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Important Points regarding TCS Provisions

1. Registration for TCS required in each State / UT as the obligation for collecting TCS would be there for every intra-State or inter-State supply. In order to facilitate the obtaining of registration in each State / UT, the e-commerce operator may declare the Head Office as its place of business for obtaining registration in that State / UT where it does not have physical presence.

2. Where registered supplier is supplying goods or services through a foreign e-commerce operator to a customer in India, such foreign ecommerce operator would be liable to collect TCS on such supply and would be required to obtain registration in each State / UT. If the foreign e-commerce operator does not have physical presence in a particular State / UT, he may appoint an agent on his behalf.

3. TCS is not required to be collected on exempt supplies.

4. TCS is not required to be collected on supplies on which the recipient is required to pay tax on reverse charge basis.

5. As per section 10(2)(d) of the CGST Act, 2017, a composition taxpayer cannot make supplies through e-commerce operator. Thus, question of collecting TCS in respect of supplies made by the composition taxpayer does not arise.

6. TCS is not liable to be collected on import of goods or services.

7. For multiple e- commerce operators, TCS is to be collected by that e-Commerce operator who is making payment to the supplier for the particular supply happening through it.

Source: *FAQs on TCS Provisions issued by Legal Committee, GST Council*

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