



केन्द्रीय उत्पाद शुल्क एवं सेवाकर का आयुक्त का कार्यालय
Office of the Commissioner of Central Excise & Service Tax
काकीनाडा (विशाखपट्टणम-II) आयुक्तालय Kakinada (Visakhapatnam-II) Commissionerate
उत्पाद शुल्क भवन/ Central Excise Building, पत्तन क्षेत्र/ Port Area,
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STANDING ORDER NO.02/2017

Dated 29.02.2017

Sub: Applicability of service tax on the services by way of transportation of goods by a vessel from a place outside India to the customs station in India w.r.t. goods intended for transshipment to any country outside India - Reg.

Contents of the clarification/ Instruction issued vide Board Circular No.204/2/2017-Service Tax dated 16.02.2017 on the above subject are communicated hereunder for information, guidance and necessary action.

2. In this regard, it is mentioned that the goods landing at Indian ports which are destined for any other country are allowed to be transhipped through Indian Territory without payment of Customs duty in India. This is subject to the condition that such goods imported into a customs station are mentioned in the import manifest or the import report, as the case may be, as for transshipment to any place outside India. [Section 54(2) of the Customs Act, 1962]. Further, Goods Imported (Conditions of Transshipment) Regulations, 1995 have been prescribed for the procedure to be followed for transshipment of such goods.
3. It is pertinent to mention that as per the charging Section 66B of the Finance Act, 1994, service tax is leviable on services provided or agreed to be provided in the taxable territory. Whether a service is provided or agreed to be provided in the taxable territory or not, is determined as per Section 66C of the Finance Act, 1994 and the Place of Provision of Services Rules, 2012 made thereunder. In terms of the applicable rule 10 of the Place of Provision of Services Rules, 2012, the place of provision of services of transportation of goods by air/sea, other than by mail or courier, is the destination of the goods.
4. Thus, with respect to goods imported into a customs station in India intended for transshipment to any country outside India, the destination of goods is not a place in taxable territory in India but a country other than India if the same is mentioned in the import manifest or the import report as the case may be and the goods are transhipped in accordance with the provisions of the Customs Act, 1962 and rules made there under. Hence, with respect to such goods, services by way of transportation of goods by a vessel from a place outside India to the customs station in India are not taxable in India as the destination of such goods is a country other than India.
5. The same may be noted for strict compliance and brought to the notice of all concerned.


(बि हरेराम B.HARERAM)
आयुक्त Commissioner

(Issued from file C.No. IV/16/02/2017-ST)

Copy submitted to:

1. The Chief Commissioner, Customs, Central Excise and Service Tax, Visakhapatnam Zone, Central Revenue Buildings, Port Area, Visakhapatnam.

Copy to:

1. The JDCs/JAC's (Division-IV-CE/Kakinada-CE/ Gajuwaka-ST/Kakinada-ST /Rajahmundry-CE&ST)
2. The DC/ACs/Sections in Hqrs. Office, Kakinada Commissionerate, Visakhapatnam,
3. The Superintendent of Central Excise & Service Tax (Computer/ACES Section) for uploading the Standing Order on the Commissionerate Website.