

Finance Act 1994

Section 66A - Charge of Service Tax on Services Received from Outside India

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(1) Where any service specified in clause (105) of section 65 is,--

(a) provided or to be provided by a person who has established a business or has a fixed establishment from which the service is provided or to be provided or has his permanent address or usual place of residence, in a country other than India, and

(b) received by a person (hereinafter referred to as the recipient) who has his place of business, fixed establishment, permanent address or usual place of residence, in India, such service shall, for the purposes of this section, be taxable service, and such taxable service shall be treated as if the recipient had himself provided the service in India, and accordingly all the provisions of this Chapter shall apply:

Provided that where the recipient of the service is an individual and such service received by him is otherwise than for the purpose of use in any business or commerce, the provisions of this sub-section shall not apply:

Provided further that where the provider of the service has his business establishment both in that country and elsewhere, the country, where the establishment of the provider of service directly concerned with the provision of service is located, shall be treated as the country from which the service is provided or to be provided.

(2) Where a person is carrying on a business through a permanent establishment in India and through another permanent establishment in a country other than India, such permanent establishments shall be treated as separate persons for the purposes of this section.

Explanation 1.--A person carrying on a business through a branch or agency in any country shall be treated as having a business establishment in that country.

Explanation 2.--Usual place of residence, in relation to a body corporate, means the place where it is incorporated or otherwise legally constituted.;

1. Inserted by Finance Act, 2006 (21 of 2006).