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SUB SECTION (i)]

Government of India
Ministry of Finance
Department of Revenue

Notification No.1/2011 – Service Tax

New Delhi, the 1st March, 2011

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, on being satisfied that it is necessary in the public interest so to do, hereby makes the following rules further to amend the Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007, namely :-

1. (1) These rules may be called the Works Contract (Composition Scheme for Payment of Service Tax) Amendment Rules, 2011.
(2) They shall come into force on the date of publication in the official gazette.
2. In the Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007, in rule 3, after sub-rule (2), the following sub-rule (2A) shall be inserted, namely:-
“(2A) The CENVAT credit of tax paid on taxable services as referred to under sub-clauses (zzd), (zzq) and (zzzh) of clause (105) of section 65 of the Finance Act, 1994, shall be available only to the extent of 40% of the service tax paid when such tax has been paid on the full value of the service after availing CENVAT credit on inputs.”.

[F. No. 334/3/2011-TRU]



(SAMAR NANDA)

Under Secretary to the Government of India

Note.- The principal rules were notified vide notification no. 32/2007-Service Tax, dated the 22nd May, 2007, published in the Gazette of India, Extraordinary vide number G.S.R. 378(E), dated the 22nd May, 2007 and last amended vide notification No.23/2009-Service Tax, dated the 7th July, 2009, vide number G.S.R. 495 (E), dated the 7th July, 2009.

G.S.R. (E) - In exercise of the powers conferred by clause (aa) of sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the Service Tax (Determination of Value) Rules, 2006, namely :-

1. (1) These rules may be called the Service Tax (Determination of Value) Amendment Rules, 2011.
- (2) Save as otherwise provided under these rules, they shall come into force on the 1st day of April, 2011
2. In the Service Tax (Determination of Value) Rules, 2006(hereinafter referred to as the said rules),-

after rule 2A, the following shall be inserted, namely :-

“2B. Determination of value of service in relation to money changing.- Subject to the provisions of section 67, the value of taxable service provided for the services referred to in sub-clause (zm) and (zzk) of clause (105) of section 65 of the Act, so far as it pertains to purchase or sale of foreign currency, including money changing, shall be determined by the service provider in the following manner:-

For a currency, when exchanged from, or to, Indian Rupees (INR), the value shall be equal to the difference in the buying rate or the selling rate, as the case may be, and the Reserve Bank of India (RBI) reference rate for that currency for that day, multiplied by the total units of currency.

Example I: US\$100 are sold by a customer at the rate of Rupees 45 per US\$.

RBI reference rate for US\$ is Rupees 45.50 for that day.

The taxable value shall be Rupees 500.

Example II: INR70000 is changed into Great Britain Pound (GBP) and the exchange rate offered is Rupees 70, thereby giving GBP 1000.

RBI reference rate for that day for GBP is Rupees 69.

The taxable value shall be Rupees 1000.

Provided that in case where the RBI reference rate for a currency is not available, the value shall be 1% of the gross amount of Indian Rupees provided or received, by the person changing the money:

Provided further that in case where neither of the currencies exchanged is Indian Rupee, the value shall be equal to 1% of the lesser of the two amounts the person changing the money would have received by converting any of the two currencies into Indian Rupee on that day at the reference rate provided by RBI;”

3. In the said rules, in rule 5, after sub-rule (1), the following 'Explanation' shall be inserted, with effect from the 1st day of March, 2011namely:-

“Explanation.- For the removal of doubts, it is hereby clarified that for the services specified in sub-clause (zzzx) of clause (105) of section 65 of the Finance Act, 1994, the value of the taxable service shall be the gross amount paid by the person to whom telecom service is provided by the telegraph authority.”

[F. No. 334/3/2011-TRU]



(SAMAR NANDA)

Under Secretary to the Government of India

Note.- The principal rules were notified vide notification no. 12/2006-Service Tax, dated the 19th April, 2006, published in the Gazette of India, Extraordinary vide number G.S.R. 228(E), dated the 19th April, 2006 and last amended vide notification No.15/2010-Service Tax, dated the 27th February, 2010, vide number G.S.R. 159(E), dated the 27th February, 2010.

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

1. (1) These rules may be called the Service Tax (Amendment) Rules, 2011.

(2) They shall come into force on the 1st day of April, 2011.
2. In the Service Tax Rules, 1994 (hereinafter referred to as the said rules) in rule 4A, in sub-rule (1),-
 - (i) for the word “completion of”, the word “provision of” shall be substituted;
 - (ii) the third proviso shall be omitted;
 - (iii) in the fourth proviso, for the words “provided that”, the words “provided also that” shall be substituted.
3. In the said rules, after rule 5A, the following shall be inserted, namely:-

“5B. Date for determination of rate.- The rate of tax in case of services provided, or to be provided, shall be the rate prevailing at the time when the services are deemed to have been provided under the rules made in this regard.”.
4. In the said rules, in rule 6,
 - (i) in sub-rule (1),-
 - (a) for the words, “payments are received, towards the value of taxable services”, the words “service is deemed to be provided as per the rules framed in this regard” shall be substituted;
 - (b) in the first proviso, for the words, “payments are received, towards the value of taxable services”, the words “service is deemed to be provided as per the rules framed in this regard” shall be substituted;
 - (c) the second proviso shall be omitted;
 - (d) for the third proviso, the following shall be substituted, namely:-

