To
The Principal Chief Commissioners / Chief Commissioners/ Principal Commissioners/
Commissioner of Central Tax (All) /
The Principal Director Generals/ Director Generals (All).

Madam/Sir,

Subject: Levy of GST on Priority Sector Lending Certificates (PSLC) – regarding

Representations have been received requesting to clarify the following:

(i) Mechanism for discharge of tax liability on trading of Priority Sector Lending
Certificate (PSLC) for the period 1.7.2017 to 27.5.2018.

(ii) GST rate applicable on trading of PSLCs.

2. The representations have been examined. With the approval of the GST
Implementation Committee of the GST Council, it is clarified that GST on PSLCs for the
period 1.7.2017 to 27.05.2018 will be paid by the seller bank on forward charge basis and
GST rate of 12% will be applicable on the supply.

3. Difficulty, if any, in the implementation of this circular may be brought to the notice
of the Board immediately.

Yours Sincerely,

(Parmod Kumar)
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