

SERVICE TAX

Ministry of finance grants Sec 11C benefits to agents of registered associations providing forward contract service

The Central Government, being satisfied that a practice was generally prevalent regarding levy of service tax (including non-levy thereof), under section 66 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as 'the Finance Act'), on services provided by an authorized person or sub-broker to the member of a recognized association or a registered association, in relation to a forward contract, and that such services were liable to service tax under the Finance Act, which was not being levied according to the said practice during the period commencing from the 10th day of September 2004 and ending with the 30th day of June 2012,

CBEC has issued a Notification No. 3/2014 - ST., Dated: February 3, 2014, to spell out the grant of Sec 11c benefits to agents of registered associations providing forward contract service

In exercise of the powers conferred by section 11C of the Central Excise Act, 1944 (1 of 1944), read with section 83 of the Finance Act, the Central Government has directed that:

The service tax payable on the services provided by an authorized person or sub-broker to the member of a recognized association or a registered association, in relation to a forward contract, shall not be required to be paid in respect of such taxable service on which the service tax was not being levied during the aforesaid period in accordance with the said practice.

This amendment has specified that no service tax is required to be paid on the services provided by an authorized person or sub broker to the member of a recognized/ registered association in relation to a forward contract, on which service tax was not levied during the period commencing from the 10th day of September 2004 and ending with the 30th day of June 2012. In simple terms, no arrears are required to be paid for the period wherein the service tax was not levied.

[Notification No. 03/2014 - ST., Dated: February 3, 2014

Source: www.cbec.gov.in

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