

SC issued notice in SLP filed against ruling that services incidental to main service didn't constitute FTS

INTERNATIONAL TAXATION : Notice issued in SLP against High Court's order that payments received by assessee, US company, from its Indian customers on account of centralized services viz. sales and marketing, loyalty programs, reservation service, technological service, operational services and training programs/human resources being incidental to main service did not constitute 'Fee for Technical Services' as defined under section 9(1)(vii) or 'Fee for included services' as defined under articles 12(4)(a) of Indo-US DTAA

Section 9 of the Income-tax Act, 1961, read with article 12 of DTAA between India and USA - Income - Deemed to accrue or arise in India (Royalties/Fee for technical services - Advertisement service) - Assessment year 2015-16 - High Court by impugned order held that payments received by assessee, US company from its Indian Customers on account of centralized services viz. sales and marketing, loyalty programs, reservation service, technological service, operational services and training programs/human resources being incidental to main service did not constitute 'Fee for Technical Services' as defined under section 9(1)(vii) or 'Fee for included services' as defined under articles 12(4)(a) of Indo-US DTAA - Whether notice was to be issued in SLP filed against impugned order of High Court - Held, yes [Para 3] [In favour of revenue]



Pl. below link for the judgment:

<https://www.taxmann.com/research/international-tax/top-story/101010000000338555/sc-issued-notice-in-slp-filed-against-ruling-that-services-incidental-to-main-service-didnt-constitute-fts-caselaws>

(Source: Taxmann)