



# Indian Goods and Services Tax - FAQs

## Background

On 1st July the new Indian Goods and Services tax (GST) will be introduced.

This new Indian GST tax is applicable to all goods & services sold in India, including all flights departing from India and hotels, cars or insurance booked in India, regardless of whether the point-of-sale is in India.

The new tax process will be different depending on whether you are selling to a corporate traveller (paid for by a business registered for GST, hence a business-to-business or B2B transaction) or a leisure traveller (a “business-to-consumer” or “B2C” transaction).

The Indian government will apply two different percentages when it comes to air travel (applying to both domestic and international travel):

- 5% for air travel in economy class
- 12% for air travel in a premium class

Several points are still pending clarification by the Indian government. Once these issues have been resolved and we have received the specifications from IATA, we will inform you of any additional changes that may be necessary.

Please note that this is an interim solution for the period 01JUL17 – 31DEC17 only.

## FAQs

### 1. When is the new GST becoming effective?

1<sup>st</sup> of July 2017.

### 2. What are the new GST rates for air tickets?

5% for air travel in economy class domestic and international; 12% for air travel in a premium class, domestic and international.

### 3. How can I determine the class at a document level?

Clarity on exact determination of class at a document level has not been obtained at this point. More information will be provided as this becomes available.

### 4. Is the new Indian GST tax applicable to all flights departing from India?

Yes, the GST is applicable to all flights departing from India, whether or not the point-of-sale is in India.

#### 5. When purchasing an air ticket, who will apply this tax?

The GDS will apply the tax at the time of pricing.

#### 6. What is the new GST structure?

For air, IATA has required that one single tax code (K3) be used.

For non-air services, CGST + SGST are to be applied to Intra-State Services and IGST is to be applied to Inter-State Services.

More information can be found here: [www.gstcouncil.gov.in](http://www.gstcouncil.gov.in)

#### 7. Are ancillary services subject to the new GST?

Ancillary or optional services (when an EMD may be issued) will be subject to GST, although it is currently unclear what rate of GST will apply. Although IATA has made multiple submissions to the Indian authorities on this matter requesting clarification, no clarification has been received so far and it is unlikely that any clarity will be provided before 1 July 2017.

#### 8. Are there any exemptions from the new GST tax?

Yes, the following exemptions from the new GST exist:

Exemption #1: Services provided to the United Nations or a specified international organization. Exemption may be notified by way of issuing notification under section 55 of the CGST/SGST Act.

Exemption #2: Embarkations from State of Jammu and Kashmir i.e. SXR IXL IXJ airports.

Exemption #3: For Passengers embarking on a journey originating or terminating in an airport located in the state of Arunachal Pradesh Assam Manipur Meghalaya Mizoram Nagaland Sikkim Tripura or Baghdogra in West Bengal. The exemption therefore applies to/from the following airports: DIB GAU JRH IXI IXS TEZ IMF SHL AJL DMU IXA IXB. However, this exemption will not apply to passengers using the above airports only as transfer points.

#### 9. What are the new GST rates for airline tickets?

All airports:

- Tier 1

Tax rate: 5%

Tax base: Collected fare + YQ + YR of all economy class departures from all Indian states

Carrier Imposed Charges (YQ/YR): Applicable

Minimum Tax: INR 1.00

Maximum Tax: none

- Tier 2

Tax rate: 12%

Tax base: Collected fare + YQ + YR of all other than economy class (including premium economy) departures from all Indian states

Carrier Imposed Charges (YQ/YR): Applicable

Minimum Tax: INR 1.00

Maximum Tax: none

For non-air services, official tax rates can be found in the web portal [www.gstcouncil.gov.in](http://www.gstcouncil.gov.in)

#### 10. Where will the new tax be collected?

The new tax is to be collected at point of sale and shown separately on the ticket by code K3 for BSP air tickets.

#### 11. Who is responsible for remittance?

The supplier of service is responsible for remittance. Here are a few examples of services with their respective tax remittance responsible:

- Air ticket → The Validating Carrier
- Hotel room → The Hotel Provider
- Business travel Management Service Fee → The Travel Management Company

#### 12. Is the new tax interlineable?

No, the new tax is not interlineable.

