



THE WORLD ECONOMICS TIMES

SOCIETAL GROWTH
EDUCATION

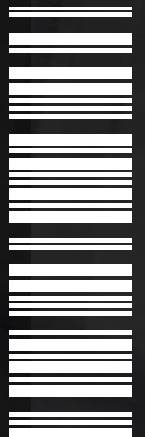
*"Join hands with us as
we catalyze positive
change for individuals,
businesses, and
communities."*

ACTIONABLE IMPACT

FROM WORKSHOPS TO SOCIETAL
INITIATIVES, WITNESS REAL
CHANGE IN ACTION.

EMPOWERING CHANGE
BUILDING FUTURES

LEAD WITH IMPACT



Empowering Global Economic Insight: Introducing The Worldonomics Times

In an era where the tapestry of global finance and economics interweaves with the complex dynamics of markets worldwide, there emerges a beacon of insight, The Worldonomics Times. Announced by the International Navodaya Chamber of Commerce (INCOC) on 26-03-2024, this forthcoming monthly magazine is poised to be an indispensable resource for anyone keen on understanding the pulsating heartbeat of the global economy. Scheduled to release its premiere issue on May 5th, 2024, The Worldonomics Times aims to fill a crucial gap in the landscape of financial journalism. With a commitment to providing in-depth coverage of global finance and economics trends, news, and analysis, this publication is tailored for business leaders, policymakers, and the intellectually curious who strive for a deeper understanding of the world's economic currents.

Global Perspective with Local Relevance

At its core, The Worldonomics Times will offer a global perspective that bridges diverse markets and economies. This isn't just about tracing the flow of capital across continents; it's about understanding how these financial streams affect businesses and policies on a local level. Sandeep Kumar, the founder of the International Navodaya Chamber of Commerce and Editor-in-Chief of the magazine, emphasizes the platform's role in exploring emerging trends and the forces sculpting world markets.

In-Depth, Data-Driven Journalism

What sets The Worldonomics Times apart is its commitment to investigative journalism that digs beneath the surface. This magazine will go beyond the headlines to uncover the underlying stories that drive financial shifts, offering clarity in an ever-complex world. Coupled with expert opinions, interviews, and thought leadership from noted economists and financial specialists, readers are promised a comprehensive outlook on the global economic scene. Moreover, with a focus on data-driven insights, the magazine will utilize visualizations and infographics to demystify complex economic trends and statistics, making the information accessible and digestible to its readership.

Accessibility and Empowerment

Understanding the importance of adaptability in today's fast-paced world, The Worldonomics Times will be accessible in both print and digital formats. This dual availability ensures that readers can engage with the content in a manner that best suits their lifestyles, whether at home, in the office, or on the move.

"We are committed to delivering accurate, unbiased, and high-quality journalism focused on the world of finance and economics," Kumar states. "Our goal is to empower readers with the knowledge they need to make informed decisions in an increasingly dynamic global landscape."

As we anticipate the release of The Worldonomics Times' premiere issue, it's clear that this magazine is on a mission to enlighten and inform. Through its rigorous analysis, expert commentary, and commitment to excellence in journalism, The Worldonomics Times is set to become a guiding light for anyone looking to navigate the intricate world of global finance and economics.



Sandeep Kumar

EDITOR-IN-CHIEF

Worldonomics Times



TAX IMPLICATION OF NON-RESIDENT'S UNDER GST

Goods and services tax (GST) was introduced in India to make compliances user-friendly and avoid multiplicity of taxes. It aims to promote digitalization and increase efficiency through automation of compliance. The registration process introduced under GST is smooth and convenient. There are separate sets of provisions for registration, returns, refunds, etc. for domestic taxpayers and for non-resident taxable persons.

India has seen massive industrial development over the past two decades. Investments by non-resident Indians in India have accelerated the growth of the Indian economy. Various steps have been taken by the Indian government to help facilitate trade and business for NRIs. This has prompted the non-resident Indians to consider India as a viable destination to invest in and earn profits. Investments by NRIs in India have accelerated the growth of the Indian economy.

Section 2(77) of CGST Act defines Non-resident taxable person as any person who occasionally undertakes transactions involving supply of goods /services, whether as principal/agent/in any other capacity, but who has no fixed place of business/residence in India.

A non-resident taxable person making taxable supply in India has to compulsorily take registration. There is no threshold limit for registration. A non-resident taxable person cannot exercise the option to pay tax under composition levy. He has to apply for registration at least five days prior to commencing his business in India using a valid passport (and need not have a PAN number in India). A business entity incorporated or established outside India, has to submit the application for registration along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its Permanent Account Number, if available.

