



केन्द्रीय उत्पाद शुल्क एवं सेवा कर आयुक्त का कार्यालय  
नं.1, विल्लियम्स रोड, कन्टोनमेंट, तिरुच्चिरापल्लि 620 001  
OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE & SERVICE TAX  
1, WILLIAMS ROAD, CANTONMENT, TIRUCHIRAPPALLI - 620 001

**TRADE NOTICE NO. 1/2017-ST**

**02.03.2017.**

Subject : Service Tax - Communication of Circular  
issued by the Government - Regarding.

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The Government of India, Ministry of Finance, Department of Revenue, New Delhi has issued the under-mentioned Circular.

Circular No. and Date	Subject in brief
204/2/2017-Service Tax dated 16.02.2017 (F.No.354/42/2016-TRU)	Clarification about applicability of service tax on the services by way of transportation of goods by a vessel from a place outside India to the customs station in India w.r.t. goods intended for transshipment to any country outside India.

2. The contents of the above-mentioned Circular is communicated herewith to all the constituent members of Industry / Trade Associations and Chamber of Commerce.

(Issued from file C. No.IV/16/305/2017-S.T. Policy)

  
(R. THANGAPPAN)  
Assistant Commissioner  
(S.T. Policy)

Encl. : As above.

To

As per mailing list.  
All Divisions / Ranges under Trichy Commissionerate.  
All Sections in Hqrs. Office, Trichy.

Copy to : The Superintendent of Central Excise,  
EDPU, Headquarters, Trichy.

- for uploading the Trade Notice in the official website of the  
Commissionerate.

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**Circular No.204/2/2017-Service Tax**

**F.No.354/42/2016-TRU  
Government of India  
Ministry of Finance  
Department of Revenue  
(Tax Research Unit)**

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**Dated- 16<sup>th</sup> February, 2017**

To,

Principal Chief Commissioners of Customs and Central Excise(All)  
Principal Chief Commissioners of Central Excise & Service Tax (All)  
Principal Director Generals of Goods and Service Tax/System/CEI  
Director General of Audit/Tax Payer Services,  
Principal Commissioners/ Commissioners of Customs and Central Excise (All)  
Principal Commissioners/Commissioners of Central Excise and Service Tax (All).  
Principal Commissioners/Commissioners of Service Tax (All)  
Principal Commissioners/Commissioners LTU/Central excise/Service Tax (Audit)

**Sub:- Applicability of service tax on the services by way of transportation of goods by a vessel from a place outside India to the customs station in India w.r.t. goods intended for transshipment to any country outside India - reg.**

Madam/Sir,

Representations seeking clarification on levy of service tax on the services by way of transportation of goods by a vessel from a place outside India to the customs station in India with respect to goods intended for transshipment to any country outside India.

2. In this regard, it is mentioned that the goods landing at Indian ports which are destined for any other country are allowed to be transhipped through Indian territory without payment of Customs duty in India. This is subject to the condition that such goods imported into a customs station are mentioned in the import manifest or the import report, as the case may be, as for transshipment to any place outside India. [Section 54(2) of the Customs Act, 1962]. Further, Goods Imported (Conditions of Transshipment) Regulations, 1995 have been prescribed for the procedure to be followed for transshipment of such goods.

3. It is pertinent to mention that as per the charging Section 66B of the Finance Act, 1994, service tax is leviable on services provided or agreed to be provided in the taxable territory. Whether a service is provided or agreed to be provided in the taxable territory or


of Services Rules, 2012 made thereunder. In terms of the applicable rule 10 of the Place of Provision of Services Rules, 2012, the place of provision of services of transportation of goods by air sea, other than by mail or courier, is the destination of the goods. SIC 7  
TRC

4. Thus, with respect to goods imported into a customs station in India intended for transshipment to any country outside India, the destination of goods is not a place in taxable territory in India but a country other than India if the same is mentioned in the import manifest or the import report as the case may be and the goods are transhipped in accordance with the provisions of the Customs Act, 1962 and rules made there under. Hence, with respect to such goods, services by way of transportation of goods by a vessel from a place outside India to the customs station in India are not taxable in India as the destination of such goods is a country other than India.

5. All concerned are requested to acknowledge the receipt of this circular.

7. Trade Notice/Public Notice to be issued. Difficulty if any, in the implementation of the circular should be brought to the notice of the Board. Hindi version would follow.

Yours faithfully,

  
16/02/2017  
(Dr. Abhishek Chandra Gupta)  
Technical Officer (TRU)