

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE,  
NO.1, WILLIAMS ROAD, CONTONMENT, TIRUCHIRAPPALLI-620 001.

Trade Notice No.7/2008 S. Tax

Dated: 12-5-2008.

Subject: Service Tax –Notification Nos.18/2008-ST to 24/2008-ST all  
dt. 10-5-2008 - Communication - regarding.

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Consequent on the assent of Finance Bill 2008 by the President of India, the CBEC., New Delhi, has issued Service Tax Notification Nos.18/2008-ST to 24/2008-ST all dtd 10-5-08 issued vide F.No.B1/5/2008-TRU, are enclosed herewith for information, guidance and necessary action.

The contents of this Trade Notice may be brought to the knowledge of all constituent members of the Trade Associations and Chamber of Commerce.

(Issued from C.No.IV/16/805/2008 S.Tax )

Sd./-  
(A.RAJENDRAN)  
ASSISTANT COMMISSIONER (T).

To  
The Mailing list I / II / III.

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Copy of Notification No.18/2008-ST to 24/2008-ST all dtd 10-5-2008 issued vide  
F.No.B1/5/2008-TRU are reproduced below.

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**Notification No. 18/2008 – Service Tax**

New Delhi, the 10th May, 2008

G.S.R. (E). In exercise of the powers conferred by clauses (A) and (B) of section 90 of the Finance Act, 2008 (18 of 2008), the Central Government hereby appoints the 16th day of May, 2008, as the date on which the provisions of the said Act shall come into force.

[F. No. B1/5/2008-TRU]  
(G.G. Pai)  
Under Secretary to the Government of India

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## Notification No.19/2008-Service Tax

New Delhi, the 10th May, 2008

G.S.R. (E).- In exercise of the powers conferred by sub-sections (1) and (2) of section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules to further amend the Service Tax Rules, 1994, namely :-

1. (1) These rules may be called the Service Tax (Second Amendment) Rules, 2008.
- (2) Save as otherwise provided in these rules, they shall come into force on the date of their publication in the Official Gazette.

2. In the Service Tax Rules, 1994,-

(i) in rule 4A, for the words “to a customer” wherever they occur, the words “to any person” shall be substituted with effect from the 16th day of May, 2008;

(ii) in rule 4B, for the words “to the customer”, the words “to the recipient of service” shall be substituted with effect from the 16th day of May, 2008;

(iii) in rule 6,-

(a) in sub-rule (1), after the third proviso, the following Explanation shall be inserted, namely:-

*“Explanation.-* For the removal of doubts, it is hereby declared that where the transaction of taxable service is with any associated enterprise, any payment received towards the value of taxable service, in such case shall include any amount credited or debited, as the case may be, to any account, whether called ‘Suspense account’ or by any other name, in the books of account of a person liable to pay service tax.”;

(b) after sub-rule (7A), the following sub-rule shall be inserted with effect from the 16th day of May, 2008, namely:-

“(7B). The person liable to pay service tax in relation to purchase or sale of foreign currency, including money changing, provided by a foreign exchange broker, including an authorised dealer in foreign exchange or an authorized money changer, referred to in sub-clauses (zm) and (zzk) of clause (105) of section 65 of the Act, shall have the option to pay an amount calculated at the rate of 0.25 per cent. of the gross amount of currency exchanged towards discharge of his service tax liability instead of paying service tax at the rate specified in section 66 of Chapter V of the Act:

Provided that such option shall not be available in cases where the consideration for the service provided or to be provided is shown separately in the invoice, bill or, as the case may be, challan issued by the service provider.

### *Illustration*

Buying rate \$US 1 = Rs.38, selling rate \$US 1 = Rs.40

- (i) Person exchanged \$100 for equivalent rupees  
Transaction value = Rs.3800 (Rs.38 x 100)  
Service tax payable = Rs.9.5 (0.25% x 3800)

(ii) Person exchanged equivalent rupees for \$100  
Transaction value = Rs.4000 (40 x 100)  
Service tax payable = Rs.10 (0.25% x 4000).”.

