CIRCULAR

Commissioner of State Tax,
Gujarat State, Ahmedabad
Dated 5th November, 2018

Corrigendum to Circular No. 57/2018-GST

No.GSL/GST/B. 14

Subject: Corrigendum to Circular No. 57/2018-GST dated the 5th November, 2018 (effective from 4th September,2018), - Reg.

In para 9 of the Circular No. 57/2018-GST dated the 5th November, 2018 (effective from 4th September,2018),

for

"However, in cases where the supply of agricultural produce is not exempted and liable to tax, such commission agent shall be liable for compulsory registration under sub-section (vii) of section 24 of the GGST Act."

read,

"Further, according to clause (vii) of section 24 of the GGST Act, a person is liable for mandatory registration if he makes *taxable supply* of goods or services or both on behalf of other *taxable persons*. Accordingly, the requirement of compulsory registration for commission agent, under the said clause shall arise when both the following conditions are satisfied, namely: -

(a) the principal should be a taxable person; and
(b) the supplies made by the commission agent should be taxable.

Generally, a commission agent under APMC Act makes supplies on behalf of an agriculturist. Further, as per provisions of clause (b) of sub-section (1) of section 23 of the GGST Act an agriculturist who supplies produce out of cultivation of land is not liable for registration and therefore does not fall within the ambit of the term 'taxable person'. Thus a commission agent who is making supplies on behalf of such an agriculturist, who is not a taxable person, is not liable for

compulsory registration under clause (vii) of section 24 of the GGST Act. However, where a commission agent is liable to pay tax under reverse charge, such an agent will be required to get registered compulsorily under section 24 (iii) of the GGST Act."

2. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Commissioner.

(P D Vaghela)
Commissioner of State Tax,
Gujarat State, Ahmedabad