

ORGANISATION OF AN EVENT VIS-À-VIS GST

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Though the activity of organising events have been brought into service tax net long back, the levy on the said activity with the advent of GST has to be introspected.

In an attempt to understand the GST implications on the said activity, we have made a modest attempt to envisage different situations that would arise in the industry and the implication of GST thereon.

The taxability of events or exhibitions for an event organiser is mainly determined based on the place of supply (POS) provisions for services, which are explained in detail under section 12 and 13 of IGST Act.

Generally place of supply of services made shall be the location of the service recipient. However, in case of few services (like the organisation of an event) there are exceptions to the above general provision. We can broadly divide the POS into two categories for organising events:

1. Where location of supplier and recipient is in India (u/s 12(7) of IGST Act)
2. Where either of the location of supplier or location of recipient is outside India (U/s 13(5) of IGST Act)

In the first scenario (u/s 12(7) where both service provider and recipient are in India):

The place of supply of services provided by way of,—

- (a) organisation of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events; or
 - (b) services ancillary to organisation of any of the events or services referred to in clause (a), or assigning of sponsorship to such events,—
 - (i) to a **registered person**, shall be the **location of such person**;
 - (ii) to a **person other than a registered person**, shall be the **place where the event is actually held** and if the event is held **outside India**, the place of supply shall be the **location of the recipient**.
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In the second scenario (u/s 13(5) where either of them are outside India):

The place of supply of services supplied by way of admission to, or organisation of a cultural, artistic, sporting, scientific, educational or entertainment event, or a celebration, conference, fair, exhibition or similar events, and of services ancillary to such admission or organisation, shall be the place where **the event is actually held**.

In order to better analyse the above provisions, a matrix of possible permutations and combinations, which may not be exhaustive, is presented as follows:-

Section 12(7) Of IGST Act, Where Location Of Supplier Of Service And Recipient Of Service Is In India:-

Situation	Location of supplier of service	Location of recipient of service	Place where event is held	Place of Supply	Inter State or Intra State Supply
1.	Tamil Nadu (TN)	Registered in TN	TN	TN (Location of registered recipient)	Intra State (CGST + SGST)
2.	TN	Registered in TN	Delhi	TN (Location of registered recipient)	Intra State (CGST + SGST)
3.	Kerala	Registered in TN	Kerala	TN (Location of registered recipient)	Inter State (IGST)
4.	Kerala	Registered in TN	Delhi	TN (Location of registered recipient)	Inter State (IGST)
5.	Kerala	Registered in TN	New York, USA	TN (Location of registered recipient)	Inter State (IGST)
6.	TN	Unregistered in TN	TN	TN (Location of event)	Intra State (CGST + SGST)

7.	TN	Unregistered in TN	Delhi	Delhi (Location of event)	Inter State (IGST)
8.	Kerala	Unregistered in TN	Kerala	Kerala (Location of event)	Intra State (CGST + SGST)
9.	Kerala	Unregistered in TN	Delhi	Delhi (Location of event)	Inter State (IGST)
10.	Kerala	Unregistered (URG) in TN	New York, USA	TN (Location of URG recipient)	Inter State (IGST)
11.	TN	Unregistered in TN	New York, USA	TN (Location of URG recipient)	Intra State (CGST + SGST)

Note: Situation 5, 10 and 11 highlighted above are considered non-taxable by virtue of a notification explained in detail below (ONLY for business related events or exhibitions)

Section 13(5) of IGST Act, Where Location Of Supplier Of Service Or Service Recipient Is Outside India:-

Situation	Location of supplier of service	Location of recipient of service	Place where event is held	Place of Supply	Inter State or Intra State
1.	New York	Registered in TN	TN	TN	Inter State (Import of service)
2.	New York	Registered in TN	Delhi	Delhi	Inter State (Import of Service)
3.	New York	Registered in TN	New York	New York	Transaction outside GST as Supplier and Place of Supply outside India.
4.	New	Unregistered	TN	TN	Inter State (Import of

	York	in TN			Service)
5.	New York	Unregistered in TN	Delhi	Delhi	Inter State (Import of Service)
6.	New York	Unregistered in TN	New York	New York	Transaction outside GST as Supplier and Place of Supply outside India.
7.	TN	New York	TN	TN	Intra State
8.	TN	New York	Delhi	Delhi	Inter State
9.	TN	New York	New York	New York	Inter State (Export of Service)

Note:

1. In case of import of service, the recipient is liable to pay IGST under reverse charge mechanism (RCM).
2. For the above services, if any service is supplied from more than one location and if one of them is a taxable territory then the place of supply will be the location in the taxable territory. For example, if a service is provided in Singapore and India then the place of supply will be India and GST will be applicable.
3. If the above services are supplied in more than one State then all the states will be considered as the place of supplies. The states will share GST in proportion to the value of services.

EXEMPTION NOTIFICATION

It is noted that exemption from levy of GST has been granted for organisation of business exhibition outside India vide

- a) entry no. 52 of the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 issued under the CGST Act, 2017 and
- b) entry no. 55 of the Notification No. 09/2017-Integrated Tax (Rate) dated 28.06.2017 issued under the IGST Act, 2017 which reads as follows:-

<i>Sl. No.</i>	<i>Service Code</i>	<i>Description of Services</i>	<i>Rate (%)</i>	<i>Condition</i>
52/5 5	Heading 9985	<i>Services by an organiser to any person in respect of business exhibition held outside India.</i>	Nil	Nil

It is pertinent to mention that the above exemption notification provides exemption to **services provided by organiser to any person** in respect of **business exhibition held outside India**. Consequently, no GST would be leviable for situation no. 5, 10, 11 [under section 12(7)] and situations 3, 6 and 9 [under section 13(5)] under the respective exemption notifications.

However, it is also significant to note that the exemption is only with respect to services provided by organiser of business exhibition and **not by any other supplier of service for various ancillary services** and there is **no exemption in respect of other cultural, artistic, sporting, scientific, educational or entertainment events**.

For instance, if M/s XYZ is organiser of business exhibition outside India but certain ancillary services such as advertisement, stall making services are provided by another supplier, then in that case, GST will be payable by the assessee under reverse charge mechanism if the transaction is covered under the ambit of import of service as stated in situation 1, 2, 4 and 5 of table under section 13(5) stated above.

Similarly if XYZ organises a sporting event (not a business exhibition) outside India and the recipient is in India then as per section 12(7) the same will be taxable in India.