

NASHIK BRANCH OF WIRC ICAI	
Intensive study course on Service Tax	
Subject	: Service Tax - Reverse Charge Mechanism.
Day & Date	: Friday , 07th November, 2014.
Venue	: ICAI Bhavan, Ashoka marg, Wadalar shivar, Nashik.
Faculty	: CA. Naresh K. Sheth
Email ID	: nksheth25@gmail.com

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PREAMBLE	
<p>➤ Abbreviations:</p> <ul style="list-style-type: none">• The Act – Finance Act, 1994 amended till date (Service tax legislation)• The Rule – Service Tax Rules, 1994 amended till date• CCR – CENVAT Credit Rules , 2004	
<p>➤ Purpose of presentation is to enlighten participants on following in respect of reverse charge mechanism:</p> <ul style="list-style-type: none">• Legal Provisions• Basic concepts and Principles• Issues	
<p>➤ Presentation deals with position on or after 1st July 2012</p>	

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RELEVANT EXTRACT OF STATUTORY PROVISIONS

- Section 66B of the Act is the charging Section which provides:
 - there shall be levied a tax (Service tax)
 - at the rate of 12 %
 - on the value of all services
 - other than those specified in negative list
 - provided or to be provided
 - in taxable territory
 - by one person to another:
 - and collected in such a manner as may be prescribed
- Section 68(1) of the Act provides:
 - Every person providing taxable service to any person shall pay Service tax.....
- Section 68(2) of the Act provides:
 - Notwithstanding anything contained in Sub-section (1),
 - In respect of such taxable services as may be notified.....

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RELEVANT EXTRACT OF STATUTORY PROVISIONS

- Service tax thereon shall be paid by such person and in such manner as prescribed
- and all provision of this chapter shall apply to such person as if he is the person liable to pay Service tax in relation to such services
- Proviso to Section 68 provides that the Central government may notify:
 - the service, and
 - extent of Service tax which shall be payable by such person and
 - the remaining part of Service tax shall be paid by Service provider.
- Rule 2(1)(d) of Service tax Rules, 1994 prescribes persons liable for paying Service tax in respect of taxable services notified under Section 68(2)
- *Notification No 30/2012-ST* dated 20.06.2012 notifies:
 - Services falling within ambit of Section 68(2) of the Act; and
 - Extent to which service receiver and service provider is liable to pay Service tax in respect of notified services

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SOME BASICS

- Usually, service provider is an assessee and is liable to pay Service tax
- In respect of notified services, service recipient is obliged to discharge Service tax liability
- This is popularly known as 'reverse charge mechanism'
- Reverse charge triggers only when service availed by service recipient is taxable
- Tax payable would depend on value of taxable service as determined under Valuation Rules / Abatement Notification
- Triggering of reverse charge depends on:
 - Nature and description of service
 - Status of entity providing the service (service provider)
 - Status of entity availing the service (service recipient)
- No threshold exemption for liability under reverse charge

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SOME BASICS

- Reverse charge mechanism applies even where:
 - Service recipient is within threshold exemption limit
 - Service provider is within threshold exemption limit
 - Service provider providing non-taxable or exempt service
- Reverse charge mechanism is applicable to person even if he is not:
 - Service provider – (i.e Trader, Importer, Exporter, Retailer, Agriculturist)
 - Manufacturer of excisable goods
- It is an independent charge on service recipient availing notified services
- Service recipient is paying Service tax under RCM on his own account
- Service recipient liable under RCM is obliged to take registration and file Service tax returns
- Service tax paid under RCM is not:
 - in the nature of tax deducted at source (TDS) from payment made to service provider
 - collected by service receiver on behalf of Government

