

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES**

**LOK SABHA**

**UNSTARRED QUESTION NO. 2957  
TO BE ANSWERED ON FRIDAY, DECEMBER 28, 2018/PAUSHA 7, 1940 (SAKA)  
GST ON SERVICES OFFERED BY BANKS**

**†2957. SHRI DHARMENDRA YADAV:  
SHRI ANANDRAO ADSUL:  
SHRI ADHALRAO PATIL "SHIVAJIRAO":  
DR. SHRIKANT EKNATH SHINDE:**

Will the Minister of FINANCE be pleased to state:

- (a)** whether the banks had received preliminary notices from the tax department seeking to levy GST on free services offered by banks such as issuing cheque books, additional credit cards, ATM usage and refund of fuel surcharge, if so, the details thereof and the response of the Government thereon;
- (b)** whether the Government propose to tax free banking services, if so, the details thereof and the reasons therefor;
- (c)** whether the GST would be applicable to not just customers with a minimum balance requirement but to everyone other than those with Basic Savings Bank Deposit (BSBD) accounts, if so, the details thereof and the reasons therefor;
- (d)** whether this move is likely to prove a setback to the digitalization move of the Government; and
- (e)** if so, the reaction of the Union Government thereon?

**ANSWER  
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI SHIV PRATAP SHUKLA)**

**(a):** The Central Board of Indirect Taxes and Customs (CBIC) has informed that no such notices have been issued seeking to levy GST on free services offered by banks.

**(b) to (e):** GST is levied based on the provisions of the GST Act, and Rules and Notifications made thereunder as per the recommendations of the GST Council. As per CBIC's Press Release dated 22.12.2018, the GST Council in its 31<sup>st</sup> Meeting held on 22.12.2018 at New Delhi has decided that services supplied by banks to Basic Savings Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY) shall be exempted from GST.

\*\*\*

Sample Only