

### SERVICE TAX

#### E-filing of Service Tax Returns mandatory for all assessees

Service Tax Rules, 1994 have been amended to provide that every assessee will have to submit half-yearly service tax return electronically, irrespective of the amount of service tax paid by him in the preceding financial year. The amendment would be effective from October 1<sup>st</sup>, 2011.

At present, electronic filing of service tax returns is mandatory for the assessees who have paid service tax of Rs.10 lakh or more including the amount of service tax paid by utilization of CENVAT credit in the preceding financial year.

*[Notification No. 43/2011 ST dated 25.08.2011]*

#### Service tax chargeable on the fees charged by Chambers of commerce for issuance of country of origin certificate (COOC)

CBEC has clarified that fees charged for issuance of country of origin certificate (COOC) by Chambers of Commerce is liable to service tax under 'technical inspection or certification service'.

The Board has clarified that though the above service may also fall under club or association service, technical inspection and certification agency' service, being a specific description when compared to a general description of 'club or association service', would be the correct classification as per the principles of classification provided in section 65A of Finance Act, 1994.

It may be noted that service tax paid on 'technical inspection & certification' of export goods is eligible for refund under *Notification 17/2009 dated 7.07.2009*.

In India, Chambers of Commerce, Export Promotion Councils (EPC), some Trade Associations are authorized to issue COOC to the exporters. Exporter makes an application to the authorized agency for issuance of COOC in the prescribed form along with a copy of invoice and other relevant documents and pays the prescribed fees. On the basis and verification of the information provided in the application for COOC and the supporting documents with reference to the goods sought to be exported, the Chamber or the authorised agency issues a COOC.

*[Circular No. 145/14/2011-STF. No. 332/11/2011-TRU dated 19.08.2011]*

**CBEC invites comments/suggestions on taxability of Profit/Revenue Sharing arrangement in case of distribution of films & exhibition of movies**

CBEC has invited comments, views and suggestions from Chambers, trade, industry and field formations on the “Draft Circular” on levy of service tax on distributors/sub-distributors of films & exhibitors of movies.

Draft Circular discusses issue of leviability of service tax on distributors/sub-distributors of films & exhibitors of movies in case of Profit / Revenue Sharing arrangement between a Theater Owner or Exhibitor and Distributor/Sub-Distributor or Area Distributor or Producer etc.

*[Draft Circular No. 354/27/2011-TRU]*

**CUSTOMS DUTY**

**Authorized Economic Operator (AEO) programme to ensure secure supply chain of imported and export goods.**

CBEC has formulated an ‘Authorized Economic Operators’ (AEO) programme to address the growing concern amongst Customs administrations about the threat posed through misuse of channels of import and export. The objective of programme is to ensure security in global supply chain from the point of origin i.e., the point of export to import in the receiving country, keeping in view national requirements of respective administrations. The programme has been developed pursuant to guidelines of WCO adopted in SAFE FoS (Framework of Standard) in 2005.

One of the salient features of the AEO programme is that any economic operator such as importer, exporter, logistics provider, Customs House Agent can apply for authorization subject to certain conditions. The authorization would normally be granted within 90 days of receipt of application if the same is found to be acceptable and not deficient in any material particulars.

The AEO Programme envisages various benefits to different categories of economic operators such as importers, exporters, Customs House Agents, etc. The intention is to give AEO certified operators preferential treatment in terms of less Customs examination, relaxed procedural requirements etc.

The AEO programme would be implemented on voluntary basis i.e. those who are interested in getting benefits of the programme may apply for authorization. The authorization would be granted after detailed pre-certification verification and validation done by AEO Programme Team.

*[Circular No. 37/2011-Cus. dated 23.08.2011]*

Source: [www.cbec.gov.in](http://www.cbec.gov.in)

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### **Feedback**

The Indirect Taxes Update is an endeavour of the Indirect Taxes Committee to apprise the readers about the amendments made in various central indirect tax laws vide significant notifications, circulars etc. We welcome your feedback on the Update and its contents.

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