

Announcement for Intermediate (Integrated Professional Course) applicable from May, 2013 Examination onwards

Paper 4: Taxation (Part II: Service Tax and VAT)

Service tax law, as contained in the Finance Act, 1994, as amended by the Finance Act, 2012 is relevant for May and November, 2013 examinations. The Finance Act, 2012 has introduced the concept of negative list in the service tax law whereby all services are liable to service tax except those covered under the negative list and the exempted services. In other words, under the present law, the services which would not be taxable have been specified as against the earlier law where the individual taxable services were specified. Consequently, the practice of notifying certain taxable services for Examination purposes (earlier eight taxable services were so notified) would no longer be relevant.

In view of these changes, Examination Committee at its 498th meeting held on September 23, 2012 has decided the sections of the Finance Act, 1994/rules to be covered under point no. 1 (Concepts and General principles) and point no. 2 (Charge of service tax and taxable services) of syllabus of Part II: Service tax & VAT in Paper 4: Taxation from May 2013 examination onwards (please refer to the announcement below).

APPLICABILITY/NON-APPLICABILITY OF NEGATIVE LIST AND RELATED TOPICS IN SYLLABUS OF PART II: SERVICE TAX AND VAT OF PAPER 4: TAXATION (IPCC) FROM MAY 2013 EXAMINATION ONWARDS

The Examination Committee at its 498th meeting held on September 23, 2012 has decided that the following sections of the Finance Act, 1994/rules will be covered under point no. 1 (Concepts and General principles) and point no. 2 (Charge of service tax and taxable services) of syllabus of Part II: Service tax & VAT in Paper 4: Taxation from May 2013 examination onwards:

- (i) Section 64 - Extent, commencement and application
- (ii) Sections 65B – Interpretations [only relevant ones which would be required to explain the concepts included]
- (iii) Section 66B – Charge of service tax on and after Finance Act, 2012
- (iv) Section 66D - Negative list of services
- (v) Section 66F – Principles of interpretation of specified descriptions of services or bundled services.

- (vi) Section 67A - Date of determination of rate of tax, value of taxable service and rate of exchange
- (vii) Point of Taxation Rules, 2011

It may be noted that the above-stated Sr. No.(i) - Section 64 and Sr. No.(vii) - Point of Taxation Rules, 2011 have already been covered in the existing syllabus so far. Thus, only Sr. Nos.(ii) to (vi) have been included as new topics in the syllabus under point no.1 (Concepts and General principles) and point no.2 (Charge of service tax and Taxable services).

The Committee further decided that the following topics pertaining to service tax law will not be included in the syllabus:

- (i) Section 66C - Determination of place of provision of service
- (ii) Section 66E – Declared services
- (iii) Place of Provision of Service Rules, 2012
- (iv) Section 68(2) and Reverse Charge notification
- (v) Export of Services vide rule 6A of the Service Tax Rules, 1994
- (vi) Mega exemption notification and other exemptions
- (vii) Abatement notification

In furtherance to the above-mentioned decision, it is clarified that other topics viz., valuation of taxable service, payment of service tax and filing of returns, topics related to VAT etc. as covered in the Study Material will continue to apply as they used to apply before.

In view of the far-reaching changes effected with the introduction of negative list approach of taxation in service tax, Study Material and Practice Manual of Part-II: Service tax & VAT of Paper 4: Taxation (contained in Volume III) **[November edition]** have been completely revamped. Students may note that the revised Study Material and Practice Manual have been prepared in accordance with the above-mentioned decision of the Examination Committee.