Reverse Charge Mechanism.

I. The taxable services,—

(A) (i) provided or agreed to be provided by **an insurance agent to any person** carrying on the insurance business;

(ii) provided or agreed to be provided by **a goods transport agency** in respect of transportation of goods by road, where the person liable to pay freight is,—

(a) **any factory registered under** or governed by the **Factories Act**, 1948 (63 of 1948);

(b) **any society registered under the Societies Registration Act,** 1860 (21 of 1860) or under any other law for the time being in force in any part of India;

(c) **any co-operative society established by or under any law**;

(d) **any dealer of excisable goods**, who is **registered** under the **Central Excise Act**, 1944 (1 of 1944) or the rules made thereunder;

(e) **any body corporate** established, by or **under any law**; or

(f) **any partnership firm** whether **registered or not** under any law including association of persons;

(iii) provided or agreed to be provided **by way of sponsorship to anybody corporate or partnership firm** located in the taxable territory;

(iv) provided or agreed to be provided by,-

(A) **an arbitral tribunal**, or

(B) **an individual advocate or a firm of advocates by way of support services**, or

(C) **Government or local authority by way of support services** excluding,-

(1) renting of immovable property, and

(2) services specified in sub-clauses (i), (ii) and (iii) of clause (a) of section 66D of the Finance Act,1994,

to any business entity located in the taxable territory;

(v) provided or agreed to be provided **by way of renting of a motor vehicle** designed to carry passengers **to any person who is not in the similar line of business** or **supply of manpower** for any purpose **or** service portion **in execution of works contract** by any **individual, Hindu Undivided Family or partnership firm, whether registered or not**, **including association of persons**, located in the taxable territory **to a business entity registered as body corporate**, located in the taxable territory;

(B) provided or agreed to be provided **by any person which is located in a non-taxable territory** and **received by any person located in the taxable territory**;

(II) The extent of service tax payable thereon by the person who provides the service and the person who receives the service for the taxable services specified in (I) shall be as specified in the following Table, namely:-

Table

Sl.No.	Description of a service	Percentage of service tax payable by the person providing service (Service Provider)	Percentage of service tax payable by the person receiving the service (Service Recipient)
1	in respect of services provided or agreed to be provided by **an insurance agent** to **any person** carrying on insurance business	Nil (Any Person)	100% (Any Person)
2	in respect of services provided or agreed to be provided **by a goods transport agency** in respect of transportation of goods by road	Nil (Goods Transport Agency)	100% {Registered (i)Factory (ii)Society (iii)Co Op Soc (iv)Dealer in Excise (v)Body corporate
3	in respect of services provided or agreed to be provided **by way of sponsorship**	Nil (Any Person)	100% (Any Body Corporate or Partnership firm)

4	in respect of services provided or agreed to be provided by **an arbitral tribunal**	Nil	100%
5	in respect of services provided or agreed to be provided by **individual advocate or a firm of advocates by way of legal services**	Nil	100%
6	in respect of services provided or agreed to be provided by **Government or local authority** by way of support services excluding,- (1) renting of immovable property, and (2) services specified in sub-clauses (i), (ii) and (iii) of clause (a) of section 66D of the Finance Act,1994	Nil	100%
7	(a) in respect of services provided or agreed to be provided by way of **renting of a motor vehicle** designed to **carry passengers on abated value** to any person who is not engaged in the similar line of business (b) in respect of services provided or agreed to be provided by way of **renting of a motor vehicle** designed to **carry passengers on non abated value** to any person who is not engaged in the similar line of business	Nil 60%	100 % 40%

8.	in respect of services provided or agreed to be provided by way of **supply of manpower** for any purpose	25% (Individual, HUF, Partnership Firm, AOP)	75 % (Registered Companies)
9.	in respect of services provided or agreed to be provided in service portion in execution of **works contract**	50% (Individual HUF, Partnership Firm AOP)	50% (Registered Companies)
10	in respect of any taxable services provided or agreed to be provided by any person who is located in a non-taxable territory and received by any person located in the taxable territory	Nil	100%

Explanation-I. - The person who pays or is liable to pay freight for the transportation of goods by road in goods carriage, located in the taxable territory shall be treated as the person who receives the service for the purpose of this notification.

Explanation-II. - In works contract services, where both service provider and service recipient is the persons liable to pay tax, **the service recipient has the option of choosing the valuation method as per choice,** independent of valuation method adopted by the provider of service.

Applicable on or after the 1st day of July, 2012.

DHAVAL THAKKAR

Digitally signed by DHAVAL THAKKAR
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