the CGST Act.		ii. Supply of his own services by	
			providing his electronic	
			platform for which he charges	
			platform fee /commission etc.	
			from the platform users.	
		2.		
			at 1(ii) above, the ECO procures inputs	
			as well as input services for which he	
			avails Input Tax Credit.	
		3.	It has been clarified vide question no.	
			6 of Circular No. 167/23/2021 – GST	
			dated 17.12.2021 that the ECO shall	
			not be required to reverse input tax	
			credit on account of restaurant services	
			on which he pays tax under section	
			9(5) of the CGST Act. It has also been	
			clarified that the input tax credit will	
			not be allowed to be utilized for	
			payment of tax liability under section	
			9(5) and whole of the tax liability	
			under section 9(5) will be required to	
		4.	be paid in cash.  The principle, which has been outlined	
		٦.	• •	
			in question no. 6 of Circular No.	

- 167/23/2021 GST dated 17.12.2021, also applies to the supplies made in respect of other services specified under section 9(5) of CGST Act.
- 5. In view of this, it is clarified that Electronic Commerce Operator, who is liable to pay tax under section 9(5) of the CGST Act in respect of specified services, is not required to reverse the input tax credit on his inputs and input services proportionately under section 17(1) or section 17(2) of CGST Act to the extent of supplies made under section 9(5) of the CGST Act.
- 6. It is further clarified that ECO will be required to pay the full tax liability on account of supplies under section 9(5) of the CGST Act only through electronic cash ledger. The credit availed by him in relation to the inputs and input services used to facilitate such supplies cannot be used for discharge of such tax liability under section 9(5) of the CGST Act. However, such credit can be utilized by him for discharge of tax liability in respect of supply of services on his own account.
- 3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

(Sanjay Mangal)
Principal Commissioner (GST)

4. Difficulty, if any, in implementation of this Circular may be brought to the notice of

the Board. Hindi version would follow.