2026 RCM LIST & RULES

RCM means the **recipient**, instead of the supplier, is liable to pay GST. The principal statutory basis is section 9(3)/(4) of the CGST Act and section 5(3)/(4) of the IGST Act. The core notification for services is **Notification No. 13/2017–Central Tax (Rate)**, as amended from time to time; CBIC's notification index reflects subsequent amendments, including 2018, 2019 and 2022 amendments.

A. SUPPLY COVERED UNDER RCM

No.	Supply / Service	Supplier	Person liable under RCM	Example
1	**GTA services**	Goods Transport Agency	Specified recipient such as factory, society, co-operative society, registered person, body corporate, partnership firm, etc., subject to applicable conditions	A company pays freight of ₹1,00,000 to a GTA. If RCM conditions apply, the recipient pays GST.
2	**Legal services**	Individual advocate, senior advocate or firm of advocates	Business entity located in taxable territory	A company pays ₹50,000 to a law firm for tax litigation advice → company pays GST under RCM.
3	**Services by arbitral tribunal**	Arbitral tribunal	Business entity	Company pays arbitration fees → recipient business pays GST.
4	**Sponsorship services**	Any person	Body corporate or partnership firm	A company sponsors a cricket event → sponsoring company pays GST under RCM.
5	**Services by Government / Local Authority**	Central Government, State Government, UT or local authority	Business entity, subject to notified exclusions	A business pays certain statutory service fees to Government → recipient may pay GST under RCM.
6	**Renting of immovable property by Government**	Central/State Government, UT or local authority	Registered person	Government leases office space to a GST-registered company → company pays GST under RCM.
7	**Director's services**	Director of company/body corporate	Company/body corporate	Director provides professional services to company → company pays GST under RCM, subject to employee-service exclusion where applicable.
8	**Insurance agent services**	Insurance agent	Insurer carrying on insurance business	Agent earns commission from insurer → insurer pays GST under RCM.
9	**Recovery agent services**	Recovery agent	Banking company, financial institution or NBFC	Bank appoints recovery agent → bank pays GST under RCM.

10	**Copyright services** in specified cases	Author, music composer, photographer, artist, etc., subject to notification conditions/options	Publisher, producer or music company, as applicable	Author licenses copyright to publisher → recipient may be liable under RCM where the notified conditions apply.
11	**Security services**	Any person **other than body corporate**	Registered person located in taxable territory, generally excluding specified composition/exempt situations	Security agency supplies guards to a company → recipient company pays GST under RCM if conditions are satisfied.
12	**Renting of motor vehicle**	Person **other than body corporate**	Body corporate, where notified conditions are fulfilled	A company hires cars for employee transportation under a qualifying rental arrangement → company may pay GST under RCM. CBIC has specifically clarified the distinction between renting of a vehicle and passenger transportation.
13	**Direct Selling Agent (DSA) services**	Individual DSA	Banking company or NBFC	Individual DSA sources loan customers for NBFC → NBFC pays GST under RCM.
14	**Services by business facilitator / business correspondent**	Business facilitator/business correspondent	Banking company	Individual BC provides banking outreach services → bank pays GST under RCM.
15	**Development rights / FSI / long-term lease of land**	Landowner or other specified supplier	Promoter, subject to detailed real-estate RCM provisions	Landowner transfers development rights to a promoter → promoter may have RCM liability under the special real-estate rules.
16	**Certain services supplied by overseas persons to Indian recipients**	Person located outside India	Recipient in India, where import-of-service conditions are fulfilled	Indian company receives consultancy from a US consultant → Indian company pays IGST under RCM.
17	**Renting of residential dwelling to a registered person**	An unregistered person	Registered person receiving the residential dwelling on rent for commercial activity	Vivek a registered person take a residential place from unregistered landlord for office purpose on rent.

