



Notification of Finance Act 2026 Budget proposals 2026



The Finance Act, 2026 ('FA 2026') has received Presidential assent on 30 March 2026.

As per Section 2 of the Finance Act, 2026, the effective date of amendments is as under:

- Sections 2 to 129, clause (b) of section 152 and section 156 of FA 2026 shall come into force on the **1st day of April, 2026;** .
- Sections 153 to 155 shall come into force on such **date as the Central Government may, by notification in the Official Gazette.**
- All sections not covered under the above category (i.e., where no specific effective date is prescribed) may be considered effective from **30 March 2026 i.e. (date of enactment).**



Specific highlight- Amendment to intermediary services – Section 157 of Finance Act, 2026

- Section 157 of the Finance Act, 2026 amends the place of supply provisions under the IGST Act, 2017 relating to intermediary services.
- As per erstwhile Section 13(8)(b) of the IGST Act, place of supply for intermediary services/ indenting commission/ foreign commission was location of supplier.
- Consequently even though such services were provided to a foreign client, such services were treated as domestic supply liable to GST.
- Post amendment vide Section 157 of FA 2026, place of supply shifts to location of recipient (outside India). This effectively aligns intermediary services with general rule under Section 13(2).



- Hence, services provided to foreign clients/ foreign commission earned in India may now qualify as export of services, subject to fulfilment of conditions under Section 2(6) of IGST Act.
- **Further the immediate fallout of this amendment is that commission paid by an Indian entity to a foreign intermediary may be liable to GST under reverse charge, subject to satisfaction of import of service conditions.**
- Since the said provision is not covered under clauses requiring separate notification under Section 2 of the Finance Act, 2026 and no specific effective date is prescribed, the amendment may be considered effective from **30 March 2026** (date of enactment).

THANK YOU



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