



SERVICE TAX NOTIFICATION

-COPY OF-

NOTIFICATION

NO.12/2013-SERVICE TAX

Dated 1st July, 2013

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the said Act) read with sub-section 3 of section 95 of Finance (No.2), Act, 2004 (23 of 2004) and sub-section 3 of section 140 of the Finance Act, 2007 (22 of 2007) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.40/2012-Service Tax, dated the 20th June, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.482(E), dated the 20th June, 2012, except as respects things done or omitted to be done before such supersession, the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the services on which service tax is leviable under section 66B of the said Act, received by a unit located in a Special Economic Zone (hereinafter referred to as SEZ Unit) or Developer of SEZ (hereinafter referred to as the Developer) and used for the authorised operation from the whole of the service tax, education cess, and secondary and higher education cess leviable thereon.

2. The exemption shall be provided by way of refund of service tax paid on the specified services received by the SEZ Unit or the Developer and used for the authorised operations:

Provided that where the specified services received by the SEZ Unit or the Developer are used exclusively for the authorised operations, the person liable to pay service tax has the option not to pay the service tax *ab initio*, subject to the conditions and procedure as stated below.

3. This exemption shall be given effect to in the following manner:

(I) The SEZ Unit or the Developer shall get an approval by the Approval Committee of the list of the services as are required for the authorised operations (referred to as the 'specified services' elsewhere in the notification) on which the SEZ Unit or Developer wish to claim exemption from service tax.

(II) The *ab-initio* exemption on the specified services received by the SEZ Unit or the Developer and used exclusively for the authorised operation shall be allowed subject to the following procedure and conditions, namely:-

(a) the SEZ Unit or the Developer shall furnish a declaration in Form A-1, verified by the Specified Officer of the SEZ, along with the list of specified services in terms of condition (I);

(b) on the basis of declaration made in Form A-1, an authorisation shall be issued by the jurisdictional Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise, as the case may be to the SEZ Unit or the Developer, in Form A-2;

(c) the SEZ Unit or the Developer shall provide a copy of said authorisation to the provider of specified services. On the basis of the said authorisation, the service provider shall provide the specified services to the SEZ Unit or the Developer without payment of service tax;

(d) the SEZ Unit or the Developer shall furnish to the jurisdictional Superintendent of Central Excise a quarterly statement, in Form A-3, furnishing the details of specified services received by it without payment of service tax;

(e) the SEZ Unit or the Developer shall furnish an undertaking, in Form A-1, that in case the specified services on which exemption has been claimed are not exclusively used for authorised operation or were found not to have been used exclusively for authorised operation, it shall pay to the government an amount that is claimed by way of exemption from service tax and cesses along with interest as applicable on delayed payment of service tax under the provisions of the said Act read with the rules made thereunder.

(III) The refund of service tax on (i) the specified services that are not exclusively used for authorised operation, or (ii) the specified services on which *ab-initio* exemption is admissible but not claimed, shall be allowed subject to the following procedure and conditions, namely: -

(a) the service tax paid on the specified services that are common to the authorised operation in an SEZ and the operation in domestic tariff area [DTA unit(s)] shall be distributed amongst the SEZ Unit or the Developer and the DTA unit (s) in the manner as prescribed in rule 7 of the Cenvat Credit Rules. For the purpose of distribution, the turnover of the SEZ Unit or the Developer shall be taken as the turnover of authorised operation during the relevant period.

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(b) the SEZ Unit or the Developer shall be entitled to refund of the service tax paid on (i) the specified services on which *ab-initio* exemption is admissible but not claimed, and (ii) the amount distributed to it in terms of clause (a).

(c) the SEZ Unit or Developer who is registered as an assessee under the Central Excise Act, 1944 (1 of 1944) or the rules made thereunder, or the said Act or the rules made thereunder, shall file the claim for refund to the jurisdictional Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise, the as the case may be, in Form A-4;

(d) the amount indicated in the invoice, bill or, as the case may be, challan, on the basis of which this refund is being claimed, including the service tax payable thereon shall have been paid to the person liable to pay the service tax thereon, or as the case may be, the amount of service tax payable under reverse charge shall have been paid under the provisions of the said Act;

(e) the claim for refund shall be filed within one year from the end of the month in which actual payment of service tax was made by such Developer or SEZ Unit to the registered service provider or such extended period as the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, shall permit;

(f) the SEZ Unit or the Developer shall submit only one claim of refund under this notification for every quarter:

Explanation. - For the purposes of this notification "quarter" means a period of three consecutive months with the first quarter beginning from 1st April of every year, second quarter from 1st July, third quarter from 1st October and fourth quarter from 1st January of every year.

