

not relied upon for the issuance of notice shall be returned within 30 days of the issue of said notice or within thirty days from the date of expiry of the period for issue of said notice.

(The complete text of the above-mentioned notifications can be downloaded from www.cbec.gov.in)

B. SERVICE TAX

Notifications:

1. Notification No.23/2009 ST dated 07.07.2009

Explanation to rule 3 of Works

Contract (Composition Scheme for Payment of Service Tax) Rules, 2007 has been modified. According to the new explanation, the gross amount charged for the works contract shall include the following:

- a) the value of all goods used in or in relation to the execution of the works contract, whether supplied under any other contract for a consideration or otherwise; and
- b) the value of all the services that are required to be provided for the execution of the works contract;
- c) the charges for obtaining machinery and tools used in the execution of the said works contract

Following shall be excluded from the gross amount charged:

- a. the value added tax or sales tax as the case may be paid on transfer of property in goods involved; and
- b. the cost of machinery and tools used in the execution of the said works contract.

The aforementioned explanation shall not apply to the current works contracts where either the execution has commenced or any payment has been made in relation to the said contract on or before the 07.07.2009.

2. Notification No. 20/2009-ST, dated 7-7-2009

The services provided by the tour operators undertaking point-to-point transportation of passengers in a vehicle bearing contract carriage permit has been fully exempted from service tax, provided such transportation is not in relation to tourism or conducted tours, charter or hire service.

3. Notification No 19/2009 – ST dated 07.07.2009

Services provided by one Scheduled

bank to another Scheduled bank in relation to inter-bank transactions of purchase and sale of foreign currency have been exempted from whole of the service tax payable.

4. Notification No 16/2009-ST dated 07.07.2009

Services provided by Federation of Indian Export Promotion Organization (FIEO) and other twenty-one specified export promotion councils, which were taxable under the category of club or association services, have been made exempted from the levy of service tax under the said service. The exemption is valid till 31.03.2010.

5. New refund scheme for exporters

Notification No. 41/2007-ST dated 06.10.2007 provides for refund of service tax paid on services, which though not in the nature of input services, are relatable to export of goods. The refund scheme has been revamped to ensure speedier grant of refunds to the exporters. The salient features of the new scheme, being notified under two notifications, both dated 07.07.2009, are as follows:

(a) **Notification No. 18/2009 – ST** exempts two taxable services, namely, 'transport of goods by road' and 'commission paid to foreign agents' from the levy of service tax, if the exporter is liable to pay service tax on reverse charge basis subject to the fulfillment of specified conditions.

(b) **Notification No. 17/2009 – ST** supersedes the Notification No. 41/2007-ST dated 06.10.2007. The salient features of the new scheme prescribing a simplified format for filing the refund claims are as follows:

- (i) Terminal handling services' has been added to the list of eligible services.
- (ii) The time period for filing a refund claim has been increased to one year from the date of export. The condition for filing refund claims once in a quarter has been dispensed with.
- (iii) (a) In a case, where total amount of refund claim does not exceed 0.25% of the total FOB value of exports under a claim, a self-certification by the exporter would be sufficient.

(b) In a case, where amount of refund claim exceeds 0.25% of the FOB value of exports, the documents submitted by the exporter should be certified by the chartered accountant who audits his annual accounts.

In both the above mentioned