Registration Requirement of N RTP

Section 24 of the GST law specifies a mandatory requirement for registration for a non-resident taxable person without any threshold limit. Therefore, the minimum threshold limit of Rs. 40 lakh/ 20 lakh is not available to Non-Resident Taxable Person. Hence, any Non-resident, who is falling in the definition of Non-Resident Taxable Person, is required to obtain GST Registration irrespective of whether the business is involved in a one-time transaction or frequent taxable transactions.

Registration Procedure for a Non-Resident Taxable Person

- Every person, who falls within the definition of Non-Resident Taxable Person, has to apply for GST registration at least 5 days prior to the commencement of business.
- For GST registration, N RTP shall have to provide its Tax ID or Unique number of its own country.
- N RTP need not to have a PAN of India and it can use its valid passport instead.
- Application for registration need not be like normal applicants. Application can be submitted in simplified form ie REG-09.
- In relation to N RTP GST registration initially a temporary reference number gets generated electronically by the Common Portal. The purpose of this temporary number is to advance deposit of tax in his electronic cash ledger and an acknowledgment will be issued thereafter.



Provision regarding Returns and payments

As per Rule 63 of CGST Rules The NRTP shall furnish a return in FORM GSTR-5 electronically through the common portal, including the details of outward and inward supplies. Further, he shall pay the tax, interest, penalty, fees, or any other amount payable under the Act within 20 days after the end of a calendar month or within 7 days after the last day of the registration validity period, whichever is earlier.

Provision regarding Refund

The amount of advance tax deposited by a non-resident taxable person at the time of initial registration/ extension of registration will be refunded only after the person has furnished all the returns required in respect of the entire period for which the certificate of registration granted to him had remained in force.

GST Advance Tax Payment by Non-Resident Taxable Person

GST Provisions provide that a non-resident taxable person is required to make an advance deposit of GST. This advance payment of tax shall be of an amount equivalent to the estimated tax liability of such person for the period for which registration is sought.

- At the end of the GST registration period on submission of final returns, any tax, that is excess paid, shall be refunded to the NRTP.
- The non-resident taxable person can extend the GST registration period, which the NRTP initially applies. An application using the form GST REG-11 should be furnished electronically on the GST Common Portal.

Input tax credit to Non-resident

- Section 17(5) (Block input tax credit) restrict the input tax credit on the supply received by non-resident in India, however he is free to take input tax credit of goods imported from outside India

OIDAR Services under GST

OIDAR Services or Online Information and Database Access or Retrieval (OIDAR) Services relate to the delivery made through the internet or electronic network with automated supply and minimal human intervention. With the tremendous growth in cloud technology and SAAS based products in India over the last decade, more and more services are being introduced by Indian and Non-Resident Taxable Persons, which would fall under the classification of OIDAR services.

• LIST OF OIDAR Services

The IGST Act defines OIDAR Services as delivering services by mediating with information technology over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention, and impossible to ensure in the absence of information technology. Some examples of OIDAR services include:

1. Online advertising service providers
2. Website supply, web hosting, distance maintenance of programs and equipment
3. Cloud service providers
4. Supply of e-books, software and other intangibles via telecommunication networks or the internet
5. Providing data or information, retrievable or otherwise, to any person, in electronic form through a computer network
6. Digital data storage services
7. Online gaming services
8. Supply of music, films of political, cultural, artistic, sporting, scientific, and entertainment broadcasts and events.
9. Supply of Teaching Services.

• GST Registration for OIDAR Service Providers

Any entity providing OIDAR services is required to mandatorily obtain GST registration in India, irrespective of the aggregate turnover criteria. The following types of taxable persons are required to obtain GST Registration mandatorily and OIDAR service providers are one of them:

1. Persons making any inter-state taxable supply;
2. Casual taxable persons;
3. Persons required to pay tax under reverse charge;
4. Electronic commerce operators;
5. Non-resident taxable persons;
6. Persons required to deduct tax;
7. Persons who supply goods and/or services on behalf of other registered taxable persons whether as an agent or otherwise;
8. Input service distributor (whether or not separately registered under the Act)
9. Persons required to collect the tax;
10. Electronic commerce operator
11. Every person supplying online information and database retrieval services from a place outside India to a person in India, other than a registered person;

Hence, most OIDAR service providers even outside India providing services to residents in India shall mandatorily obtain GST registration by virtue of being classified under one or more of the above categories.

• SERVICES TO BE TREATED AS OIDAR:-

Any service can be treated as OIDAR service if it qualifies under two cumulative conditions. If the service fails even one of the two conditions, it will not be categorized under OIDAR.

The two conditions are as follows:

1. Whether the provision of service is mediated by information technology over the internet or an electronic network?
2. Whether it is automated and impossible to ensure in the absence of information technology?





