



प्रधान आयुक्त कार्यालय, सेवा कर (दिल्ली-1)

17-बी, आई ए ई ए भवन, महात्मा गांधी रोड, आई. पी. इस्टेट, नई दिल्ली -110002

प. सं. C. No. IV(16) Hq /ST-I/Tech/ Clrfn./AMFDA/22/2016

दिनांक : 26.07.2016

सेवा मे

Mrs. Tamanna Verma,  
Senior Vice President, AMDWA,  
Flat No. 829, 8<sup>th</sup> Floor,  
Laxmideep Building,  
District Centre, Laxmi Nagar,  
New Delhi-110092.

**विषय:- Clarification on applicability of Service Tax on Mutual Fund Distributors sought by All Mutual Fund Association -reg.**

Please refer to your e-mail dated 24.06.2016 vide which certain clarification were sought.

In this regard, it is informed that the issue raised by you in your e-mail has already been clarified vide F.No. 334/8/2016-TRU dated 29.02.2016 by TRU, CBEC and same may be referred, (available on the website [www.cbec.gov.in](http://www.cbec.gov.in)). The extracts of the same clarification is reproduced as under:

**"10. Reverse Charge Mechanism**

10.1 In Union Budget, 2015, as a policy decision to prune exemptions, the exemption to services provided by mutual fund agents/distributors to an asset management company was withdrawn. However these services were put under reverse charge liability, i.e., the Asset Management Company was made liable to pay service tax for the services received from such agents/distributors. Services provided by mutual fund agents/distributor to a mutual fund or asset management company are being put under forward charge, i.e. the service provider is being made liable to pay

service tax. The small sub-agents down the distribution chain will still be eligible for small service provider exemption [threshold turnover of Rs 10 lakh/year] and a very small number will be liable to pay service tax."

I hope this will clarify the doubts of the service providers i.e. such agent/distributors.

**भवदीय**

रविशंकर  
27/7/2016

**अपर आयुक्त(तकनीकि)**

**सेवा कर दिल्ली-I**