(g) the SEZ Unit or the Developer who is not so registered under the provisions referred to in clause (c), shall, before filing a claim for refund under this notification, make an application for registration under rule 4 of the Service Tax Rules, 1994.

(h) if there are more than one SEZ Unit registered under a common service tax registration, a common refund may be filed at the option of the assessee.

(IV) The SEZ Unit or Developer, who intends to avail exemption or refund under this notification, shall maintain proper account of receipt and use of the specified services, on which exemption or refund is claimed, for authorised operations in the SEZ.

4. Where any sum of service tax paid on specified services is erroneously refunded for any reason whatsoever, such service tax refunded shall be recoverable under the provisions of the said Act and the rules made there under, as if it is recovery of service tax erroneously refunded;

5. Notwithstanding anything contained in this notification, SEZ Unit or the Developer shall have the option not to avail of this exemption and instead take CENVAT credit on the specified services in accordance with the CENVAT Credit Rules, 2004.

6. Words and expressions used in this notification and defined in the Special Economic Zones Act, 2005 (28 of 2005) or the rules made thereunder, or the said Act, or the rules made there under shall apply, so far as may be, in relation to refund of service tax under this notification as they apply in relation to a SEZ.

7. This notification shall come into force on the date of its publication in the Gazette of India

Sd/-
(Akshay Joshi)
Under Secretary to the Government of India

F.No.B1/6/2013-TRU
Issued by:
Ministry of Finance
(Department of Revenue)
New Delhi

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FORM A-1
[Refer condition at S.No.3 (II) (a)]

Declaration by the SEZ Unit or Developer for availing *ab initio* exemption under notification No.12/2013-Service Tax dated 1st July, 2013

1. Name of the SEZ Unit/Developer:
2. Addresses with telephone and Email:
3. Permanent Account Number (PAN) of the SEZ Unit/Developer:
4. Import and Export Code Number:
5. Jurisdictional Central Excise/Service Tax Division:
6. Service Tax registration number/Service Tax code/Central Excise registration number:
7. Declaration: I/We hereby declare that-

(i) The information given in this application form is true, correct and complete in every respect and I am authorised to sign on behalf of the SEZ Unit/Developer;

(ii) I/We maintain proper account of specified services, as approved by the Approval Committee of SEZ, received and used for authorised operations in SEZ; I/we shall make available such accounts and related records, at all reasonable times, to the jurisdictional Central Excise officers for inspection or scrutiny.

(iii) I/We shall use/have used specified services for authorised operations in the SEZ.

(iv) I/We declare that we do not own or carry on any business other than the operations in SEZ [*where this item is not applicable, declaration may be submitted after striking out the inapplicable portion*];

OR

I/ We declare that we also own/carry on any business in domestic tariff area as per the details furnished below:

Table I

S. No.	Name of the unit owned in DTA	Output services provided by DTA Unit	Goods manufactured by the DTA unit

(v) I/We are aware that the declaration is valid only for the purpose specified in notification 12/2013-Service Tax dated 1st July, 2013 and is subject to fulfillment of conditions.

(vi) I/We intend to claim *ab initio* exemption on the specified services mentioned in the following Table:

Table II

Sl. No.	Specified service(s) to be received for the authorised operation	Details of service provider(s) who provide(s) the specified service(s), for SEZ authorised operations	
		Name and address	Service Tax registration No./("self" in case of service on which service tax is paid on reverse charge)
(1)	(2)	(3)	(4)

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- (vii) I/ We undertake that in case the services on which exemption has been claimed were not exclusively used for authorised operation or were found not to have been used exclusively for authorised operation, we shall pay to the government an amount that is claimed by way of exemption from service tax along with interest as applicable on delayed payment of service tax under the provisions of the said Act read with the rules made thereunder.

Signature and name of authorised person with stamp

Date:

Place:

I have verified the above declaration; it is correct

Signature, date and stamp of the Specified Officer of the SEZ Unit/Developer (Specified Officer shall retain a copy of the verified declaration, for the purpose of record)

FORM A-2

[Refer condition at S. No. 3 (II)(b)]

Authorisation for procurement of services by a SEZ Unit/Developer for authorised operations under notification No.12/2013- Service Tax dated 1st July, 2013

A: Details of SEZ Unit/Developer:

1. Name of the SEZ Unit/Developer:
2. Address of the SEZ Unit/Developer with telephone and email:
3. Permanent Account Number (PAN) of the SEZ Unit/Developer:
4. Import and Export Code Number:
5. Jurisdictional Central Excise/Service Tax Division:
6. Service Tax registration number/Service Tax Code/Central Excise registration number:

B: The details of specified services that the SEZ Unit/Developer is authorised to procure in terms of declaration furnished by the SEZ Unit/Developer