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Frequently Asked General Issues	
<ul style="list-style-type: none"> ➤ Where Service provider does not discharge his obligation, whether full tax can be recovered from Service recipient? ➤ If service provider has paid Service tax on full value, does it absolve service recipient to discharge Service tax liability under reverse charge mechanism? ➤ Whether Service tax paid under reverse charge mechanism has to be treated as value of services and whether Service recipient is obliged to deduct TDS on service tax? ➤ Whether Service provider is obliged to disclose total service tax payable in his Invoice? ➤ Where Service recipient has erroneously discharged Service tax liability under reverse charge mechanism, whether Service provider is absolved from his onus of discharging service tax liability? 	<div style="border: 1px solid black; border-radius: 50%; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">7</div>
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RCM AND Point Of Taxation	
<ul style="list-style-type: none"> ➤ Point of taxation for service tax due under RCM is as under: 	
In Normal case	POT would be the date on which payment for service is made
Position upto 30.09.2014 - Where payment is not made within 6 months from the date of invoice	POT travel backs to date of invoice or service completion date as per Rule 3 of POTR
Position on or after 01.10.2014 – Where payment is not made within 3 months from the date of invoice	POT would be the date immediately after 3 months of invoice date.
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RCM AND CENVAT Credit	
<ul style="list-style-type: none"> ➤ Service tax paid under RCM is usually an input service tax for service recipient and CENVAT can be claimed subject to compliance of provisions of Cenvat Credit Rules, 2004 ➤ The date on which CENVAT in respect of RCM can be claimed 	
<p>In respect of full service tax paid under Reverse Charge(in respect of Insurance Agent Service, GTA, Sponsorship, Arbitral Tribunal/ Legal Service, Directors Fees, Government Support Service, Rent-a-Cab Service (abated), Import of Service, Recovery Agent Service)</p>	
Prior to amendment (11 th July, 2014)	Post amendment (11 th July, 2014)
<ul style="list-style-type: none"> • Cenvat credit is allowed on or after the date of payment of: <ul style="list-style-type: none"> ▪ value of input service; and ▪ Service tax payable thereon. - As indicated in invoice, bill or challan - 1st proviso to Rule 4(7) of CCR. 	<ul style="list-style-type: none"> • Cenvat credit in respect of input services shall be allowed on or after the date of service tax payment (no reference to payment for value of services) w.e.f 11.07.2014. - 1st proviso to Rule 4(7) of CCR.
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RCM AND CENVAT Credit	
<p>In respect of full service tax paid under Reverse Charge(in respect of Insurance Agent Service, GTA, Sponsorship, Arbitral Tribunal/ Legal Service, Directors Fees, Government Support Service, Rent-a-Cab Service (abated), Import of Service, Recovery Agent Service)</p>	
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<ul style="list-style-type: none"> ➤ RCM liability cannot be discharged from CENVAT balance. (explanation to Rule 3(4) of CCR ➤ Service provider (discharging partial liability) is entitled to claim full Cenvat ➤ Service provider (paying Service Tax partially due to RCM) is entitled to refund under Rule 5B of CCR, where Cenvat exceeds his tax liability 	
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SUMMARIZED POSITION – w.e.f. 01.07.2012 except stated otherwise				
Nature of Service	Service provider	Service recipient	Liability of Service Provider	Liability of Service Receiver
Insurance agency service (16.08.2002)	Insurance agent	Person carrying on insurance business	Nil	100% (12.36%)
GTA services (01.01.2005)	Goods transport agency	Specified persons paying freight or liable to pay the freight	Nil	100% (3.09%)
Sponsorship Services (01.05.2006)	Any person	Any body corporate or partnership firm located in taxable territory	Nil	100% (12.36%)
Arbitration services	Arbitral tribunal	Business entity located in taxable territory	Nil	100% (12.36%)
Legal services	Individual advocate/ firm of advocates	Business entity located in taxable territory	Nil	100% (12.36%)

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SUMMARIZED POSITION – w.e.f. 01.07.2012 except stated otherwise				
Nature of Service	Service provider	Service recipient	Liability of Service Provider	Liability of Service Receiver
Specified support services	Government or local authority	Business entity located in taxable territory	Nil	100% (12.36%)
Director's services (07.08.2012)	Director of a company	Company	Nil	100% (12.36%)
Rent-a-cab (abatement availed)	Non-corporate entity not engaged in same business	Business entity (registered as a body corporate) in taxable territory	Nil	100% (4.94%)
Rent-a-cab (abatement not availed)	Non-corporate <u>entity not engaged in same business</u>	Business entity (registered as a body corporate) in taxable territory	60% (7.42%)	40% (4.94%)
Supply of manpower or security services (07.08.2012)	Non-corporate entity	Business entity (registered as a body corporate) in taxable territory	25% (3.09%)	75% (9.27%)

