

V.B.GAIKWAD & ASSOCIATES

328, 'E' Ward, D/10, Royal Plaza, Dabholkar Corner, Kolhapur-416 001.

[VERY IMPORTANT/VERY URGENT]

10.10.2024.

To,

All

Sir,

Sub:- GST – Renting of any property (for commercial use) by any unregistered person to a registered person – Liability to pay GST on Registered person under Reverse Charge Mechanism w.e.f.10.10.2024 – Reg....

We herewith inform you that, the Government vide its Notification No.09/2024-CT(Rate), dt.08.10.2024 has inserted a new Sr.No.5AB in the Reverse Charge Mechanism Notification No.12/2017-CT(Rate), dt.28.06.2017. In result of which, now w.e.f.10.10.2024, if a registered person takes any property (for commercial use) on lease/rent from the unregistered person, then the said registered person will be liable to pay GST on the rent amount (to be paid by him to the said unregistered person).

[2] Accordingly, w.e.f.10.10.2024, if any registered person is paying rent to the unregistered person for using any property (for commercial use) of the said unregistered person on lease, then, the said registered person, -

- i) will have to issue self-invoice (as per the provisions of Sec.31(3)(f) of the CGST Act, 2017 read with Rule 46 of the CGST Rules, 2017) declaring the nature of said service, its SAC, rent amount and the applicable rate of GST and the amount of GST payable on the said rent amount.
- ii) will have to declare the said amount of GST payable under RCM in the GSTR-3B return of the month in which the said self-invoice is issued and have to pay the said GST in cash.
- iii) will be eligible to claim ITC of the said GST in the said GSTR-3B return on the basis of the self-invoice, in case if the said property is being used in the course or furtherance of his taxable business activity.

[3] Accordingly, we herewith request you to kindly take note of the above said important legal development and to kindly implement the same at your end (w.e.f.10.10.2024) in case if you are paying any rent to the unregistered person for using his property (for commercial use) on lease-rent basis or if you are planning to take any property any property (for commercial use) on lease-rent basis from the unregistered person.

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- [4] We hope we have clarified the matter. However, if you have any doubts then we request you to kindly come to our office for personal discussion.

Yours faithfully,
Sd/-
V.B.Gaikwad & Asso.

Disclaimer – The above said circular/clarification is of general nature and not intended to address circumstances of any particular individual or party. The said circular/clarification is only for Private and Confidential circulation and any reliance to be placed thereon should be subject to further consultation and advice the matter.