

Integrated Goods & Services Tax Act, 2017

Section 2 : Definitions

In this Act, unless the context otherwise requires,–

- (1) **“Central Goods and Services Tax Act”** means the Central Goods and Services Tax Act, 2017;
- (2) **“central tax”** means the tax levied and collected under the Central Goods and Services Tax Act;
- (3) **“continuous journey”** means a journey for which a single or more than one ticket or invoice is issued at the same time, either by a single supplier of service or through an agent acting on behalf of more than one supplier of service, and which involves no stopover between any of the legs of the journey for which one or more separate tickets or invoices are issued.
Explanation–For the purposes of this clause, the term “stopover” means a place where a passenger can disembark either to transfer to another conveyance or break his journey for a certain period in order to resume it at a later point of time;
- (4) **“customs frontiers of India”** means the limits of a customs area as defined in section 2 of the Customs Act, 1962 (52 of 1962);
- (5) **“export of goods”** with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India;
- (6) **“export of services”** means the supply of any service when,–
 - (i) the supplier of service is located in India;
 - (ii) the recipient of service is located outside India;
 - (iii) the place of supply of service is outside India
 - (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange ¹[or in Indian rupees wherever permitted by the Reserve Bank of India]; and
 - (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8;
- (7) **“fixed establishment”** means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services or to receive and use services for its own needs;
- (8) **“Goods and Services Tax (Compensation to States) Act”** means the Goods and Services Tax (Compensation to States) Act, 2017;
- (9) **“Government”** means the Central Government;
- (10) **“import of goods”** with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India;

¹ Inserted by IGST (Amendment) Act, 2018 (32 of 2018). It is made effective from 01-02-2019 by Noti. No. 01/2019–Integrated Tax, dt. 29-01-2019.

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- (11) **“import of services”** means the supply of any service, where—
- (i) the supplier of service is located outside India;
 - (ii) the recipient of service is located in India; and
 - (iii) the place of supply of service is in India;
- (12) **“integrated tax”** means the integrated goods and services tax levied under this Act;
- (13) **“intermediary”** means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services or both or securities on his own account;
- (14) **“location of the recipient of services”** means,—
- (a) where a supply is received at a place of business for which the registration has been obtained, the location of such place of business;
 - (b) where a supply is received at a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;
 - (c) where a supply is received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply; and
 - (d) in absence of such places, the location of the usual place of residence of the recipient;
- (15) **“location of the supplier of services”** means,—
- (a) where a supply is made from a place of business for which the registration has been obtained, the location of such place of business;
 - (b) where a supply is made from a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;
 - (c) where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provision of the supply; and
 - (d) in absence of such places, the location of the usual place of residence of the supplier;
- ²[(16) **“non-taxable online recipient”** means any unregistered person receiving online information and database access or retrieval services located in taxable territory.

2 Sub-section (16) substituted by The Finance Act 2023, effective date yet to be notified. Earlier to substitution it read as under:

“(16) “non-taxable online recipient” means any Government, local authority, governmental authority, an individual or any other person not registered and

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Explanation—For the purposes of this clause, the expression “unregistered person” includes a person registered solely in terms of clause (vi) of section 24 of the Central Goods and Services Tax Act, 2017;]

- (17) **“online information and database”** means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply ³[****] impossible to ensure in the absence of information technology and includes electronic services such as,—
- (i) advertising on the internet;
 - (ii) providing cloud services;
 - (iii) provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;
 - (iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;
 - (v) online supplies of digital content (movies, television shows, music and the like);
- (18) **“output tax”**, in relation to a taxable person, means the integrated tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;
- (19) **“Special Economic Zone”** shall have the same meaning as assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005);
- (20) **“Special Economic Zone developer”** shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005) and includes an Authority as defined in clause (d) and a Co-Developer as defined in clause (f) of section 2 of the said Act;

receiving online information and database access or retrieval services in relation to any purpose other than commerce, industry or any other business or profession, located in taxable territory.

Explanation—For the purposes of this clause, the expression “governmental authority” means an authority or a board or any other body,—

- (i) set up by an Act of Parliament or a State Legislature; or
- (ii) established by any Government,

with ninety per cent. or more participation by way of equity or control, to carry out any function entrusted ^A[to a Panchayat under article 243G or] to a municipality under article 243W of the Constitution;”

A Inserted by IGST (Amendment) Act, 2018 (32 of 2018). It is made effective from 01-02-2019 by Noti. No. 01/2019–Integrated Tax, dt. 29-01-2019.

- 3** The words “essentially automated and involving minimal human intervention and” omitted by The Finance Act, 2023. It is made effective from 01-10-2023 by Noti. No. 28/2023-Central Tax, dt. 31-07-2023.

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- (21) **“supply”** shall have the same meaning as assigned to it in section 7 of the Central Goods and Services Tax Act;
 - (22) **“taxable territory”** means the territory to which the provisions of this Act apply;
 - (23) **“zero-rated supply”** shall have the meaning assigned to it in section 16;
 - (24) words and expressions used and not defined in this Act but defined in the Central Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act shall have the same meaning as assigned to them in those Acts;
 - (25) any reference in this Act to a law which is not in force in the State of Jammu and Kashmir, shall, in relation to that State be construed as a reference to the corresponding law, if any, in force in that State.
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