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SUMMARIZED POSITION – w.e.f. 01.07.2012 except stated otherwise				
Nature of Service	Service provider	Service recipient	Liability of Service Provider	Liability of Service Receiver
Works Contract	Non-corporate entity	Business entity registered as body corporate located in taxable territory	50%	50%
- Original Work			(2.47%)	(2.47%)
- Repair of goods*			(4.33%)	(4.33%)
- Other Work*			(3.71%)	(3.71%)
Any service availed from person located outside India (Import of service) (18.04.2006)	Person in non-taxable territory	Person in taxable territory (other than Government, specified charitable trust and individual for non-business purpose)	Nil	100% (12.36%)
Recovery agency services (11.07.2014)	Recovery Agent	Banking company, financial institution, NBFC	Nil	100% (12.36%)
* w.e.f - 01.10.2014 both these categories are merged and effective tax rate is 8.652%				13
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INSURANCE AGENT SERVICE (Sr No 1 of Table in 30/2012-ST)
<ul style="list-style-type: none"> ➤ Nature of Service – Insurance agency service (w.e.f. 16.08.2002) ➤ Service Provider <ul style="list-style-type: none"> • Should be an insurance agent • Insurance agent not defined under Notification/Service tax legislation • Insurance agent should mean an insurance agent as per Section 2(10) of The Insurance Act, 1938, who receives or agrees to receive payment by way of commission or other remuneration in consideration of his soliciting or procuring insurance business including business relating to the continuance, renewal or revival of policies of insurance ➤ Service Recipient <ul style="list-style-type: none"> • Person carrying on insurance business • Usually, it would be insurance company having license under Insurance Regulatory and Development Authority (IRDA) ➤ Whether payment to sub-agent by main agent triggers reverse charge? ➤ Can insurance Company recover Service Tax from Agent's Payment?
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GTA SERVICE (Sr. No. 2 of Table in 30/2012-ST)

- Nature of Service – Transportation of goods by road by goods carriage as defined under Section 2(14) of Motor Vehicle Act, 1988 (w.e.f. 01.01.2005)
- Service Provider
 - Goods Transport Agent [Section 65B(26)] – means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called
 - Jurisprudence trend – truck owners / operators are not GTA and hence, payment made to them is not covered under reverse charge mechanism
- Service Recipient
 - Any person who pays the freight; or
 - Specified person who pays or is liable to pay freight for the transportation of goods by road in a goods carriage, located in the taxable territory

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GTA SERVICE (Sr. No. 2 of Table in 30/2012-ST)

- Specified persons
 - a) factory registered under the Factories Act, 1948;
 - b) society registered under the Societies Registration Act, 1860 or under any other law for the time being in force;
 - c) co-operative society established by or under any law;
 - d) Central Excise registered dealer;
 - e) body corporate established, by or under any law; or
 - f) partnership firm whether registered or not, including association of persons;
- If service recipient is an Individual, HUF, proprietary concern (not falling in any of the above category), he / it is not liable to pay Service tax under reverse charge mechanism
- Following are exempt under Clause 21 of Exemption Notification 25/2012-ST
 - Freight for agriculture produce, Food stuff including flours, tea, coffee, jaggery, sugar, milk products, salt and edible oil, excluding alcoholic beverages
 - Freight of Rs.750 per consignment / Rs.1500 for Single Carriage

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SPONSORSHIP SERVICE (Sr. No. 3 of Table in 30/2012-ST)

- Nature of Service – Sponsorship service (w.e.f. 01.05.2006)
 - Sponsorship not defined under new regime.
 - It should be taken in its normal meaning such as:
 - naming an event after the sponsor,
 - displaying the sponsor's company logo or trade name,
 - giving the sponsor exclusive or priority booking rights,
 - sponsoring prizes or trophies for competition;
 - It should not include:
 - any financial or other support in the form of donations or gifts,
 - Advertisement in souvenir, brochure, catalogue etc.
- Service Provider – Any person

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SPONSORSHIP SERVICE (Sr. No. 3 of Table in 30/2012-ST)

- Service Recipient
 - Body corporate located in taxable territory
 - partnership firm (including LLP) located in taxable territory
 - Following Sponsors are not covered under reverse charge:
 - Individual
 - Proprietary concern
 - Charitable trust
 - AOP etc.
 - Entity located in non-taxable territory
- Clause 11 of Mega Exemption Notification exempts sponsorship of sporting events organized by specified institutions / organizers
- What will be service tax implications in the case where any foreign company sponsors an event organized in India?

