

## **Taxation of Services (Provided from Outside India and Received in India) Rules, 2006**

### CONTENTS

1. Short title and commencement
2. Definitions
3. Taxable services provided from outside India and received in India
4. Registration and payment of service tax
5. Taxable services not to be treated as output services

## **Taxation of Services (Provided from Outside India and Received in India) Rules, 2006**

In exercise of the powers conferred by sections 93 and 94, read with section 66A of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules, namely:-

### **1. Short title and commencement :-**

- (1) These rules may be called the Taxation of Services (Provided from Outside India and Received in India) Rules, 2006.
- (2) They shall come into force on the date of their publication in the Official Gazette.

### **2. Definitions :-**

In these rules, unless the context otherwise requires,-

- (a) "Act" means the Finance Act, 1994 (32 of 1994);
- (b) "input" shall have the meaning assigned to it in clause (k) of rule 2 of the CENVAT Credit Rules, 2004;
- (c) "input service" shall have the meaning assigned to it in clause (l) of rule 2 of the CENVAT Credit Rules, 2004;
- (d) "output service" shall have the meaning assigned to it in clause (p) of rule 2 of the CENVAT Credit Rules, 2004;
- (e) "India" includes the designated areas in the Continental Shelf and Exclusive Economic Zone of India as declared by the notifications of the Government of India in the Ministry of External

Affairs numbers S.O.429 (E), dated the 18th July, 1986 and S.O.643(E), dated the 19th September 1996;

(f) words and expressions used in these rules and not defined, but defined in the Act shall have the meanings respectively assigned to them in the Act.

### **3. Taxable services provided from outside India and received in India :-**

Subject to section 66A of the Act, the taxable services provided from outside India and received in India shall, in relation to taxable services,-

(i) specified in sub-clauses (d), (p), (q), (v), (zzq), (zzza), (zzzb), (zzzc), (zzzh) and (zzzr) of clause (105) of section 65 of the Act, be such services as are provided or to be provided in relation to an immovable property situated in India;

(ii) specified in sub-clauses (a), (f), (h),(i), (j), (l), (m), (n), (o), (s), (t), (u), (w), (x) , (y), (z), (zb), (zc), (zi), (zj), (zn), (zo), (zq), (zr), (zt), (zu), (zv), (zw), (zza), (zzc), (zzd), (zzf), (zzg), (zzh), (zzi), (zzl), (zzm), (zzn), (zzo), (zzp), (zzs), (zzt), (zzv), (zzw) , (zzx), (zzy), (zzzd), (zzze), (zzzf), and (zzzp) of clause (105) of section 65 of the Act, be such services as are performed in India:

Provided that where such taxable service is partly performed in India, it shall be treated as performed in India and the value of such taxable service shall be determined under section 67 of the Act and the rules made thereunder;

(iii) specified in clause (105) of section 65 of the Act, but excluding,-

(a) sub-clauses (zzzo) and (zzzv);

(b) those specified in clause (i) of this rule except when the provision of taxable services specified in clauses (d), (zzzc), and (zzzr) does not relate to immovable property; and

(c) those specified in clause (ii) of this rule, be such services as are received by a recipient located in India for use in relation to business or commerce.

### **4. Registration and payment of service tax :-**

The recipient of taxable services provided from outside India and

received in India shall make an application for registration and for this purpose, the provisions of section 69 of the Act and the rules made thereunder shall apply.

**5. Taxable services not to be treated as output services :-**

The taxable services provided from outside India and received in India shall not be treated as output services for the purpose of availing credit of duty of excise paid on any input or service tax paid on any input services under CENVAT Credit Rules, 2004.