“Provided also that the service tax on the service deemed to be provided in the month of March, or the quarter ending in March, as the case may be, shall be paid to the credit of the Central Government by the 31st day of March of the calendar year.”;
 - (e) after the third proviso, the Explanation shall be omitted;
 - (ii) for sub-rule (3), the following shall be substituted, namely:-

“(3) Where an assessee has issued an invoice, or received any payment, against a service to be provided which is not so provided by him either wholly or partially for any reason, the assessee may take the credit of such excess service tax paid by him, if the assessee.-

(a) has refunded the payment or part thereof, so received alongwith the service tax payable thereon for the service to be provided by him to the person from whom it was received; or

(b) has issued a credit note for the value of the service not so provided to the person to whom such an invoice had been issued.”;

(iii) in sub-rule (4B), in clause (iii), for the words, “one lakh rupees”, the words “two lakh rupees” shall be substituted;

(iv) after sub-rule (6), the following shall be inserted, namely:-

“(6A) Where an amount of service tax payable has been self-assessed under sub-section (1) of section 70 of the Act, but not paid, either in full or part, the same, shall be recoverable alongwith interest in the manner prescribed under section 87 of the Act.”.

(v) in sub-rule (7B),-

a) for the figures and words “0.25 per cent. of the gross amount”, the figures and words “0.1 per cent. of the gross amount” shall be substituted;

b) the Proviso and the Illustration shall be omitted.

[F. No. 334/3/2011-TRU]


(SAMAR NANDA)

Under Secretary to the Government of India

Note.- The principal rules were notified vide notification no. 2/1994-Service Tax, dated the 28th June, 1994, published in the Gazette of India, Extraordinary vide number G.S.R. 546(E), dated the 28th June, 1994 and last amended vide notification No.49/2010-Service Tax, dated the 8th October, 2010, vide number G.S.R. 822(E), dated the 8th October, 2010.

G.S.R. (E).- In exercise of the powers conferred by clause (aa) of sub-section (2) of section 94 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 amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 26/2010-Service Tax, dated the 22nd June, 2010, published in the Gazette of India, Extraordinary, vide number G.S.R. 532(E), dated the 22nd June, 2010, namely:-

In the said Notification,

(i) in clause (a), for the words “rupees one hundred” and “in any class”, the words “rupees one hundred fifty” and “economy class” shall respectively be substituted;

(ii) In clause (b), for the words “rupees five hundred”, the words “rupees seven hundred fifty” shall be substituted’

2. This notification shall come into force on the 1st day of April, 2011.

[F. No. 334/3/2011-TRU]



(SAMAR NANDA)

Under Secretary to the Government of India

Note.- The principal notification No.26/2010-Service Tax, dated the 22nd June, 2010, was published in the Gazette of India, Extraordinary, vide number G.S.R. 532 (E), dated the 22nd June, 2010.

G.S.R. (E) - In exercise of the power conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, being satisfied that it is necessary in the public interest, so to do hereby exempts the taxable service specified in sub-clause (zzo) of clause (105) of section 65 of the said Finance Act, when provided by an organiser of business exhibition for holding a business exhibition outside India, from the whole of the service tax leviable thereon under section 66 of the said Finance Act.

[F. No. 334/3/2011-TRU]



(SAMAR NANDA)

Under Secretary to the Government of India

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) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service of execution of a works contract referred to in sub-clause (zzzza) of clause (105) of section 65 of the Finance Act, when provided for the purpose of carrying out,-

(a) construction of new residential complex or part thereof; or

(b) completion and finishing services of new residential complex or part thereof ,

under Jawaharlal Nehru National Urban Renewal Mission and Rajiv Awaas Yojana, from the whole of the service tax leviable thereon under section 66 of the Finance Act.

[F. No. 334/3/2011-TRU]


(SAMAR NANDA)

Under Secretary to the Government of India

G.S.R. (E) - In exercise of the power conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service specified in sub-clause (d) of clause (105) of section 65 of the Finance Act, provided by an insurer carrying on General Insurance Business to any person for providing insurance under the Rashtriya Swasthya Bima Yojana from the whole of the service tax leviable thereon under section 66 of the Finance Act.

[F. No. 334/3/2011-TRU]



(SAMAR NANDA)

Under Secretary to the Government of India

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) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable services as referred to in sub-clauses (zzn), (zzp) and (zzzp) of clause (105) of section 65 of the Finance Act, provided to any person located in India, when the goods are transported from a place located outside India to a final destination which is also outside India, from the whole of service tax leviable thereon under section 66 of the Finance Act.

2. This notification shall come into force on the 1st day of April, 2011.

[F. No. 334/3/2011-TRU]


(SAMAR NANDA)

Under Secretary to the Government of India

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act (hereinafter referred to as 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 exempts the taxable services as referred to in sub-clause (zzn) of clause (105) of section 65 of the Finance Act, from service tax leviable under section 66 of the Finance Act to the extent so much of the value as is equal to the amount of air freight included in the value determined under section 14 of the Customs Act, 1962 (52 of 1962) or the rules made thereunder for the purpose of charging customs duties.

2. This notification shall come into force on the 1st day of April, 2011.

[F. No. 334/3/2011-TRU]


(SAMAR NANDA)

Under Secretary to the Government of India