[TO BE PUBLISHED IN THE GAZZETE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Finance
(Department of Revenue)

Notification No. 39/2017-Integrated Tax (Rate)

New Delhi, the 13th October, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 5, sub-section (1) of section 6 and clause (iii) and clause (iv) of section 20 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) read with sub-section (5) of section 15 and sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 8/2017- Integrated Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 683(E), dated the 28th June, 2017, namely:-

IndiaCode

In the said notification,

(i) in the Table, -

(a) against serial number 3, -

A. in item (iii), in column (3), for the words "Government, a local authority or a Governmental authority", the words "Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity" shall be substituted;

B. in item (vi), in column (3), for the words "a local authority or a Governmental authority" the words "a local authority, a Governmental Authority or a Government Entity" shall be substituted;

C. in items (iii) and (vi), in column (5), for the existing entry, the following entry shall be substituted, namely: -
"Provided that where the services are supplied to a Government Entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be";

D. for item (vii), in columns (3), (4) and (5) and the entries relating thereto, the following shall be substituted, namely: -

(3)	(4)	(5)
"(vii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, involving	5	Provided that where the services are supplied to a Government Entity, they

predominantly earth work (that is, constituting more than 75 per cent. of the value of the works contract) provided to the Central Government, State Government, Union territory, local authority, a Governmental Authority or a Government Entity.		should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be
(viii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 and associated services, in respect of offshore works contract relating to oil and gas exploration and production (E&P) in the offshore area beyond 12 nautical miles from the nearest point of the appropriate base line.	12	-
(ix) Construction services other than (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above.	18	-";

(b) against serial number 8, for item (ii), in column (5), for the word "or" the word "and" shall be substituted;

(c) against serial number 8, for item (vi), in columns (3), (4) and (5) and the entries relating thereto, the following shall be substituted, namely: -

(3)	(4)	(5)
"(vi) Transport of passengers by any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient.	5	Provided that credit of input tax charged on goods and services used in supplying the service, other than the input tax credit of input service in the same line of business (i.e. service procured from another service provider of transporting passengers in a motor vehicle or renting of a motor vehicle), has not been taken. [Please refer to *Explanation* no. (iv)]
	or	
	12	-";

(d) against serial number 9, for item (v), in columns (3), (4) and (5) and the entries relating thereto, the following shall be substituted, namely: -

(3)	(4)	(5)
"(v) Transportation of natural gas through pipeline	5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to *Explanation* no. (iv)]
	or	
	12	-
(vi) Goods transport services other than (i), (ii), (iii), (iv) and (v) above	18	-";

(e) against serial number 10, for item (i), in columns (3), (4) and (5) and the entries relating thereto, the following shall be substituted, namely: -

(3)	(4)	(5)
"(i) Renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient.	5	Provided that credit of input tax charged on goods and services used in supplying the service, other than the input tax credit of input service in the same line of business (i.e. service procured from another service provider of transporting passengers in a motor vehicle or renting of a motor vehicle) has not been taken., [Please refer to *Explanation* no. (iv)]
	or	
	12	-";

(f) against serial number 15, for item (v), in columns (3), (4) and (5) and the entries relating thereto, the following shall be substituted, namely: -

(3)	(4)	(5)
"(v) Leasing of motor vehicles purchased and leased prior to 1st July 2017;	65 per cent. of the rate of integrated tax as applicable on supply of like goods involving transfer of title in goods. Note:- Nothing contained in this entry shall apply on or after 1st July, 2020.	-
(vi) Financial and related services other than (i), (ii), (iii), (iv), and (v) above.	18	-";

(g) against serial number 17, for item (vi) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely: -

(3)	(4)	(5)
"(vi) Leasing of motor vehicles purchased and leased prior to 1st July 2017;	65 per cent. of the rate of integrated tax as applicable on supply of like goods involving transfer of title in goods. Note:- Nothing contained in this entry shall apply on or after 1st July, 2020.	-
(vii) Leasing or rental services, with or without operator, other than (i), (ii), (iii), (iv), (v) and (vi) above.	Same rate of integrated tax as applicable on supply of like goods involving transfer of title in goods	-";

(h) against serial number 26, in column (3), -

(i) in item (i), for sub-item (c), the following sub-item shall be substituted, namely: - "(c) all products falling under Chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);";

(ii) in item (i), after sub-item (d), the following sub-item shall be inserted, namely: - "(da) printing of all goods falling under Chapter 48 or 49, which attract IGST @ 5 per cent. or Nil;";

(iii) after sub-item (e), the following sub-items shall be inserted, namely: -

"(f) all food and food products falling under Chapters 1 to 22 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);

(g) all products falling under Chapter 23 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975), except dog and cat food put up for retail sale falling under tariff item 23091000 of the said chapter;

(h) manufacture of clay bricks falling under tariff item 69010010 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);";

(iv) after item (i), in columns (3), (4) and (5) and the entries relating thereto, the following shall be inserted, namely: -

(3)	(4)	(5)
"(ia) Services by way of job work in relation to- (a) manufacture of umbrella; (b) printing of all goods falling under Chapter 48 or 49, which attract IGST @ 12 per cent.	12	-";

IndiaCode

(v) in item (ii) after sub-item (b), the following sub-item shall be inserted, namely: - "(c) printing of all goods falling under Chapter 48 or 49, which attract IGST @ 5 per cent. or Nil.";

(vi) after item (ii), in columns (3), (4) and (5) in column (3) and the entries relating thereto, the following shall be inserted, namely: -

(3)	(4)	(5)
"(iia) Services by way of any treatment or process on goods belonging to another person, in relation to printing of all goods falling under Chapter 48 or 49, which attract IGST @ 12 per cent.	12	-";

(vii) in item (iii), for the word, brackets and figures " and (ii)" the figures, brackets, letters and word ", (ia), (ii) and (iia)" shall be substituted;

(i) against serial number 27, for item (i), columns (3), (4) and (5) and the entries relating thereto in, the following shall be substituted, namely: -

(3)	(4)	(5)
(i) Services by way of printing of all goods falling under Chapter 48 or 49 [including newspapers, books (including Braille books), journals and periodicals], which attract IGST @ 12 per cent. or 5 per cent. or Nil, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer.	12	-";

(ii) in paragraph 2, for the words, brackets and figures "at item (i)", the words, brackets, figures and letters, "at item (i), item (iv) [sub-item (b), sub-item (c) and sub-item (d)], item (v) [sub-item (b), sub-item (c) and sub-item (d)], item (vi) [sub-item (c)]" shall be substituted;

(iii) in paragraph 5, after clause (viii), the following clause shall be inserted, namely: -

"(ix) "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 90 per cent. or more participation by way of equity or control, to carry out any function entrusted to a municipality under article 243 W of the Constitution or to a Panchayat under article 243 G of the Constitution.

(x) "Government Entity" means an authority or a board or any other body including a society, trust, corporation,
i) set up by an Act of Parliament or State Legislature; or
ii) established by any Government,
with 90 per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority.".

[F. No.354/173/2017 -TRU]

(Ruchi Bisht)
Under Secretary to the Government of India

Note: -The principal notification was published in the Gazette of India, Extraordinary, *vide* notification No. 8/2017 - Integrated Tax (Rate), dated the 28th June, 2017, vide number G.S.R. 683 (E), dated the 28th June, 2017 and was last amended by notification No. 24/2017-Integrated Tax (Rate), dated the 21st September, 2017 *vide* number G.S.R. 1182(E), dated the 21st September, 2017.

IndiaCode