

**OFFICE OF THE COMMISSIONER
CENTRAL EXCISE & SERVICE TAX COMMISSIONERATE
CHANDIGARH -I
C.R BUILDING, PLOT No. 19, SECTOR 17-C, CHANDIGARH (160017)**

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व्यापार सूचना सं. 13/ST/2012 TRADE NOTICE NO. 13/ST/2012

विषय/SUB: - Clarification on Service Tax on remittances -- regarding.

1) उपर्युक्त विषय पर केन्द्रीय उत्पाद एवं सीमा शुल्क बोर्ड, राजस्व विभाग, वित्त मंत्रालय, भारत सरकार की फा.सं. 354/119/2012-TRU से जारी परिपत्र सं. 163/14/2012-ST दिनांक 10.07.2012, की प्रति व्यापार एवं क्षेत्रीय संगठन को सूचना एवं मार्गदर्शन हेतु इसके साथ संलग्न की जाती है। उक्त परिपत्र स्वतः स्पष्ट है

1) A copy of **Circular No. 163/14/2012-ST**, dated **10.07.2012**, from F. No. **354/119/2012-TRU** issued by the Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, Government of India, on the above subject matter, is enclosed herewith for information and guidance for the trade and field formation. The said **Circular** is self – explanatory.

2) सभी व्यापार संघ/वाणिज्य मण्डल एवं क्षेत्रीय सलाहकार समिति/ लोक शिकायत निवारण समिति के सदस्यों से अनुरोध किया जाता है कि वे इस व्यापार सूचना की अंतर्वस्तु को अपने सदस्यों / संघटकों की सूचना एवं आवश्यक कार्यवाही हेतु उनके ध्यान में लाएँ / प्रचार करें।

2) All the Trade Associations / Chambers of Commerce and the members of the RAC/PGRC are requested to bring/publicize the contents of this Trade Notice amongst their Members/Constituents for their information and necessary action.

संलग्नक Encl. यथोपरि As above.

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[S.J. SINGH]
COMMISSIONER

फा.सं. F.No. V(MISC)30/STC/HQ/Trade Notice/10/2010/Pt

दिनांक Dated: /08/ 2012

Trade Notice is being uploaded on our website www.cexchd1.gov.in

Superintendent (S.Tax)

Circular No. 163/ 14/2012 –ST

F. No. 354/ 119/2012- TRU
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
(Tax Research Unit)

Room No 146, North Block, New Delhi-1,
Dated the 10th July 2012.

To
Chief Commissioner of Customs and Central Excise (All)
Chief Commissioner of Central Excise & Service Tax (All)
Director General of Service Tax
Director General of Central Excise Intelligence
Director General of Audit
Commissioner of Customs and Central Excise (All)
Commissioner of Central Excise and Service Tax (All)
Commissioner of Service Tax (All)

Madam/Sir,

Subject: Clarification on service tax on remittances - regarding.

Concerns have been expressed in various forums regarding the leviability of service tax on the remittance of foreign currency in India from overseas.

2. The matter has been examined and it is clarified that there is no service tax *per se* on the amount of foreign currency remitted to India from overseas. In the negative list regime, 'service' has been defined in clause (44) of section 65B of the Finance Act 1994, as amended, which excludes transaction in money. As the amount of remittance comprises money, the activity does not comprise a 'service' and thus not subjected to service tax.

3. In case any fee or conversion charges are levied for sending such money, they are also not liable to service tax as the person sending the money and the company conducting the remittance are located outside India. In terms of the Place of Provision of Services Rules, 2012, such services are deemed to be provided outside India and thus not liable to service tax.

4. It is further clarified that even the Indian counterpart bank or financial institution who charges the foreign bank or any other entity for the services provided at the receiving end, is not liable to service tax as the place of provision of such service shall be the location of the recipient of the service, i.e. outside India, in terms of Rule 3 of the Place of Provision of Services Rules, 2012.

5. This Circular may be communicated to the field formations and service tax assesseees, through Public Notice/ Trade Notice. Hindi version to follow.

Yours faithfully,
(Dr. Shobhit Jain)
O.S.D. (TRU)