[F. No. B1/5/2008-TRU]  
(G.G. Pai)

Under Secretary to the Government of India

Note.- The principal rules were notified vide notification No.2/94-Service Tax, dated the 28th June, 1994 and published in the Gazette of India, Extraordinary vide number G.S.R.546 (E), dated the 28th June, 1994 and were last amended vide notification No.4/2008-Service Tax, dated the 1st March, 2008 and published vide number G.S.R. 148(E), dated the 1st March, 2008.

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**Notification No. 20/2008 – Service Tax**

**New Delhi, the 10th May, 2008**

G.S.R. (E).- In exercise of the powers conferred by sections 93 and 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the Export of Services Rules, 2005, namely :-

1. (1) These rules may be called the Export of Services (Second Amendment) Rules, 2008.

(2) They shall come into force on the 16th day of May, 2008.

2. In the Export of Services Rules, 2005, in rule 3, in sub-rule (1),-

(a) in clause (ii), for the brackets, letters and word “(zzzf) and (zzzp)”, the brackets, letters and word “(zzzf), (zzzp), (zzzzg), (zzzzh) and (zzzzi)” shall be substituted;

(b) in clause (iii), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that where the taxable service referred to in sub-clause (zzzzj) of clause (105) of section 65 of the Act is provided to a recipient located outside India, then such taxable service shall be treated as export of taxable service subject to the condition that the tangible goods supplied for use are located outside India during the period of use of such tangible goods by such recipient.”

[F. No. B1/5/2008-TRU]  
(G.G. Pai)

Under Secretary to the Government of India

Note.- The principal rules were notified vide notification no. 9/2005-Service Tax, dated the 3rd March, 2005 and published in the Gazette of India, Extraordinary vide number G.S.R. 151(E), dated the 3rd March 2005 and were last amended vide notification No. 5/2008-Service Tax, dated the 1st March, 2008 vide number G.S.R. 149(E), dated the 1st March, 2008.

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## **Notification No. 21/2008 – Service Tax**

New Delhi, the 10th May, 2008

G.S.R. (E).- 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 further to amend the Taxation of Services (Provided from Outside India and Received in India) Rules, 2006, namely :-

1. (1) These rules may be called the Taxation of Services (Provided from Outside India and Received in India) Second Amendment Rules, 2008.

(2) They shall come into force on the 16th day of May, 2008.

2. In the Taxation of Services (Provided from Outside India and Received in India) Rules, 2006, in rule 3,-

(a) in clause (ii), for the brackets, letters and word “(zzzf) and (zzzp)”, the brackets, letters and word “(zzzf), (zzzp), (zzzzg), (zzzzh) and (zzzzi)” shall be substituted;

(b) in clause (iii), the following proviso shall be inserted at the end, namely:-

“Provided that where the taxable service referred to in sub-clause (zzzzj) of clause (105) of section 65 of the Act is received by a recipient located in India, then such taxable service shall be treated as taxable service provided from outside India and received in India subject to the condition that the tangible goods supplied for use are located in India during the period of use of such tangible goods by such recipient.”

[F. No. B1/5/2008-TRU]

(G.G. Pai)

Under Secretary to the Government of India

Note.- The principal rules were notified vide notification No. 11/2006-Service Tax, dated the 19th April, 2006 and published in the Gazette of India, Extraordinary, vide number G.S.R. 227(E), dated the 19th April, 2006 and were last amended vide notification No. 6/2008-Service Tax, dated the 1st March, 2008 vide number G.S.R. 150(E), dated the 1st March, 2008.

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New Delhi, the 10th May, 2008

## **Notification No. 22/2008 – Service Tax**

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 1/2006-Service Tax, dated the 1<sup>st</sup> March, 2006 vide number G.S.R. 115 (E), dated the 1<sup>st</sup> March, 2006, namely:-

In the said notification, in the Table,-

(i) against S.No.1, in column (3), for the words “to the client”, the words “to any person” shall be substituted;

(ii) against S.No.4, in column (4), for the words “client”, the words “recipient of service” shall be substituted;

(iii) against S.No.5, in column (4), for the words “customer”, the words “recipient of service” shall be substituted.