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ARBITRATION SERVICE (Sr. No. 4 of Table in 30/2012-ST)

- Nature of Service – Arbitration service (w.e.f. 01.07.2012)
- Service Provider
 - Arbitral Tribunal
 - It means a sole arbitrator or a panel of arbitrators
 - It could be person other than advocate
- Service Recipient
 - Business entity located in taxable territory
 - Business entity means any person ordinarily carrying out any activity relating to industry, commerce or any other business or profession [65B(17)]
 - Reverse charge mechanism does not apply where service recipient is
 - individual (not carrying on business)
 - charitable trust
 - government
 - co-operative society not carrying on business
 - Business entity located outside taxable territory

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ARBITRATION SERVICE (Sr. No. 4 of Table in 30/2012-ST)

- Clause 6 of Mega Exemption Notification exempts following arbitration services provided by:
 - An arbitral tribunal to:
 - i. Any person other than a business entity; or
 - ii. A business entity with a turnover upto Rs 10 lakh in the preceding financial year
 - An arbitrator representing before arbitral tribunal

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LEGAL SERVICE (Sr. No. 5 of Table in 30/2012-ST)

- Nature of Service - Legal service (w.e.f. 01.07.2012)
 - Legal Service (as defined under mega exemption notification) means:
 - service provided in relation to advice, or consultancy; or assistance in any branch of law,
 - representational services before any court, tribunal or authority;
- Service Provider
 - Individual advocate / firm of advocates (including LLP)
 - Advocate means an advocate entered in any roll under the provisions of The Advocates Act, 1961 (as defined under mega exemption notification)
- Service Recipient
 - Business entity located in taxable territory
 - Business entity means any person ordinarily carrying out any activity relating to industry, commerce or any other business or profession [65B(17)]

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LEGAL SERVICE (Sr. No. 5 of Table in 30/2012-ST)

- Reverse charge mechanism does not apply where service recipient is
 - individual (not carrying on business)
 - charitable trust
 - government
 - co-operative society not carrying on business
 - business entity located outside taxable territory
- Clause 6 of Mega Exemption Notification exempts legal services provided by individual advocate / firm of advocates to:
 - i. An advocate or partnership firm of advocates
 - ii. Any person other than a business entity, or
 - iii. A business entity with a turnover upto Rs 10 lakh in the preceding financial year

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LEGAL SERVICE (Sr. No. 5 of Table in 30/2012-ST)	
Issues	
<ul style="list-style-type: none">➤ Whether availing of following service will trigger reverse charge?<ul style="list-style-type: none">• Notary charges• Fees to foreign lawyer firm• Fees to CA / tax practitioner for advising on taxation law• Fees to advocate for compiling and filing VAT / Income tax / Service tax / Excise returns• Fees to Solicitors for liaising for property deal• A film star paying fees to advocate for:<ul style="list-style-type: none">▪ Defending criminal case against him▪ Suing film production house for his fees▪ Technical advice and documentation for property bought / sold➤ Whether reverse charge trigger in case where legal service provided to foreign business entity?	
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DIRECTOR'S SERVICE (Sr. No. 5A of Table in 30/2012-ST)	
<ul style="list-style-type: none">➤ Nature of Service - Service provided by Director to the Company (w.e.f. 07.08.2012)➤ Service Provider<ul style="list-style-type: none">• Director of a company• Section 2(13) of Companies Act, 1956 defines director to include any person occupying the position of director, by whatever name called➤ Service Recipient – Company and Body Corporate (w.e.f 12.07.2014)➤ Effective from – 07.08.2012 (Notification No 45/2012-ST dated 07.08.2012)	
Issues	
<ul style="list-style-type: none">➤ Whether sitting fees / other remuneration paid to executive director / managing director will trigger reverse charge?➤ Whether Section 25 company would be liable to pay service tax under reverse charge mechanism on remuneration to non-executive directors?➤ Whether rent / professional fees etc. payment to non employee director will trigger reverse charge?➤ In case of a nominee director, sitting fees are paid to nominating institution, whether reverse charge will trigger in such case?	
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SUPPORT SERVICE (Sr. No. 6 of Table in 30/2012-ST)

- Nature of Service - Support service by Government / local authority (w.e.f. 1.7.2012)
 - Section 65B(49) defines support services to mean:
 - Infrastructural - operational
 - administrative - logistic
 - marketing or - any other support services of any kind
 - comprising functions that entities carry out in ordinary course of operations themselves but may obtain as services by outsourcing from others for any reason whatsoever
 - It shall include:
 - advertisement and promotion
 - construction or works contract
 - renting of immovable property
 - security
 - testing and analysis

SUPPORT SERVICE (Sr. No. 6 of Table in 30/2012-ST)

