



GST GoM visits turf facilities in Bengaluru, meets online gaming executives

GST on Online Gaming July 24, 2022

 By **TeamG2G**

The ministerial panel (GoM) on GST on casinos, race courses and online gaming held a **meeting today** with the representatives of the online gaming industry. As first reported by ET Now, no decision has been arrived at the meeting and the meeting will continue tomorrow, July 24 at Bengaluru.

After meeting the online gaming community, the GoM held a meeting with the Turf Authorities of India. Earlier, it was reported that the Bangalore Turf Club will likely make a presentation to the GoM on various aspects of the racing and issues related to GST.

The GoM also visited the turf facilities in Bengaluru to understand the working of the horse racing sector. The Bengaluru Turf Club challenged Rule 31A(3) of the Central Goods and Services Tax Rules, 2017 before the Karnataka High Court and **received favourable order** last year. The Union of India has filed a Writ Appeal before a Division Bench of the Karnataka High Court **which is currently pending**.

Rule 31A(3) states that the value of supply of actionable claim in the form of chance to win in betting, gambling or horse racing in a race club shall be 100% of the face value of the bet or the amount paid into the totalisator.

“The meeting was fruitful involving a meaningful discussion on all aspects of racing with particular reference to functioning of the totalizator. This we hope will lead to a positive representation by the Members of the GoM to the Hon'ble Members of the GST Council regarding the impact of GST on horse racing. Further, a positive impact will in turn help the livelihood of over 3.50 lakh families across the country, agricultural and other related sectors,” said K. Uday Eswaran, chairman, TAI according to The Hindu.

The GoM, in its first report, **submitted last month** has recommended that in the case of online gaming, the activities should be taxed at 28% on the full value of the consideration, by whatever name such consideration may be called, including contest entry fee, paid by the player for participation in such games without making a distinction such as games of skill or chance etc. However, a re-examination was necessitated after Goa in the GST Council raised issues on the valuation of supplies in Goa. The GoM is expected to visit casinos and meet casino executives in Goa.