Sl. No.	Specified service(s) to be received for the authorised operation	Details of service provider(s) who provide(s) the specified service(s), for SEZ authorised operations	
		Name and address	Service Tax registration No.
(1)	(2)	(3)	(4)

(Signature and the stamp of the jurisdictional Deputy Commissioner of Central Excise/Assistant Commissioner of Central Excise)

Phone No:

Fax No.:

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FORM A-3
[Refer condition at S. No. 3 (II)(d)]

Quarterly return to be furnished by the SEZ Unit/Developer furnishing the details of services procured without payment of service tax in terms of the notification No.12/2013-Service Tax dated 1st July, 2013

For the Quarter: April-June/Jul-Sep/Oct-Dec/Jan-March Year: _____
[Tick the appropriate quarter]

1. Name of the SEZ Unit/Developer:
2. Address of the SEZ Unit/Developer with telephone and email:
3. Permanent Account Number (PAN) of the SEZ Unit/Developer:
4. Import and Export Code Number:
5. Jurisdictional Central Excise/Service Tax Division:
6. Service Tax Registration Number/Service Tax Code/Central Excise registration number:
7. We have procured the services as per the details below without payment of service tax in terms of notification No.12/2013-Service Tax dated 1st July, 2013

TABLE

S. No.	Description of taxable service	Name and address of service provider	Registration of service provider	Invoice No.	Date	Value of service	Service tax + cess amount claimed as exemption
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Signature and name of authorised person with stamp

Date:
Place:

FORM A-4
[Refer condition at S.No.3 (III)(c)]

Application for claiming refund of service tax paid on specified services used for authorised operations in SEZ under notification No.12/2013-Service Tax dated 1st July, 2013

To
The Assistant/Deputy Commissioner of Central Excise/Service Tax
_____ Division, _____ Commissionerate

Sir,

I /We having details as below,-

- (i) Name of the SEZ Unit/Developer:
- (ii) Address of the SEZ Unit/Developer with telephone and email:
- (iii) Address of the registered/Head Office with telephone and email:
- (iv) Permanent Account Number (PAN) of the SEZ Unit/Developer:
- (v) Import and Export Code Number:
- (vi) Jurisdictional Central Excise/Service Tax Division:
- (vii) Service Tax Registration Number/Service Tax Code/Central Excise registration number:
- (viii) Information regarding Bank Account (Bank, address of branch, account number) in which refund amount should be credited/to be deposited:
- (ix) Details regarding service tax refund claimed:

claim refund of Rs..... (Rupees in words) as per the details furnished in the Table I and Table II below for the period from _____ to _____.

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(A) Refund of service tax in respect of service tax paid on specified services exclusively used for the authorised operations in SEZ, as approved by the Approval Committee of the _____ SEZ [Rupees _____] as per the details below

Table-I

S. No.	Description of taxable service	Name and address of service provider	STC No. of service provider (Indicate "self" if reverse charge applies to the specified service)	Invoice* No.	Date	Value of service	Service tax + cesses paid	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Total amount claimed as refund								

*Certified copies of documents are enclosed.

(B) Refund on respect of service tax paid on specified services other than the services used exclusively for authorised operation (used partially for the authorised operations of SEZ Unit/Developer), as approved by the Approval Committee of the _____ SEZ [Rupees _____].

Table-II

S. No.	Description of taxable service	Name and address of service provider	STC No. of service provider	Invoice* No.	Date	Value of service	Service tax + cess Amt	Amount distributed to the SEZ Unit/ Developer out of the amount mentioned at column No. (8) (Claimed as refund)	Document* under which amount mentioned at column (9) was distributed to the SEZ Unit/ Developer	
									No.	Date
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total Amount										

*Certified copies of documents are enclosed

2. (i) The turnover of the authorised operation of the SEZ Unit/Developer in the previous financial year: _____;
(ii) Turnover of the DTA operations in the previous financial year: _____

3. I/We Declare that-

(i) information given in this application for refund is true, correct and complete in every respect and that I am authorised to sign this application for refund of service tax;

(ii) the specified services, as approved by the Approval Committee of SEZ, on which exemption/refund is claimed are actually used for the authorised operations in SEZ;

(iii) we have paid the service tax amount along with the cesses, being claimed as refund vide this application, to the service provider;

(iv) refund of service tax has not been claimed or received earlier, on the basis of above documents/information;

(v) we have not taken any CENVAT credit under the CENVAT Credit Rules, 2004 of the amount being claimed as refund;

(vi) proper account of receipt and use of the specified services on which exemption/refund is claimed, for the authorised operations in the SEZ, is maintained and the same shall be produced to the officer sanctioning refund, on demand.

Signature and name (of proprietor/managing partner/person authorised by managing director of the SEZ Unit/Developer) with complete address, telephone and e-mail.

Date:

Place:

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