- Support service for reverse charge mechanism shall not include:
 - Renting of immovable property
 - Services by the Department of Posts (i.e. speed post, express parcel post, life insurance and agency services)
 - Services in relation to aircraft / vessel, inside or outside the precincts of a port or an airport
 - Transport of goods or passengers
- Service Provider – Government or local authority
 - The phrase 'Government' has not been defined in the Act.
 - Section 3(23) of the General Clauses Act, 1897, 'Government' includes both Central Government and any State Government
 - Central Government means the President and the officers subordinate to him while exercising the executive powers of the Union

SUPPORT SERVICE (Sr. No. 6 of Table in 30/2012-ST)

- State Government means the Governor or the officers subordinate to him who exercise the executive power of the state
- Section 65B(31) of the Act has defined 'local authority' to mean:
 - a) Panchayat
 - b) Municipality
 - c) Municipal Committee and a District Board, legally entitled to, or entrusted by the Government with, the control or management of a municipal or local fund;
 - d) Cantonment Board
 - e) Regional council or a district council
 - f) Development board; or
 - g) Regional council

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SUPPORT SERVICE (Sr. No. 6 of Table in 30/2012-ST)

- Service Recipient
 - Business entity located in taxable territory
 - Business entity means any person ordinarily carrying out any activity relating to industry, commerce or any other business or profession
 - Reverse charge mechanism does not apply where service recipient is
 - individual (not carrying on business)
 - charitable trust
 - government
 - co-operative society not carrying on business
 - business entity located outside taxable territory

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SUPPORT SERVICE (Sr. No. 6 of Table in 30/2012-ST)

Issues

- Whether following are 'Government' for reverse charge mechanism:
 - Government companies
 - Public Sector Undertaking
 - Corporations established under any statute
 - Foreign Governments
- Whether availing of following services would trigger reverse charge?
 - Filing fees paid to Registrar of Companies (MCA)
 - Fees paid to SEBI by merchant bankers, mutual funds etc.
 - Police protection charges for employees / directors / property of business entity
 - Police protection charges for celebrity (film stars etc.)
 - Fees paid to NSDL for PAN application, TDS returns etc.
 - Providing infrastructure such as road, electrification etc for consideration

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RENTING OF MOTOR VEHICLE (Sr. No. 7 of Table in 30/2012-ST)

- Nature of Service – Renting of motor vehicle designed to carry passengers (w.e.f. 01.07.2012)
- Service Provider
 - individual
 - HUF
 - partnership firm
 - LLP
 - association of persons
 - located in taxable territory
- Reverse charge does not apply where service provider is corporate
- Reverse charge does not apply where service provider is in same business
- Service Recipient
 - Business entity, registered as body corporate, located in taxable territory
 - Business entity means any person ordinarily carrying out any activity relating to industry, commerce or any other business or profession

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RENTING OF MOTOR VEHICLE (Sr. No. 7 of Table in 30/2012-ST)

- Reverse charge mechanism does not apply where service recipient is
 - Partnership firm, including LLP
 - HUF
 - AOP
 - individual
 - charitable trust
 - government
 - co-operative society not carrying on business

Issues

- Whether pure hire of vehicle is covered under reverse charge mechanism?
- Whether reverse charge will trigger in case of metered taxies?
- Whether reimbursement of rent-a-cab charge by director / employee of business entity is liable to Service tax under reverse charge mechanism?
- Whether input service tax paid on rent-a-cab by service recipient is Cenvatable? 31

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**MANPOWER SUPPLY SERVICE or SECURITY SERVICE
(Sr. No. 8 of Table in 30/2012-ST)**

- Nature of Service – Manpower supply (01.07.2012) / security service (07.08.2012)
 - Rule 2(1)(g) of Service tax Rules, 1994 ‘Manpower supply’ means
 - supply of manpower,
 - temporarily or otherwise,
 - to another person
 - to work under his superintendence / control
 - ‘Security services’ U/R 2(1) (fa) means services relating to the
 - security of any property (whether movable or immovable),
 - or of any person, in any manner and
 - includes services of
 - Investigation,
 - Detection, or
 - verification
- of any fact or activity