• **GST applicability on OIDAR services**

The taxability of OIDAR services is dependent on the location of the recipient and GST liability is determined accordingly:

- 1.If both the supplier, as well as the recipient, are in India, then GST will be applicable and will be charged on the basis of forward charges.
- 2.If the supplier is outside the taxable territory, and the recipient located in India is registered under GST, then GST will be applicable. Furthermore, payment of goods and service tax will be on reverse charge
- 3.If the recipient is residing in India, but is not registered under GST, and the supplier is outside the boundaries of India, then GST will be applicable, and payment for goods and service tax will be on forward charge basis. When an unregistered, non-taxable person in India imports the OIDAR services, the supplier located outside India will make the payment for such tax on forward charge
- 4.If both the suppliers, as well as recipients, are not located in India, then no GST will be applicable.
- 5.If the supplier is residing in India, but the recipient is located outside the taxable territory in India, no GST will be applicable to the export service.

• **Who will be responsible for paying the tax?**

- 1.**Recipient under reverse charge:** Under this mechanism, the recipient of the service is liable for the payment of GST. Hence, all registered business entities receiving OIDAR services in India are required to pay GST when the supplier of such service is located outside India. This is mainly to protect domestic service providers.
- 2.**Supplier/Intermediary:** Where OIDAR Services are provided from a non-taxable territory to a non-registered person or individual.
- 3.**Intermediary:** Sometimes OIDAR products are not owned or belong to the portal or app where it is available for sale but such intermediaries are facilitating entire transaction on purchase of such software/music or other OIDAR products.

• **Registration process for OIDAR service providers**

- 1.OIDAR service providers located in India: OIDAR service providers located in India can obtain GST Registration through the normal procedure by applying through the GST portal.
- 2.OIDAR service providers located outside India: All OIDAR service providers supplying services to residents in India and not located in India are also required to comply with GST regulations. Any OIDAR service provider supplying services from a location outside India to a non-taxable online recipient is required to obtain GST registration by filing GST REG-10. The application for GST Registration for OIDAR service providers can be submitted electronically with a self-attested copy of valid passport of the promoters and tax identification number or unique identification number issued by the foreign Government or PAN.

The application for GST registration must be submitted at least five days prior to the commencement of business in India.

Foreign companies can appoint a representative in India for obtaining GST registration, filing GST returns and paying GST payments on behalf of the foreign entity.



REFUND OF IGST PAID ON SUPPLY OF GOODS TO INTERNATIONAL TOURISTS LEAVING INDIA UNDER SECTION 15 OF IGST ACT.

The integrated tax paid by a tourist leaving India on any supply of goods taken out of India by him shall be refunded and subject to such conditions and safeguards as may be prescribed.

Eligibility to claim Refund:-

To claim a Refund, a person seeking a refund must be a Tourist as per the definition of the IGST Act.

Here The term "tourist" means a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes. Here the purpose of Stay is a Key factor to be taken into Consideration.

- The outbound passenger leaving India accompanied by goods purchased on which GST is paid during their stay in India on which IGST has been paid are entitled to claim a Refund while leaving India.
- The outbound passenger is entitled to claim a refund of Only IGST paid on goods purchased during their stay in India.
- A foreign Nationality person who came to India on a work permit and Staying in India for a period exceeding six months will not be categorized as Tourist for IGST and, therefore not eligible for a Refund of IGST.
- The Refund is not available on services used by the outbound passenger while his stay in India, Eligibility for Refund is only on the Goods being taken along while leaving India.
- The tax to be collected by India on Goods and Services where such consumption took place. The Goods which are taken along by the outbound passenger/tourist cannot be considered to be consumed in India and eligible for Refund as goods are considered as Export.
- The Supplier needs to take the proof of passport and visa of such tourist and then arrange to charges IGST on goods supplied to such tourist. The passport and copy of Visa as evidence with the supplier for the basis for charging IGST.
- As per Section 15 of the IGST Act Indians on work permit Coming to India for short duration cannot be considered as Tourist for the purpose of claiming refund of IGST. Indians on work permit in other countries will remain Indian Immigrants.

Tourists as per Section 15 of IGST Act includes :-

- Foreign Diplomats on Official duty in India.
- Foreign Artists, Musicians and Actors visiting India to perform Shows.
- Crew of International Conveyance entering and existing India within short duration.
- Foreign Sports person Visiting India for participating in tournaments or training process.
- Foreign Journalist and camera Crew Visiting India.

Needless to say, GST is certainly one of the path breaking tax reforms of India. In fact, the Finance Minister is positive about GST revenue collection. He said that the GST revenues have been upbeat. This was despite the major GST rate reductions and benefits given to non-residents. It would be like a piece of cake for assessing taxability and decision making for the Indian government as well as non-resident investors.



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