#### 13. Is the new tax refundable?

If the fare is refundable, GST is refundable. If the fare is non-refundable, GST is non-refundable.\*

#### 14. Is there a new tax process for a passenger travelling on his or her personal account (a “B2C” transaction)?

No, the tax process for a passenger travelling on his or her personal account (a “B2C transaction) has not changed. The pricing should be done as usual and if the new GST is applicable, then the new tax code – K3 – will be displayed.

#### 15. Are there any changes in the B2B transactions flow that affect me as a travel agent?

Yes, with the introduction of the new GST, for any tickets issued worldwide where travel originates in India, regardless of point of sale, paid for by a business registered for GST (“B2B” transactions), the airline must send a GST invoice to the business within 30 days of the date of ticket issuance regardless of the form of payment. This invoice must include the GST number, name and address of the business entity registered for GST. These will differ from the passenger’s own name and address. To support this process, the validating carrier may also require additional contact details for the GST registered business. This may include a telephone number and email address.

In support of B2B transactions, four new Special Service Requirements (SSRs) have been

*\*Erratum. Corrected 30 June 2017*

approved by IATA Reservations Committee members and Airline for America (A4A). The objective is to use these SSRs to apply the correct GST rate at the time of pricing, capture and transfer necessary data to generate GST invoices:

SSR GSTN 'Goods and Services Tax Number': to collect the name and registered number of the business purchasing the goods and services.

SSR GSTA 'Goods and Services Tax Business Address': to collect the address of the business purchasing the goods and services

SSR GSTP – 'Goods and Services Tax Business Phone Number(s)': to collect the telephone number(s) of the business purchasing the goods and services

SSR GSTE – 'Goods and Services Tax Business Email': to collect the e-mail address of the business purchasing the goods and services

The new SSRs will be introduced on the 1<sup>st</sup> of July 2017.

#### 16. What are the new GST SSRs input formats?

The input format of the above SSRs is the following:

- **GSTN** - Goods and Services Tax Number:
  - **>SR GSTN** - IND/22AAAAA0000A1Z5/IBM/**P1**
- **GSTA** - Goods and Services Tax Business Address:
  - **>SR GSTA** - IND/11 FLOOR ONE HORIZON CENTER/SECTOR 43 DLF PH V/CHENNAI/TAMIL NADU/603024/**P1**
- **GSTP** - Goods and Services Tax Business Phone Number(s):
  - **>SR GSTP** - IND/9103345229023/9107582221443/**P1**
- **GSTE** - Goods and Services Tax Business Email:
  - **>SR GSTE** - IND/GST.INFO//IBMGST.IN/**P1**

Please refer to Addendum 1 for other examples of the new GST SSRs input formats.

#### 17. Does the GST impact the current booking flow?

Yes. In the case of a B2B transaction, the 4 SSRs described above must be entered in the PNR. Amadeus recommends inserting the SSRs before the pricing command, as we expect the final solution from IATA to impose this flow.

#### 18. In the case of a B2B transaction, can my SSR be rejected?

If the airline validating carrier is not operating any flight of the itinerary, the SSR could be rejected. To avoid this, we advise you to issue the ticket on one of the airline operating carrier(s) present into the itinerary.

#### 19. Does the new GST apply to refund or exchange transactions?

Issues around refund and exchange transactions are still being discussed by the Industry Taxation Working Group. To the extent that tickets are re-issued or changed for a fee, the fees would be subject to GST and a separate/revised GST invoice may need to be generated.

The same data elements (e.g. business name and address) would need to be captured and transmitted in such instances. Work is ongoing on this issue and we will communicate as soon as further clarification is available. However, Amadeus Ticket Changer and Amadeus Ticket Changer Refund products will handle the K3 tax within their processes.

## Addendum 1

### Erratum for Question 13: Is the new tax refundable?

If the fare is refundable, GST is refundable. If the fare is non-refundable, GST is non-refundable.

### Detail of question 16: Examples of the new GST SSRs input formats

All the expected information for those new SSRs is detailed hereafter. For the 4 SSRs, all the information entered after '-' is considered as a single free flow text:

- **GSTN** - Goods and Services Tax Number:

SSR GSTN can be entered in different ways:

- **>SR GSTN** - IND/22AAAAA0000A1Z5/IBM
- **>SR GSTN AI** - IND/22AAAAA0000A1Z5/IBM
- **>SR GSTN AI HK1** - IND/22AAAAA0000A1Z5/IBM

Passenger association is not mandatory in the entry. The system will do the passenger association automatically for all the passengers present in the PNR. However, if needed, SSR GSTN can still be associated to one or more passenger(s) in the entry using:

- **>SR GSTN** - IND/22AAAAA0000A1Z5/IBM/**P1** : for passenger 1 only
- **>SR GSTN** - IND/22AAAAA0000A1Z5/IBM/**P1-2** : for passengers 1 and 2

	Components	Type	Number and Type of Characters	Examples
(a)	Element Identifier	Mandatory	2a	SR
(b)	SSR Service Code	Mandatory	4a	GSTN
(c)	Airline Designator	Optional	2an	AI
(d)	Status Code	Optional	2a	HK
(e)	Number of services	Optional	1-2n	1
	Separator	Mandatory	1a	-
(f)*	Country owning GST	Mandatory	1-3a	IND
(g)*	GST number	Mandatory	Max. 20an	/22AAAAA0000A1Z5
(h)*	Name of Company whose GST number is provided	Mandatory	Max. 35an	/IBM
(i)*	Infant Indicator	Optional	1a	/I

\*(f) to (i) is considered as a single free flow text.

- **GSTA** - Goods and Services Tax Business Address:
  - **>SR GSTA** - IND/11 FLOOR ONE HORIZON CENTER/SECTOR 43 DLF PH V/CHENNAI/TAMIL NADU/603024
  - **>SR GSTA** AI - ///CHENNAI/TAMIL NADU/603024
  - **>SR GSTA** AI HK1 - IND/18 RAGHUVANSHI MILLS COMP//MUMBAI
  - **>SR GSTA** - IND/11 FLOOR ONE HORIZON CENTER/SECTOR 43 DLF PH V/CHENNAI/TAMIL NADU/603024/P1

Components		Type	Number and Type of Characters	Examples
(a)	Element Identifier	Mandatory	2a	SR
(b)	SSR Service Code	Mandatory	4a	GSTA
(c)	Airline Designator	Optional	2an	AI
(d)	Status Code	Optional	2a	HK
(e)	Number of services	Optional	1-2n	1
	Separator	Mandatory	1a	-
(f)*	Country owning GST	Optional	1-3a	IND
(g)*	Address Line 1	Optional	Max. 35an	/11 FLOOR ONE HORIZON CENTER
(h)*	Address Line 2	Optional	Max. 25an	/SECTOR 43 DLF PH V
(i)*	City	Optional	Max. 25an	/CHENNAI
(j)*	State or Province or Country	Optional	Max. 25an	/TAMIL NADU
(k)*	Zip Code or Postal Code	Optional	17an	/603024

\*(f) to (k) is considered as a single free flow text.

- **GSTP** - Goods and Services Tax Business Phone Number(s):
  - **>SR GSTP** - IND/9103345229023/9107582221443
  - **>SR GSTP** AI HK1 - IND/9103345229023/9107582221443/P1

Components		Type	Number and Type of Characters	Examples
(a)	Element Identifier	Mandatory	2a	SR
(b)	SSR Service Code	Mandatory	4a	GSTP
(c)	Airline Designator	Optional	2an	AI
(d)	Status Code	Optional	2a	HK
(e)	Number of services	Optional	1-2n	1
	Separator	Mandatory	1a	-
(f)*	Country owning GST	Optional	1-3a	IND
(g)*	First Business Telephone	Optional	Max. 15n	/9103345229023
(h)*	Second Business Telephone	Optional	Max. 15an	/9107582221443

\*(f) to (h) is considered as a single free flow text.

- **GSTE** - Goods and Services Tax Business Email:
  - **>SR GSTE** - IND/GST.INFO//IBMGST.IN
  - **>SR GSTE** AI HK1- IND/GST.INFO//IBMGST.IN/P1

	Components	Type	Number and Type of Characters	Examples
(a)	Element Identifier	Mandatory	2a	SR
(b)	SSR Service Code	Mandatory	4a	GSTE
(c)	Airline Designator	Optional	2an	AI
(d)	Status Code	Optional	2a	HK
(e)	Number of services	Optional	1-2n	1
	Separator	Mandatory	1a	-
(f)*	Country owning GST	Optional	1-3a	IND
(g)*	Business Email	Mandatory	Max. 15n	/ GST.INFO//IBMGST.IN

\*(f) to (g) is considered as a single free flow text.

Email address format:

Use // (double slash) in place of @ (at sign)

Use .. (double dot) instead of \_ (underscore)

Use ./ instead of -