

INDIRECT TAXES UPDATE – 174

SERVICE TAX

Waiver of recovery on services provided by Common Effluent Treatment Plant and admission to a museum

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, 1994, the Central Government vide [Notification No. 08/2017-Service Tax, Dated: February 20, 2017](#) directs that the service tax payable on the services by operators of Common Effluent Treatment Plant under Section 66B of the Finance Act, 1994 for the period commencing on and from the 1st day of July, 2012 and ending with the 31st day of March, 2015, shall not be required to be paid.

Similarly, the Central Government vide [Notification No. 09/2017-Service Tax, Dated: February 28, 2017](#) directs that the service tax payable on the services by way of admission to a museum under Section 66B of the Finance Act, 1994 for the period commencing on and from the 1st day of July, 2012 and ending with the 31st day of March, 2015, shall not be required to be paid.

Whereas, the Central Government is satisfied that during the said period, according to a practice that was generally prevalent, service tax was not levied although the service was liable to service tax, which was not being paid according to the said practice.

[\[Notification No. 08/2017-Service Tax, Dated: February 20, 2017\]](#)

[\[Notification No. 09/2017-Service Tax, Dated: February 28, 2017\]](#)

Comment: To regularize the general practice of not paying service tax on these service tax.

CUSTOMS

Acceptance of e-BRC of DGFT towards proof of realization of sale proceeds for exports with LEO date upto 31.03.2014 under drawback scheme

In light of the Board's [Circular No. 5/2009-Customs dated 2.2.2009](#) which prescribes Bank Realization Certificate (BRC) as one of the documents that may be submitted to Customs by the exporters as proof of realization of sale proceeds for exports, the Board has clarified that for exports with LEO dated 12.08.2012 onwards till 31.03.2014, DGFT's e-BRC would be accepted, except in case of specific intelligence or information of misuse. This shall be subject to appropriate declaration by the exporter on back of DGFT e-BRC. An Annexure has also been prescribed for the said declaration.

Though the exports with LEO date from 01.04.2014 onwards, an electronic system of reconciliation of sale proceeds (RBI-BRC module) is made functional by DG (Systems) in coordination with Reserve Bank of India.

Comment: The concern with E-BRC which contains “realized value” details but does not contain details of commission, freight, insurance etc. which are often relevant for drawback purpose. DGFT’s e-BRC would be accepted, except in case of specific intelligence or information of misuse subject to appropriate declaration by the exporter.

Exemption from drawal of samples for grant of drawback to the AEO certificate holders.

In light of the Board's [Circular No. 34/95-Customs dated 06.04.1995](#) which prescribes the monetary limits and frequency of drawal of sample for purposes of grant of drawback and [Circular No. 57/1997-Cus dated 31.10.1997](#) read with [Circular No. 25/2005-Cus](#) exempting certain exporters having inhouse testing facilities and where the samples have earlier been drawn by Central Excise authorities, in the course of drawal of samples for purposes of grant of drawback, the Board decided that those exporters who have been accorded Authorized Economic Operator (AEO) certificate (Tier II & Tier III) in terms of [Circular No. 33/2016-Customs dated 22.07.2016](#) are being exempt from the requirements of drawal of samples for the purpose of grant of drawback, except in case of any specific information or intelligence.

Comment: To facilitate ease of doing business.

Source: www.cbec.gov.in

11th GST COUNCIL MEETING

After the tenth GST Council Meeting held at Udaipur giving final nod to the GST Compensation Bill, In the next meeting scheduled to be held on 04th and 05th March, 2017 in Delhi the IGST, CGST and SGST Model Laws are expected to be recommended by the Council after deliberations which will pave the way for implementation of GST from 1st July, 2017.

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Secretary

Indirect Taxes Committee The Institute of Chartered Accountants of India

ICAI Bhawan A-29, Sector -62, NOIDA (U.P.) India

Website: www.idtc.icai.org