

GST updates in relation to TDS & TCS provisions

1. Government notifies, *vide* Notification 50/2018 - Central Tax dated 13th September, 2018, **01st October, 2018** as the appointed date, from when the provisions of section 51 (i.e. **TDS**) will come into force.

Following entities need to deduct TDS @2% from the payment made to supplier of goods or services or both for an amount in excess of Rs. 2.50 lakh (excluding GST and Cess):

- A department or establishment of the CG / SG;
- Local Authority ("LA") (i.e. **SMC, BMC etc.**);
- Governmental Agencies;
- an authority or a board or any other body set up by an Act of Parliament or a State Legislature or established by any Government **with 51% or more participation by way of equity or control** (i.e. **GJEPC, ICAI, RBI, IRDA, SEBI, CCI etc.**);
- Societies established by CG / SG / LA **under the Societies Registration Act, 1860**;
- **PSUs**.

Non Applicability of TDS provisions:

- Provisions of TDS will not be applicable when the **location of the supplier AND the place of supply** is in a State or UT, which is different from the State or UT of registration of the recipient.

2. Similarly, every electronic commerce operator is required to collect TCS @1% of the Net Value of Taxable supplies made through it by other suppliers w.e.f. 01st October, 2018 *vide* Notification 51/2018 - Central Tax dated 13th September, 2018.