

GST on transaction fees, not on crypto's value, says Centre



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FM said details of the asset class treatment to crypto will form part of the legislation that is still in the works

The government will levy goods and services tax (GST) on the service fees on cryptocurrency transactions, not the digital asset's gross value, two finance ministry officials said. However, the finance ministry has yet to work out the indirect tax treatment of certain crypto transactions that may fall into actionable claims.

GST applies to goods or services that are supplied for a price; however, certain transactions—say, a company giving free crypto tokens to motivate employees or promote its products—may not fit this description of supply and may be classified as an actionable claim, which stays out of the purview of GST. The government may approach the GST Council to issue a clarification, the officials said on condition of anonymity.