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MANPOWER SUPPLY SERVICE or SECURITY SERVICE (Sr. No. 8 of Table in 30/2012-ST)	
<ul style="list-style-type: none">➤ Service Provider<ul style="list-style-type: none">▪ individual▪ HUF▪ partnership firm▪ LLP▪ association of persons• located in taxable territory– Reverse charge does not apply where service provider is corporate <ul style="list-style-type: none">➤ Service Recipient<ul style="list-style-type: none">• Business entity, <u>registered as body corporate</u>, located in taxable territory• Business entity means any person ordinarily carrying out any activity relating to industry, commerce or any other business– Reverse charge mechanism does not apply where service recipient is<ul style="list-style-type: none">▪ Partnership firm, including LLP	33
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MANPOWER SUPPLY SERVICE or SECURITY SERVICE (Sr. No. 8 of Table in 30/2012-ST)	
<ul style="list-style-type: none">▪ individual▪ AOP or HUF▪ charitable trust▪ government▪ co-operative society not carrying on business <ul style="list-style-type: none">➤ Security service is covered under reverse charge w.e.f. <u>07.08.2012</u> vide Notification No 45/2012-ST dated 07.08.2012 <p>Issues</p> <ul style="list-style-type: none">➤ Whether phrase “Manpower Supply for any purpose” is wide enough to cover services such as:<ul style="list-style-type: none">- House keeping service - Labor contracts for construction- Consultancy charged on man-days or man-hours basis➤ Whether staff deputation / secondment is manpower supply services?➤ Whether customer verification service will trigger reverse charge?➤ Whether insurance surveyor services will trigger reverse charge?	34
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WORKS CONTRACT (Sr. No. 9 of Table in 30/2012-ST)	
<ul style="list-style-type: none">➤ Nature of Service – Works contract (w.e.f. 01.07.2012)➤ Service Provider<ul style="list-style-type: none">▪ individual▪ HUF▪ partnership firm▪ LLP▪ association of persons• located in taxable territory– Reverse charge does not apply where service provider is corporate➤ Service Recipient<ul style="list-style-type: none">• Business entity, <u>registered as body corporate</u>, located in taxable territory• Business entity means any person ordinarily carrying out any activity relating to industry, commerce or any other business or profession	35
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WORKS CONTRACT (Sr. No. 9 of Table in 30/2012-ST)	
<ul style="list-style-type: none">– Reverse charge mechanism does not apply where service recipient is<ul style="list-style-type: none">▪ Partnership firm, including LLP▪ HUF▪ individual▪ charitable trust▪ AOP▪ co-operative society not carrying on business.➤ Reverse charge applies irrespective of valuation method i.e. specific or presumptive <p>Issues</p> <ul style="list-style-type: none">➤ Whether service recipient and service provider can discharge the respective liabilities under different valuation method ?➤ Contract is inclusive of service tax. Whether reverse charge still applies?	36
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IMPORT OF SERVICE (Sr. No. 10 of Table in 30/2012-ST)

- Import of Service – means taxable service provided by person located in non-taxable territory to person located in taxable territory (w.e.f. 18.04.2006)
 - Taxable territory – whole of India except Jammu and Kashmir
 - Non-taxable territory – the territory other than taxable territory
- Service Provider – A person located in non-taxable territory
- Service Recipient – A person located in taxable territory and is other than:
 - Government / local authority
 - an individual for non-business or non-commercial purpose
 - Charitable trust (registered under Section 12AA of the Income tax Act, 1961) for providing charitable activities
 - Clause 34 of Mega Exemption Notification
- Whether availment of service from Jammu and Kashmir triggers reverse charge mechanism?
- Whether service provided by overseas branch to the head office of an Indian entity triggers reverse charge?

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RECOVERY AGENT SERVICES (SR. NO. 1A OF TABLE IN 30/2012-ST)

- Nature of Service – Recovery agent's Services
- Effective from - on or after 11-07-2014
- Service Provider should be a Recovery agent
- Term recovery agent is not defined
- RCM will apply irrespective of whether recovery agent is corporate or non corporate entity
- Service Recipient should be:
 - Banking Company,
 - Financial Institution
 - Non Banking Financial Company
- A business entity (other than bank, financial institution or NBFC) is not liable to service tax liable to RCM

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Words of Caution

- Views expressed are the personal views of faculty based on his interpretation of law
- Application/implications of various provisions will vary on facts of the case and law prevailing on relevant time
- Contents of this presentation should not be construed as legal or professional advice
- This is an educational meeting arranged with clear understanding that neither Faculty nor Nashik Branch of WIRC will be responsible for any error, omission, commission and result of any action taken by participant or anyone on the basis of this presentation

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