

50th GST Council Meeting: Online Gaming, Casinos And Horse Racing Under Scanner

UPDATE

28% GST to be levied on online gaming, horse racing and casinos

As per news reports, Finance Minister Nirmala Sitharaman stated that Group of Ministers (GoM) reached a consensus over levying 28% GST on full value of online gaming, horse racing and casinos. This will be applicable with distinction made between games of skill and chance.

INDUSTRY REACTS ON THE 28% GST LEVIED

Roland Landers, CEO - The All India Gaming Federation states the following on the 28% GST on online gaming, horse racing and casinos:

"We believe this decision by the GST Council is unconstitutional, irrational, and egregious. The decision ignores over 60 years of settled legal jurisprudence and lumps online gaming with gambling activities. This decision will wipe out the entire Indian gaming industry and lead to lakhs of job losses and the only people benefitting from this will be anti-national illegal offshore platforms.

It is very unfortunate that when the Central Government has been supporting the industry - in terms of online gaming rules, clarity on TDS, etc that such a legally untenable decision has been taken, ignoring the views of most GoM states who studied this matter in detail."

Earlier, as per latest info, the Group of Ministers have agreed to 28% GST being levied on horse racing online gaming, and casinos.

PlayerzPot

On the 28% GST levied on online gaming, **Mitesh Gangar**, Co- Founder and Director, PlayerzPot said, "The GST council's decision to levy 28% GST on total face value on online gaming will corner the gaming industry in a big way. The overall operations will not be feasible. The high tax burden will completely restrict the cash flow, limiting a company's ability to invest in research, innovation,

expansion or survival. The higher burden will also put a blocker on India's massive gaming industry and deter the new player from entering the industry. The rising gaming economy will take a big hit and trigger economic stress, restrict job creation and curtail economic growth within the sector."

Akshat Khetan, Mumbai-based corporate and legal advisor, said, "This move is extraordinarily injurious to the endurance of the online gaming industry. This move has ignored that there is a difference between gaming and gambling."

The Union Finance Minister of India, Nirmala Sitharaman is all set to chair the 50th GST Council meeting in New Delhi today. This meeting sees the Group of Ministers (GoM) discuss topics like taxation on horse racing alongside online gaming, and casinos.

Apart from that, the Council is expected to finalise the GST Tribunal constitution and its benches. It is also expected to take key decisions on GST related issues like administrative procedures, exemptions, tax rates, and thresholds. This upcoming GST Council meeting is set to have a significant impact on the GST implementation in India.

The future course of taxation for casinos, horse racing and online gaming industry depends on how things work out in this meeting. Gutshot Magazine will provide all the latest updates in regards to the online gaming industry, casino, and horse racing at the 50th GST Council meeting.

ONLINE GAMING SECTOR UNDER SCANNER AT 50TH GST COUNCIL MEETING

Earlier, India's Finance Minister Nirmala Sitharaman proposed a tax rate of 28 per cent for online gaming. It was seen as a major challenge for a category of gaming startups in India. The online gaming sector was categorised in three heads.