

OUTWARD SUPPLIES MADE TO UN OR SPECIFIED ORGANISATIONS

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Sec 55 of the G.S.T Act, 2017 specifies that by issue of notification Govt may prescribe entitlement of refund of taxes paid.

Sec 55 of CGST Act is reproduced as below:-

“The Government may, on the recommendations of the Council, by notification, specify any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries and any other person or class of persons as may be specified in this behalf, who shall, subject to such conditions and restrictions as may be prescribed, be entitled to claim a refund of taxes paid on the notified supplies of goods or services or both received by them.”

Parallel to this there is provision in the IGST Act,2017 under section 20 which states the provision of CGST act would apply to the IGST Act,2017.

Relevant provision of Sec 20 of IGST Act,2017 is reproduced as below:-

*“Subject to the provisions of this Act and the rules made thereunder, the provisions of Central Goods and Services Tax Act relating to,—
(xiii) refunds;*

shall, mutatis mutandis, apply, so far as may be, in relation to integrated tax as they apply in relation to central tax as if they are enacted under this Act.”

Accordingly Notification No. 13/2017-Integrated Tax (Rate) dated 28th June-17 are issued.

Conclusion

As per the circular these authorities as specified in the circular like UN etc are eligible to claim the refund of taxes paid by these authorities.

As such our view is that such supplies made to specified authorities would be liable to tax at prevalent rate of tax of IGST. In turn such agencies would put claim for the refund with authorities

If there is any other material available with you please share the same with us so if required we can revisit our conclusions.

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Disclaimer:-

Above note is prepared based on our understanding and are our views based on understanding of the law. We have made best effort to analyze the various provisions of the act but it should not be treated as professional opinion. You are advised to refer to the provisions of the act and relevant rules before structuring any transactions based on this note.

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