

NPCI/2017-18/RuPay/014

29th June, 2017

To,

All Members of RuPay

Madam / Dear Sir,

Sub: RuPay RGCS - Migration to Goods and Services Tax (GST) regime

We refer to Operating Circular (OC) No. 250 dated 9th June, 2017 on the details required for migration to Goods and Services Tax (GST), wherein, we have requested members to submit GSTIN details. Those members who have not yet submitted the GSTIN details should provide the details urgently so as to avoid being considered as Unregistered Dealers (URD).

GST is being implemented with effect from 1st July, 2017. Upon migration to GST from 1st July, 2017, the existing service tax rate applied at 15% will be changed to GST rate at 18% for all transactions from 1st July, 2017 (as per NPCI business day cut off time). The details of fees, GST, etc. will be made available in all relevant reports in RGCS.

Part I – RuPay PoS & e-Commerce Domestic transactions

A. Daily Settlement Report, Billing Summary Report & other related reports

The following changes will be made in all the relevant reports of RGCS:

- a. The term "Service tax" will be changed to "GST", wherever applicable.
- b. The applicable rate of GST will be 18%.
- c. The break-up of GST as CGST+S/UTGST or IGST would be available in GST Invoice - Acquirer/Issuer separately (PID wise).

B. Disputes

1. For NPCI fees relating to Arbitration & Compliance disputes raised on or after 1st July, 2017, GST @ 18% shall be levied.

C. Additional Reports in RGCS

1. Monthly Interchange report – Day-wise & Bank-wise reports shall be made available in RGCS for Member banks separately as Acquirers & Issuers (PID wise). Refer **Annexure A** for sample format.

2. NPCI Invoice for Switching Fees, charges, etc. paid to NPCI – Monthly Invoice shall be made available in RGCS for member banks separately as Acquirer and Issuer (PID wise). The bifurcation of GST into CGST, SGST/UTGST and IGST rate and amount shall be given separately in Invoice. Refer **Annexure B** for sample format.

The bifurcation of GST for Switching fee, Arbitration/Compliance Review & Filing fee, Platinum Card Fee etc. shall be as follows:

GST Invoice

- a. If the fee is received by NPCI from the member within the same state from where NPCI provides the service e.g. Maharashtra, in such cases, it will be Intra-state and GST @ 18% shall be bifurcated into CGST @ 9% and SGST/UTGST @ 9%.
- b. If the fee is received by NPCI from the member from a different state i.e. other than Maharashtra, in such cases, it will be Inter-state and entire amount will be captured under IGST @ 18%.

Please note importantly that -

All members are requested to ensure strict compliance with GST rules, so that members / NPCI are not put to financial loss including inability to avail input credit.

NPCI will communicate its GSTIN details to all members through a separate OC.

Circular on similar lines for International transactions will be issued shortly.

Please make a note of the above and disseminate the instructions contained herein to the officials concerned.

For any queries or clarification, please contact:

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Yours faithfully,



Sanjay Saxena
SVP & CFO



Ram Sundaresan
SVP & Head – Operations

- Encl: 1. Annexure A – Monthly Interchange report format – RGCS
2. Annexure B – Invoice