

PRESS RELEASE

With a view to provide a level playing field to Indian service providers providing taxable online information and database access or retrieval [*OIDAR*] services including electronic services in India, the exemption to such services provided in India by service providers located in foreign territory is being withdrawn w.e.f 1st December, 2016. Thus cross border business to consumer [B2C] *OIDAR* services provided by a foreign service provider to a person in India will become taxable from 1st December, 2016 onwards.

2. The salient features of this levy are as under:

- A simplified online mechanism of taking registration has been prescribed and registration will be deemed to be granted online on submission of registration application.
- A simplified mechanism of online payment of taxes and online filing of returns is being prescribed.

3. A detailed Circular No. 202/12/2016-Service Tax dated 09.11.2016 has been issued by CBEC, explaining the likely issues arising from the withdrawal of this exemption.

Useful links:

- 1) <http://www.cbec.gov.in/ServiceTax-Notifications>
 - 2) <http://www.cbec.gov.in/htdocs-servicetax/st-circulars/st-circulars-2016/st-circ-202-2016>
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