2. This notification shall come into force on the 16th day of May, 2008.

[F. No. B1/5/2008-TRU]  
(G.G. Pai)

Under Secretary to the Government of India

Note.- The principal notification No. 1/2006-Service Tax, dated the 1<sup>st</sup> March, 2006, was published in the Gazette of India, Extraordinary *vide* number G.S.R. 115(E), dated the 1st March, 2006 and was last amended by notification No. 12/2008-Service Tax, dated the 1st March, 2008, *vide* number G.S.R. 156(E), dated the 1st March, 2008.

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### Notification No. 23/2008 – Service Tax

New Delhi, the 10th May, 2008

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notifications of the Government of India in the Ministry of Finance (Department of Revenue), specified in column (2) of the Table below, to the extent specified in the corresponding entry in column (3) of the said Table, namely:-

S.No.	Notification No. and date	Amendments
(1)	(2)	(3)
1.	18/2002-Service Tax, dated the 16th December, 2002 [G.S.R. 823(E), dated the 16th December, 2002]	In the said notification, for the words “to a client”, the words “to any person” shall be substituted.
2.	33/2004-Service Tax, dated the 3rd December, 2004 [G.S.R. 788(E), dated the 3rd December, 2004]	In the said notification, for the words “to a customer”, the words “to any person” shall be substituted.
3.	34/2004-Service Tax, dated the 3rd December, 2004 [G.S.R. 789(E), dated the 3rd December, 2004]	In the said notification, for the words “to a customer”, the words “to any person” shall be substituted.

2. This notification shall come into force on the 16th day of May, 2008.

[F. No. B1/5/2008-TRU]  
(G.G. Pai)

Under Secretary to the Government of India

Note.-

(1) The principal notification No. 18/2002-Service Tax, dated the 16th December, 2002, was published in the Gazette of India, Extraordinary *vide* number G.S.R. 823(E), dated the 16th December, 2002;

(2) The principal notification No. 33/2004-Service Tax, dated the 3rd December, 2004, was published in the Gazette of India, Extraordinary *vide* number G.S.R. 788(E), dated the 3rd December, 2004;

(3) The principal notification No. 34/2004-Service Tax, dated the 3rd December, 2004, was published in the Gazette of India, Extraordinary *vide* number G.S.R. 789(E), dated the 3rd December, 2004.

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### Notification No.24/2008-Service Tax

New Delhi, the 10th May, 2008

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.41/2007-Service Tax, dated the 6th October, 2007 which was published in the Gazette of India, Extraordinary, Part II, section 3, Sub-section (i) *vide* number G.S.R. 645(E), dated the 6th October, 2007, namely:-

In the said notification, in the Schedule, after Sr.No.15 and the entries relating thereto, the following shall be inserted, namely:-

(1)	(2)	(3)	(4)
16.	section 65(105)(zm)	services of purchase or sale of foreign currency, including money changing provided to an exporter in relation to export goods.	exporter shall produce evidence to prove that the services specified in column (3) are in relation to goods exported.
17.	section 65(105)(zzk)	services of purchase or sale of foreign currency, including money changing provided to an exporter in relation to export goods.	exporter shall produce evidence to prove that the services specified in column (3) are in relation to goods exported.
18.	section 65(105)(zzzzj)	services of supply of tangible goods for use, without transferring right of possession and effective control of tangible goods, provided to an exporter in relation to goods exported by the exporter.	exporter shall produce evidence to prove that the services specified in column (3) are used in relation to export of goods.”

2. This notification shall come into force on the 16th day of May, 2008.

[F.No.B1/5/2008-TRU]

(G.G. Pai)

Under Secretary to the Government of India

Note.- The principal notification was published in the Gazette of India, Extraordinary *vide* number G.S.R. 645(E), dated the 6th October, 2007 and was last amended by notification No.17/2008-Service Tax, dated the 1st April, 2008 which was published in the Gazette of India, Extraordinary *vide* number G.S.R. 260(E), dated the 1st April, 2008.

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