

NDA Update – GST on renting of Commercial Property in terms of recommendation of 54th GST Council Meeting

In the 54th GST Council meeting held on 09-09-2024, it was recommended to bring renting of commercial property by unregistered person to a registered person under Reverse Charge Mechanism (RCM). **The recommendation has been now notified vide Notification No. 09/2024-Central Tax (Rate) dt. 08-10-2024 and has been made effective from 10-10-2024.**

Existing provision and the amendment are provided in the table below:

Category of Supply of Services	Tenant (Service Recipient)	Landlord (Service Provider)	Whether GST applicable	Who is Liable to pay GST	Amendment on 10-10-2024	Whether under Forward Charge Mechanism (FCM) or Reverse Charge Mechanism (RCM)
Renting of Commercial Property	Unregistered	Unregistered	No	None	No	Not Applicable
	Unregistered	Registered	Yes	Landlord	No	FCM
	Registered	Registered	Yes	Landlord	No	FCM
	Registered (Regular)	Unregistered	Yes	Tenant	Yes	RCM* w.e.f. 10-10-2024
	Registered (Composition)	Unregistered	Yes	Tenant	Yes	RCM** w.e.f. 10-10-2024

* Input Tax Credit (ITC) can be claimed.

** ITC cannot be claimed

Earlier renting of residential dwelling to a registered person was brought under GST to be paid by the tenant under Reverse Charge Mechanism (RCM) with effect from 18-07-2022.