

### SERVICE TAX

#### Cess paid by Consulting Engineer on transfer of technology and holder of intellectual property right on import of technology – Exemption made conditional

*Notification No. 18/2002 ST dated 16.12.2002* exempts the taxable services provided by a consulting engineer on transfer of technology from so much of the service tax leviable thereon, as is equivalent to the amount of cess paid on the said transfer of technology under the provisions of Section 3 of the Research and Development Cess Act, 1986. The said exemption would now be available if the Research & Development Cess is paid at the time of service or before payment for the service subject to maximum of six months period from the date of invoice or in case of associated enterprises the date of credit in the books of account. Also, necessary records will have to be maintained so as to establish a linkage between the invoice or the credit entry (as the case may be) and the cess payment challan.

Similar conditions have been imposed in respect of the exemption available to the amount of cess paid by the holder of intellectual property right on import of technology under the provisions of Section 3 of the Research and Development Cess Act, 1986.

*[Notification No. 46 and 47/2011 ST dated 19.09.2011]*

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

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