



AMERICAN CHAMBER OF COMMERCE IN INDIA

PHD House, 4th Floor, 4/2, Siri Institutional Area, August Kranti Marg
New Delhi - 110016, INDIA Tel : 91-11-2652 5201, Fax : 91-11-2652 5203
Email : amcham@amchamindia.com Website : www.amchamindia.com

Mr. John Joseph
Member (Budget),
Ministry of Finance
Government of India,
North Block, New Delhi-110001

6th December 2018

Re: Clarification on the term “intermediary” under the Integrated Goods and Services Tax Act, 2017

Dear Mr. Joseph,

With reference to the Maharashtra Advance Ruling Authority in the case **Vservglobal Private Limited**, (**‘The Applicant’**) has held that the **back-office support services rendered by the applicant do not qualify as ‘export of services’**.

On deliberation of the scope of the term ‘intermediaries’ affecting the ITES sector, you may like to consider our views on,

- The use of the term “intermediary” under the Integrated Goods and Services Tax Act, 2017.
- Scope of ‘Intermediary’ and ‘intermediary Services’.
- Services supplied on a principal to principal basis do not get covered within the meaning of ‘intermediary services’.

Detailed note on the above points are enclosed in **Annexure A**. To avoid ambiguity, you may like to clarify that ITES services provided to overseas entities shall not constitute “intermediary services”.

Different interpretation of legal provisions by various field formations leads to disputes. Despite having positive judicial precedents under the Service tax regime, the field formation as well as the AAR are not following these decisions even when the fact pattern is similar. For ease of reference, we have enclosed the list of key decisions both for and against are in **Annexure A1**. The Service tax on freight forwarders on transportation of goods from India is attached as **Annexure B** for your reference.

You are requested to consider the above to avoid the adverse impact on the ITES. We would be happy to furnish any additional information/clarification required by you, and seek a suitable appointment to call on you at your convenience.

Regards,



Ranjana Khanna

Director General, CEO