B. IMPORT OF SERVICES UNDER GST — VERY IMPORTANT

An **import of service** broadly requires:

1. Supplier located **outside India**;
2. Recipient located **in India**; and
3. Place of supply is **in India**.

If the transaction qualifies as an import of service and is taxable, the Indian recipient generally pays **IGST under reverse charge**, subject to the IGST Act and applicable exemptions/place-of-supply rules. The currency of payment is not determinative.

Transaction	Example	GST treatment
Foreign legal consultancy	Indian company hires UK law firm	Indian recipient generally pays IGST under RCM if place of supply is in India
Foreign software / SaaS	Chat GPT, Claud or any software purchased from outside India	IGST under RCM, subject to facts and place-of-supply provisions
Foreign management consultancy	Indian company hires Singapore consultant	Indian company generally pays IGST under RCM
Foreign technical services	Indian manufacturer obtains engineering advice from Germany	IGST under RCM where import conditions are satisfied
Foreign advertising service	Indian company hires overseas marketing agency	Check section 13 place-of-supply rules; RCM applies if it qualifies as import
Foreign royalty / IP service	Indian company pays foreign company for use of software/IP	Generally examine import-of-service and place-of-supply rules; RCM may apply
Services from foreign parent/group company	Foreign parent provides management/support services to Indian subsidiary	Indian recipient may pay IGST under RCM; valuation and related-party rules can also become relevant

C. OTHER IMPORTANT RCM SUPPLIES — GOODS

RCM is **not limited to services**. Notified goods also attract reverse charge. The notified list includes items such as:

1. Cashew nuts not shelled or peeled — supplied by an agriculturist to a registered person.
2. Bidi wrapper leaves (tendu leaves) — supplied by an agriculturist.
3. Tobacco leaves — supplied by an agriculturist.
4. Silk yarn — supplied by specified manufacturers.
5. Lottery — in the notified supplier-recipient structure.

D. Section 9(4) RCM — purchases from unregistered suppliers

A common misconception is that **every purchase from an unregistered person automatically attracts RCM**.

That is **not generally correct**. Section 9(4) operates only for **notified classes of registered persons receiving specified supplies from unregistered suppliers**. The real-estate sector has special notified provisions under this mechanism.

Example

A normal company purchasing stationery from an unregistered local supplier does **not automatically become liable to GST under section 9(4)** merely because the supplier is unregistered.

However, a **notified promoter / real-estate transaction** involving specified supplies from an unregistered supplier may trigger section 9(4) RCM.

E. PRACTICAL GST COMPLIANCE UNDER RCM

1. Tax must be paid in cash

RCM liability cannot ordinarily be discharged using regular ITC. After payment, ITC can be claimed if all section 16 conditions and other restrictions are satisfied. CBIC's RCM guidance explains this cash-payment principle.

2. Nature of tax

- **Intra-State RCM** → CGST + SGST/UTGST
- **Import of service / Inter-State RCM** → IGST

3. Self-invoice/payment voucher

Where required under the GST Rules, the recipient may need to comply with self-invoicing and payment-voucher requirements. Also the same need to be reported in GSTR 1 document summary.

4. ITC is not automatic

Even after paying RCM, ITC depends on:

- business use,
- possession of prescribed documentation,
- actual tax payment,
- eligibility under section 16, and
- absence of section 17(5) blocked-credit restrictions.

5.Time limit to claim RCM ITC

As per **Circular No. 211/5/2024-GST dated 26 June 2024**, the relevant financial year is determined with reference to the financial year in which the applicable self-invoice is issued and not when RCM services are received.

For example, 2023-24 ITC not paid by taxpayer. Now in 2025-26 taxpayer pay such RCM liability with interest and issue self-invoicing. Now in this case due date to claim RCM liability would be count from 2025-26 i.e. 30 Nov 2026 as self-invoicing is done in 2025-26

6. Rule 37 temporary reversal (18 days reversal rule)

RCM paid on eligible inward supplies forms part of "input tax," and CBIC also notes that the normal 180-day supplier-payment condition does not apply to supplies where tax is payable under reverse charge