

GST Taxability Of Education Services

These education services including online courses will be classified under the Heading 9992. These are taxable at the rate of 18%.

Determination of place of supply in case of online training/coaching:

The place of supply of the services provided by online training/coaching service providers can be determined from section 12 and 13 of the IGST Act, 2017.

Section 12. (1) The provisions of this section shall apply to determine the place of supply of services where the location of supplier of services and the location of the recipient of services is in India.

(2) The place of supply of services, except the services specified in sub-sections (3) to (14),— (a) made to a registered person shall be the location of such person; (b) made to any person other than a registered person shall be,— (i) the location of the recipient where the address on record exists; and (ii) the location of the supplier of services in other cases.

Points of Inference:

When the service provider and recipient are located in India and the services are provided to a registered person, then the place of supply shall be the location of such registered person (recipient) i.e., the place where such person is registered.

The Confusion:

The confusion arises when such online/virtual coaching classes are provided to an unregistered person.

In the case of online/virtual coaching classes, one cannot actually determine the place where the services are actually performed/the event is actually held. There

is no physical location where the event is actually held. Therefore, on the assumption that training/coaching service provider is located in India and such service is provided to an unregistered person (Student) located in India, as per section 12(2) of the IGST Act 2017, the place of supply of such service shall be the location of the recipient (Student) if the address of the student is known to the training/coaching service provider. If the address is not known, the place of supply shall be the location of training/coaching service provider.

Section 13. (1) The provisions of this section shall apply to determine the place of supply of services where the location of the supplier of services or the location of the recipient of services is outside India.

(2) The place of supply of services except the services specified in sub-sections (3) to (13) shall be the location of the recipient of services:

Provided that where the location of the recipient of services is not available in the ordinary course of business, the place of supply shall be the location of the supplier of services.

Where training/coaching service provider is located in India and such service is provided to an unregistered person (Student) located outside India, as per section 13(2) of the IGST Act 2017, the place of supply of such service shall be the location of the recipient (Student) if the address of the student is known to the training/coaching service provider.

If the address is not known, the place of supply shall be the location of training/coaching service provider.