

Bill Summary

The Central Goods and Services Tax (Amendment) Bill, 2023

- The Central Goods and Services Tax (Amendment) Bill, 2023 was introduced in Lok Sabha on August 11, 2023. It amends the Central Goods and Services Tax (CGST) Act, 2017. The Act provides for the levy and collection of CGST on the intra-state supply of goods and services.
- **CGST on specified actionable claims:** Under the Act, transactions involving actionable claims, except lottery, betting, and gambling, are not considered to be supply of goods or services. Thus, they are not liable to be taxed. An actionable claim refers to a claim to any debt which is not secured by mortgage of immovable property or by pledge of moveable property.

The Bill provides that suppliers of specified actionable claims will be liable to pay CGST. The Bill defines specified actionable claims as actionable claims involved in: (i) betting, (ii) casinos, (iii) horse racing, (iv) lottery, (v) gambling, or (vi) online money gaming. Online money gaming refers to online games where players pay or deposit money (including virtual digital assets) with the expectation of winning money or money's worth. This applies to any game, scheme, competition, or other activity irrespective of its outcome being based on skill, chance, or both. It includes online money games which may be allowed or banned under any law. Online games refer to games offered on the internet or an electronic network.
- **Suppliers of specified actionable claims:** Under the Bill, a person who organises or arranges the supply of specified actionable claims will be deemed to be their supplier. This includes persons who own, operate, or manage digital or electronic platforms for such supply. This will be irrespective of the manner in which the consideration for supply of such claims is conveyed to the person or placed at his disposal. The consideration may include money or money's worth including virtual digital assets.
- **Registration mandatory for certain suppliers of online money gaming:** The Act provides for the mandatory registration of certain suppliers. The Bill provides that persons supplying online money gaming from outside India to persons in India must also register under the Act.

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