



## Analysis of 55th GST Council's decision to clarify that RBI regulated Payment Aggregators are eligible for the exemption, not payment gateway (PG)

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To clarify that RBI regulated Payment Aggregators are eligible for the exemption under entry at Sl. No. 34 of notification No. 12/2017-CT(R) dated 28.06.2017 since they fall within the ambit of 'acquiring bank' as defined in the said entry.

To also clarify that this exemption does not cover payment gateway (PG) and other fintech services which do not involve settlement of funds.

### Our Comments:

A payment aggregator is a third-party payment processor like **Razorpay** that facilitates online transactions between businesses and customers. It enables businesses to accept various payment methods, such as credit cards, debit cards, UPI, net banking, and digital wallets

Status of Applications received from Online Payment Aggregators (PAs) under Payment and Settlement Systems Act, 2007 – As on December 16, 2024	
Table A: Existing PAs who can operate as Online Payment Aggregators	
Sr No.	Name of the entity
1	Dreamplug Paytech Solutions Private Limited
2	Easebuzz Private Limited
3	Futuretek Commerce Private Limited
4	Hiveloop Internet Private Limited
5	Mpurse Services Private Limited
6	Nomisma Mobile Solutions Private Limited

7	NTT DATA Payment Services India Limited
8	Paymate India Private Limited
9	<b>PayU Payments Private Limited</b>
10	Phi Commerce Private Limited
11	<b>PhonePe Private Limited</b>
12	Pine Labs Private Limited
13	Tyche Payment Solutions Private Limited
14	Unimoni Enterprise Solutions Private Limited *
15	Vay Network Services Private Limited
16	Xsilica Software Solutions Private Limited
17	Zaak Epayment Services Private Limited
18	Freecharge Payment Technologies Private Limited *
19	Global Payments Asia-Pacific (India) Private Limited *
20	LivQuik Technology (India) Private Limited
21	PayTM Payments Services Limited *
22	Tapits Technologies Private Limited *

A payment gateway is a digital service that allows businesses to accept and process payments from customers. It acts as a secure bridge between the merchant and the bank, enabling businesses to accept payments through websites, mobile apps, or in physical stores. Some PGs are –

1. PayU
2. CCAvenue
3. Instamojo
4. PhonePe
5. OPEN
6. MobiKwik
7. Cashfree
8. BillDesk
9. Citrus Pay

**RBI regulated Payment Aggregators and not Payment Gateways** are eligible for the exemption under entry at Sl. No. 34 of notification No. 12/2017-CT(R) dated 28.06.2017 since they fall within the ambit of 'acquiring bank' as defined in the said entry.

## BRIEF ABOUT THE AUTHOR:

Vivek Jalan is a Chartered Accountant, M.B.A (International Trade) & a qualified L. LM (Constitutional Law) & LL.B. He is the Founder & Partner of Tax Connect Advisory Services LLP. He is the Chairman of The Indirect Tax Core Group of The Confederation of Indian Industries – EAC(ER). He is the Chairperson of The National Fiscal Affairs & Taxation Committee of The Bengal Chamber of Commerce and Industry. He is a Member of The Managing Committee of The Bengal Chamber of Commerce and Industry.

He is a regular Columnist and guest expert in Economic Times, Times of India, Dalal Street Journal, Money Control, Live mint, CNBC, Hindustan Times, Zee Business, Financial Express, other dailies and business magazines like Business Today, etc. He is also a guest expert on Taxation matters in All India Radio and other media platforms. He is the Editor of Weekly Bulletin TAX CONNECT, a publication on Indirect Taxes and Direct Taxes which reaches more than 70000 professionals.

He is also a visiting faculty for Taxes in The Confederation of Indian Industries (CII), The Institute of Chartered Accountants of India, Institute of Cost Accountants of India, Indian Institute of Foreign Trade, The Bengal Chamber of Commerce and Industry, The Indian Chamber of Commerce and other Business Forums. He has also delivered Lectures at various Government Taxation Forums including the CGST & SGST Departments across the country.

He has worked as a Finance Manager in ITC Ltd. and Chief Compliance Officer with IntraSoft Technologies Ltd. He has more than 15 years of experience in the field of Indirect & Direct Taxation. He was also an All-India Rank holder in CA Final Examination conducted by the Institute of Chartered Accountants of India.

His Books on taxation include the following –

- **Income Tax Section Wise Commentary and Analysis of Recent Developments**
- **Union Budget 2024 Edition**
- **GST APPELLATE TRIBUNAL (GSTAT)**
- **TAX PLEADING & PRACTICE JOURNAL – OCTOBER 2023**
- **GST PLEADING & PRACTICE – SEPTEMBER 2023**
- **UNION BUDGET – 2023-24**
- **HANDBOOK ON GST – August 2022**
- **COMMENTARY ON UNION BUDGET 2022 – Feb 2022**
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- COMMENTARY ON UNION BUDGET 2017
- A COMPENDIUM ON GST W.E.F. 1ST JULY 2017
- GST MODEL LAW (NOVEMBER 2016) & BUSINESS PROCESSES – A TECHNICAL COMMENTARY
- GST MODEL LAW (JUNE 2016) & BUSINESS PROCESSES – A TECHNICAL COMMENTARY

He is a regular speaker at various professional forums on the various key areas in Indirect & Direct Taxes and has delivered more than 300 lectures on various topics under GST, Customs, Foreign Trade Policy of India, Income Tax, etc.