

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT
OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES
EZHILAGAM, CHENNAI- 600 005**

PRESENT: Dr. D.JAGANNATHAN I.A.S,

COMMISSIONER OF STATE TAX

**Circular No. 15/2024
(PP6/GST-160/2024)**

Dated : 12.07.2024

Sub: Clarification on time of supply of services of spectrum usage and other similar services under GST -Regarding.

Ref: Circular No. 222/16/2024-GST, dated 26.06.2024, issued by Government of India, Ministry of Finance, Department of Revenue, CBIC, GST Policy Wing.

In the reference cited, the Government of India, Ministry of Finance, Department of Revenue CBIC, GST Policy Wing, has issued Circular No 222/16/2024-GST, dated 26.06.2024 based on the recommendations of the GST Council. Hence, following *pari-materia* circular is issued.

Representations have been received by the GST Council, from the trade and the field formations seeking clarification regarding the time of supply for payment of GST in respect of supply of spectrum allocation services in cases where the successful bidder for spectrum allocation (i.e. the telecom operator) opts for making payments in instalments under deferred payment option as per Frequency Assignment Letter (FAL) issued by Department of Telecommunication (DoT), Government of India.

2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across the field formations, the Commissioner, in exercise of powers conferred by section 168 of the Tamilnadu Goods and Services Tax Act, 2017 (hereinafter referred to as "TNGST Act"), hereby clarifies the issues as under:

| S.No. | Issue | Clarification |
|-------|---|--|
| 1. | <p>In cases of spectrum allocation where the successful bidder (i.e. the 'telecom operator') opts for making payments in instalments as mentioned in the Notice Inviting Application (NIA) and Frequency Assignment Letter (FAL) issued by Department of Telecommunications (DoT), Government of India, what will be the time of supply for the purpose of payment of GST on the said supply of spectrum allocation services.</p> | <p>Under the spectrum allocation model followed by DoT, bidder (the telecom operator) bids for securing the right to use spectrum offered by the government. Here, service provider is the Government of India (through DoT) and service recipient is the bidder/ telecom operator. The GST is to be discharged on the supply of spectrum allocation services by the recipient of services (the telecom operator) on reverse charge basis [G.O. (Ms)No. 74 Commercial Taxes & Registration Dept. published in Tamilnadu Govt. Gazete Notification No. II(2)/CTR/532(d-16)/2017 dated 29.06.2017[Issue No. 202]referred].</p> <p>2.1 In respect of the said supply of spectrum allocation services, if the telecom operator chooses the option to make payment in instalments, the payment has to be made spread over the contract period in instalments and payment for each instalment is to be made after specified periods, as specified in the Frequency Assignment Letter of DoT, which is in the nature of contract. The same is a '<u>continuous supply of services</u>' as defined under section 2(33) of the TNGST Act, since the supply of services (spectrum usage) is agreed to be provided by the supplier (DoT) to the recipient (telecom operator) continuously for a period which is</p> |