



Circular No. 240/34/2024-GST

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 31<sup>st</sup> 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 commerce operator, required to pay tax under section 9(5) of CGST Act, is liable to reverse proportionate input tax credit on his inputs and input services to the extent of supplies made under section 9(5) of the CGST Act.	<ol style="list-style-type: none"> <li>1. ECO, required to pay tax under section 9(5) of CGST Act, is making supplies under two counts: <ol style="list-style-type: none"> <li>i. Supplies notified under section 9(5) of CGST Act for which he is liable to pay tax as if he is the supplier of the said services.</li> <li>ii. Supply of his own services by providing his electronic platform for which he charges platform fee /commission etc. from the platform users.</li> </ol> </li> <li>2. For providing the services mentioned at 1(ii) above, the ECO procures inputs as well as input services for which he avails Input Tax Credit.</li> <li>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 be paid in cash.</li> <li>4. The principle, which has been outlined in question no. 6 of Circular No.</li> </ol>

		<p>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.</p> <p>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.</p> <p>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.</p>
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3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in implementation of this Circular may be brought to the notice of the Board. Hindi version would follow.

(Sanjay Mangal)  
Principal Commissioner (GST)