

# **Clarification on payment of GST on RCM basis on renting of commercial property by Unregistered Person to a Registered Person for Taxpayers registered under Composition Levy**

## **RCM on renting of commercial property by Unregistered Person to a Registered Person (registered under Composition Levy)**

Renting of immovable property other than residential dwelling (commercial property) by unregistered person to registered person was brought under reverse charge basis vide Notification No. 09/2024-CTR dated effective from (by inserting an entry at Sr. No. 5AB of the notification No. 13/2017-CTR dated ). Therefore, payment of GST on reverse charge basis on renting of immovable property other than residential dwelling (commercial property) by unregistered person to registered person.

55th GST Council in its meeting held on recommended that taxpayers registered under composition levy may be excluded from the entry at Sr. No. 5AB of the notification No. 13/2017-CT(Rate) dated . The same has been notified vide notification No. 07/2025 CT(Rate) dated .

The Council further recommended that payment of GST on reverse charge basis on renting of immovable property other than residential dwelling (commercial property) by unregistered person to a registered person for taxpayers registered under composition levy may be regularized on 'as is where is' basis for the intervening period (i.e., date of effect of notification No. 09/2024-CTR dated to date of issuance of amending notification No. 07/2025-CT(Rate) dated ).

Vide Circular dated , as recommended by the 55th GST Council, payment of GST on Reverse Charge (RCM) basis on renting of immovable property other than residential dwelling (commercial property) by unregistered person to registered person under composition levy is hereby regularized for the period from to on 'as is where is' basis.