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Goods & Services Tax

Educational Series

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GST on Multimodal Transport Services

Multimodal Transportation

- "**Multimodal Transportation**" means carriage of goods, by at least two different **modes of transport** from the place of acceptance of goods to the place of delivery of goods by a **multimodal transporter.**

Modes of Transport

- "**Mode of Transport**" means carriage of goods by road, air, rail, inland waterways or sea.

Multimodal Transporter

- "**Multimodal Transporter**" means a person who,-
- (A) enters into a contract under which he undertakes to perform multimodal transportation against freight; and
- (B) acts as principal, and not as an agent either of the consignor, or consignee or of the carrier participating in the multimodal transportation and who assumes responsibility for the performance of the said contract.

Rate of GST on Multimodal Transport Services

- The GST Council in its 21st meeting had recommended GST rate of 12% with full ITC under forward charge for composite supply of multimodal transportation. Towards this Notification No.13/2018-Central Tax dated 26.07.2018 issued.

- Earlier, manufacturers and their logistics service providers had to deal with the issue of variable GST rates, applicable on various sectors of the entire multimodal transportation process which often lead to certain complexities and inefficiencies in the entire taxation structure.

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