

NPCI/NFS/OC No.259/2017-18

09<sup>th</sup> August, 2017

To,

**All Members participating in various NPCI Products**

Madam / Dear Sir,

**Sub: Guidelines on Unregistered Dealers (URD) under Goods and Services Tax (GST) regime**

We refer to Operating Circular (OC) No. 250 dated 9<sup>th</sup> June, 2017 on the details required for migration to Goods and Services Tax (GST), wherein, we have requested members to submit GST Identification number (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).

The interchange fee / other charges receiving member will have to raise invoice on paying member within the specified timelines as per GST rule. Member may refer the monthly tax report made available by NPCI for GSTIN details provided by each member.

NPCI will consider a member as URD, due to non-submission of GSTIN details or any other reason. In case of URD, in the absence of GSTIN details, the location of the member shall be taken from the documents available with NPCI.

Please note importantly the following points related to members that have not provided GSTIN:

**Paying member without GSTIN**

1. For member without GSTIN paying the switching fee, interchange or other charges to NPCI / receiving member, then the GSTIN will not be captured in the monthly Invoice generated by NPCI / receiving member.
2. The transactions between such members and NPCI or other receiving members as the case may be, shall be termed as Business-to-consumer (B2C). For these B2C transactions, paying member will not be able to claim Input tax credit under GST.
3. If the paying member has applied for/submitted GSTIN in future, then those members can claim Input tax credit from the period after obtaining GSTIN and not on retrospective basis.
4. All the other transactions where the members have submitted the GSTIN shall be treated as Business-to-Business (B2B).

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## Receiving member without GSTIN

1. For member without GSTIN receiving the interchange or other charges from paying member, then the interchange invoice will not be generated by the receiving member.
2. The GSTIN column in tax report shall be kept blank for the receiving members treated like URD. The paying member should exclude these receiving members while claiming Input tax credit.
3. Tax on interchange fees / other charges shall be reversed by NPCI when received by a member considered as URD, due to non-submission of GSTIN details or any other reason. Communication in this regard will be sent to members concerned.
4. Reversal of tax by NPCI shall be processed through manual settlement on monthly basis and these reversals shall not form part of the tax report provided to members.
5. Members will be responsible for their tax compliance both as receiving and paying entity.

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,

  
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