

Sectoral

BFSI - Banking

1. Whether Banks are required to capture the details of ATMs in registration certificate as a ‘ place of business ’ ?

No. Banks are not required to provide the details of ATMs while applying for registration. For the purposes of registration, ATM on its own does not constitute a place of business, as defined in the CGST Act, 2017.

2. Is it necessary for banks/ insurers to report the details of exempt and non-GST supplies in Table 8 of GSTR-1?

Yes. In the absence of any specific exemption to the banks/ insurers, the information is required to be provided in the said table.

3. Is a “ Bill of Supply ” to be issued by a bank for exempt services like interest on loans and advances, inter-se sale or purchase of foreign currency amongst banks?

As per clause (c) of sub-section (3) of section 31 of the CGST Act, 2017 read with Rule 49 of the CGST Rules, 2017, there is a requirement for issuance of bill of supply for supply of exempt services by Banks. It may be noted, however, that there is no need to issue a separate bill of supply in case any invoice or document has already been issued in accordance with the provisions of any other law. Further, in view of the provisions contained in sub-rule (5) of rule 54 of the CGST Rules, 2017, banks may issue any other document in lieu of bill of supply.

4. Would services provided by banks to RBI be also taxable?

Yes. Services provided by banks to RBI would be taxable as these are not covered by any of the exemptions or excluded from the purview of GST under the CGST Act, 2017 or under the IGST Act, 2017. For more information, [click here](#).

5. Is interest on debt instruments exempt from GST?

Yes. As debt instruments such as debentures, bonds etc. are in the nature of loans, interest thereon will be exempt from GST. For more information, [click here](#).

6. What are some of the Government banking schemes?

Some of the important Government initiatives undertaken in the banking sector in India are: • Pradhan Mantri Jan Dhan Yojana (PMJDY) • Pradhan Mantri Suraksha Bima Yojana (PMSBY) • Pradhan Mantri Mudra Yojana • Atal Pension Yojana (APY) • Stand-Up India Scheme • Pradhan Mantri Vaya Vandana Yojana • Public Provident Fund • Senior Citizens Savings Scheme • Sukanya Samriddhi Account

7. How can one commence a banking business in India?

Any entity desiring to carry on banking business in India are required to obtain a licence from the Reserve Bank of India. 'Banking business', as per Section 6 of the Banking Regulation Act, refers to acceptance of public deposits for the purpose of lending or investment, which would be repayable and capable of withdrawal, and includes guarantee and indemnity business, discounting, dealing in negotiable instruments, underwriting, participating or managing of any issue, and other incidental activities. For more information, please visit the RBI website [here](#).

8. Can banking activities be undertaken at GIFT-IFSC?

Yes, a banking entity (both Indian and Foreign banks) can operate as IFSC Banking Unit (IBU) after getting a license from IFSCA. For more information, please read the IFSCA (Banking) Regulations 2020 available [here](#).

9. Where can one find information related to the Banking sector in India?

Information related to the banking sector of India (rules, regulations, guidelines, statistics etc) are available on the RBI website [here](#) and on the Department of Financial Services, Government of India website [here](#).

10. What are the different kinds of banks included under the banking sector in India?

Banks in India can be broadly categorised in 2 categories: commercial banks and cooperative banks. Commercial banks include: government-owned banks or public-sector banks (PSBs), private banks, branches or subsidiaries of foreign banks, small finance banks (scheduled commercial banks), and regional rural banks, which provide credit facilities for agricultural purposes to rural areas. Cooperative banks are divided into 2 categories: urban cooperative banks; and state cooperative banks that provide financing services to small borrowers. The RBI has recently introduced payments banks to provide basic banking and remittance related facilities and accept small deposits. Since there are different categories of banks set up for different purposes, there are various statutes and regulations made under these statutes that govern and regulate banks set up for specific purposes. For more information, please visit the RBI website [here](#).

11. What are Priority Sector Lending Certificates (PSLCs)?

Priority Sector Lending Certificates (PSLCs) are a mechanism to enable banks to achieve the priority sector lending target and sub-targets by purchase of these instruments in the event of shortfall. This also incentivizes surplus banks as it allows them to sell their excess achievement over targets thereby enhancing lending to the categories under priority sector. Under the PSLC mechanism, the seller sells fulfilment of priority sector obligation and the buyer buys the obligation with no transfer of risk or loan assets.

12. Where can one find list of Registered NBFCs and instructions issued to NBFCs?

The list of registered NBFCs is available on the web site of Reserve Bank of India and can be viewed at www.rbi.org.in → Sitemap → NBFC List. The instructions issued to NBFCs from time to time are also hosted at www.rbi.org.in → Notifications → Master Circulars → Non-banking, besides, being issued through Official Gazette notifications and press releases.