



The Institute of Chartered Accountants of India

GST & Indirect Taxes Committee

GOODS & SERVICES TAX UPDATE-196

The Central Goods and Services Tax (Amendment) Bill, 2023 seeks to make amendments in the CGST Act, 2017 to give effect to the recommendations made by the GST Council relating to taxability of casinos, horse racing and online gaming. The proposed amendments are given hereunder:

1. Amendment in Schedule III

Para 6 of Schedule III is proposed to be amended to substitute the words "lottery, betting and gambling" with the words "specified actionable claims".

2. Amendments in section 2 (Definitions)

a) **Definition of specified actionable claim** - Clause 102A is proposed to be inserted to define specified actionable claim to mean 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

b) **Definition of online money gaming** - Clause 80B is proposed to be inserted to define online money gaming to mean 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.

c) **Definition of online gaming** - Clause 80A is proposed to be inserted to define online

gaming to mean offering of a game on internet or an electronic network and includes online money gaming.

- d) Amendment in definition of supplier** - Clause 105 is proposed to be amended by inserting a proviso therein. The proviso lays down 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.

All the provisions of the CGST 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.

- e) Definition of virtual digital asset** – Clause 117A is proposed to be inserted to define virtual digital asset to have the same meaning as assigned to it in section 2(47A) of the Income Tax Act, 1961.

3. Amendment in section 24 (Compulsory registration in certain cases)

Clause (xia) is proposed to be inserted in section 24 to provide that every person supplying online money gaming from a place outside India to a person in India shall be required to be mandatorily registered under the CGST Act, 2017.

- 4.** Clause (5) of the bill seeks to provide that 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.

[CGST \(Amendment\) Bill, 2023](#)

***Vice - Chairman
GST & Indirect Taxes Committee***

***Chairman
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