

ANNEXURE

PROCESS FLOW OF GST PAYMENT BY NOT TAXABLE TERRITORY TAXPAYERS (NTT) PROVIDING OIDAR SERVICES.

1. Section 14 (2) of IGST Act 2017 provides that a representative of the OIDAR supplies shall get registered in India to pay IGST on behalf of the supplier. In case the OIDAR supplier is not having any physical presence, and there is no such representative on his behalf, he may appoint a person in India for paying IGST.
2. An amendment to the CGST Payment Rule 87(3) vide notification no 22 dated 17/08/2017 provides that the NTT taxpayers may make the GST payments through the SWIFT from a date to be notified
3. In order to facilitate the tax payers outside India providing OIDAR services to make the IGST tax payments, a process flow as detailed below is proposed
 - a) The NTT tax payer will assess the tax liability to be paid in Indian Rupees.
 - b) The taxpayer then visits the GSTN portal where in the names of banks in India which are participating in the SWIFT mode of payment is provided along with the links to the Bank's webpage. This may include all banks which are providing the SWIFT facility.
 - c) The NTT taxpayer will initiate the SWIFT transaction for payment of his IGST through the Banks' Webpage link provided. While initiating the payment, the taxpayer shall provide the details of GSTIN, Name of the Tax payer and breakup of tax liabilities.
 - d) The tax liability is assessed by the taxpayer in Indian Rupees but the payment to the bank is made in foreign currency. While making the payment the taxpayer should also ensure the payment of transaction/commission charges of the bank. The bank's portal should clearly indicate such charges that will be levied by them
 - e) On remitting the tax amount in foreign currency via SWIFT to the Bank in India, the overseas bank will send the message to credit the Centralized Account maintained by the bank by giving the beneficiary account details and the GSTIN.
 - f) An e-mail is also sent by the NTT taxpayer to the banks giving the SWIFT details.
 - g) On receipt of the funds the bank will convert the same to Indian Rupees and send an acknowledgement to the taxpayer (by e-mail) confirming the amount received in Indian Rupees.
 - (i) The NTT taxpayer will generate a CPIN for the exact value of the Indian Rupee intimated by the bank on GSTN portal and select the mode of payment as NEFT/RTGS and email the soft copy of the challan to the bank i.e the CPIN will be generated only after the money has been transferred by the tax payer to the bank in India.
 - h) On receipt of the challan copy by mail, the bank will remit the money to RBI for NEFT/RTGS transaction and send an acknowledgement of the same to the tax payer.
 - i) RBI shall send the signed CIN to GSTN for updating the Cash ledger.
 - j) The tax payer can login to GST portal to know the status of the challan.
 - k) **The Accounting of the payments will be made by the accounting authorities like any other NEFT/RTGS payments.**

4. In the above process the CIN will be generated by RBI and not by the Bank. Therefore, the bank will be making the GST payment on behalf of the OIDAR tax payer through NEFT/RTGS mode. By this way, the bank will not be performing any agency business as an “AGENCY bank of RBI” and hence no turnover commission will be admissible for such transaction. In a way the bank will be acting only as an ‘Agent’ of the tax payer.

5. Further, the actual payment mode is going to be NEFT/RTGS, for the OIDAR service providers, then the tax payer may use the services of any bank (even if it is not among the 25 authorised Banks for GST Collections).