

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **General Issues related to Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No.1 :**
- ▶ When service is taxable under RCM, whether turnover of the such service should be considered while calculating turnover of Service Provider for Exemption Limits ?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **General Issues related to Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No.2 :**
- ▶ Minimum Threshold Exemption Limits whether applicable to Service receiver who are liable to pay service tax under RCM ?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **General Issues related to Reverse Charge Mechanism(RCM)**

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- ▶ **Issue No.3 :**

- ▶ Service Tax is payable on which amount ?
 - a) Gross Amount paid to Service Provider; or
 - b) Amount paid to Service Provider should be inclusive of Service Tax;

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **General Issues related to Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No.4 :**
- ▶ Whether Cenvat Credit eligible for tax paid under RCM ?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **General Issues related to Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No.5 :**
- ▶ Whether Service provider can pay tax when service receiver is liable ?

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- ▶ **General Issues related to Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No.6 :**
- ▶ Whether valuation by Service Provider and Service Receiver can be Independent ?

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- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No.7 :**
- ▶ Whether abatement of 70% allowed on the entire value of bundle of services provided by Goods Transport Agency?
- ▶ Goods Transport Agency (GTA) has been defined to mean any person who provides service to a person in relation to transport of goods by road and issues consignment note, by whatever name called. The service provided is a composite service which may include various ancillary services such as loading/ unloading, packing/unpacking, transshipment, temporary storage etc., which are provided in the course of transportation of goods by road. These ancillary services may be provided by GTA himself or may be sub-contracted by the GTA. In either case, for the service provided, GTA issues a consignment note and the invoice issued by the GTA for providing the said service includes the value of ancillary services provided in the course of transportation of goods by road. These services are not provided as independent activities but are the means for successful provision of the principal service, namely, the transportation of goods by road.

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 8 :**
- ▶ Whether Ocean Freight (Transport of Goods by Vessel) taxable under RCM ?

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- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**

- ▶ **Issue No. 9 :**

- ▶ Educational institutes such as IITs, IIMs provide services in relation to recruitment. Whether such services are liable to service tax under 'manpower recruitment or supply agency' service and taxable under RCM?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 10 :**
- ▶ Services of providing employees of Agency to business entity for specific period, whether the service is Manpower Supply Service and taxable under RCM ?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 11 :**
- ▶ Secondment / deputation of employees to another group companies or cost sharing agreements with associate companies for salary of various employees, whether such service is Manpower Supply Service and taxable under RCM ?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 12 :**
- ▶ Whether Security Services provided by Statutory Authorities or a body discharging sovereign function without commercial ingredient is a taxable service ?

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- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 13 :**
- ▶ Will the services provided by Police or Security Agencies to PSUs or corporate entities or sports events held by private entities be taxable?

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- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 14 :**
- ▶ Would various entities like a Statutory body, corporation or an authority constituted under an Act passed by the Parliament or any of the State legislatures is 'Government' or 'Local Authority'?

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- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 15 :**
- ▶ Whether Services provided by Government or A Local Authority to another Government or a Local Authority are taxable ?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 16 :**
- ▶ Whether Service tax leviable on Taxes, Cesses or Duties paid to Government under various Laws?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 17 :**
- ▶ Whether Services provided by Government or Local Authority to an Individual who is carrying on Business or Profession are taxable?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 18 :**
- ▶ Whether Service tax leviable on Fines and Penalties paid to Government under various Laws?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 19 :**
- ▶ Whether Services provided by Government or Local Authority in lieu of any Fees are taxable service?

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- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 20 :**
- ▶ Whether Service Tax is payable on yearly instalments due after 1.4.2016 in respect of spectrum assigned before 1.4.2016 ?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 21:**
- ▶ Whether Service Tax is leviable on spectrum user charges and license fee payable after 1.4.2016 for the year 2015-16 ?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 22:**
- ▶ Whether recipient of service is liable to pay service tax in respect of services provided by arbitral tribunal and members of such tribunal ?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 23:**
- ▶ Whether Services provided by Senior Advocates are covered under RCM ?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 24:**
- ▶ Whether Comprehensive Maintenance Contracts like AMC is a Works Contract Service?

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- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 25:**
- ▶ Whether Pest Control Contracts is a Works Contract Service?

Issues in Reverse Charge Mechanism in Service Tax

- ▶ **Specific Issues related to Service Categories under Reverse Charge Mechanism(RCM) :**
- ▶ **Issue No. 26:**
- ▶ Who is Aggregator? Whether Services of Aggregator are taxable under RCM ?

Thank You !!!

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