

**THE AUTHORITY ON ADVANCE RULINGS
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU - 560 009**

Advance Ruling No. KAR ADRG 55/ 2019

Date : 19th September, 2019

Present:

1. Sri. Harish Dharnia,
Additional Commissioner of Central Tax, Member (Central Tax)
2. Dr. Ravi Prasad M.P.
Joint Commissioner of Commercial Taxes Member (State Tax)

1.	Name and address of the applicant	M/s Fulcrum Info Services LLP No.1/2, 4 th Floor, Venus Building, 3 rd Main, Koramangala 1 st Block, Jakkasandra, Bengaluru-560034
2.	GSTIN or User ID	29AACFF4682P1ZQ
3.	Date of filing of Form GST ARA-01	24.09.2018
4.	Represented by	Sri N.R. Badarinath, Chartered Accountant
5.	Jurisdictional Authority - Centre	Commissioner of Central Tax, Bengaluru-South, Bengaluru.
6.	Jurisdictional Authority - State	LGSTO-015, Bengaluru
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of 1. Rs.5,000-00 under CGST Act vide CIN HDFC18092900146592 dated 18.09.2018 2. Rs.5,000-00 under KGST Act vide CIN HDFC18092900146592 dated 18.09.2018

ORDER UNDER SECTION 98(4) OF THE CENTRAL GOODS AND SERVICE TAX ACT, 2017 AND UNDER SECTION 98(4) OF THE KARNATAKA GOODS AND SERVICES TAX ACT, 2017

1. M/s Fulcrum Global Info Services LLP (called as the 'applicant' hereinafter), having GSTIN number 29AACFF4682P1ZQ, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 & KGST Act 2017 read with Rule 104 of CGST Rules 2017 & KGST Rules 2017, in FORM GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.

2. The Applicant is a private limited company and is registered under the Goods and Services Act, 2017. The applicant has sought advance ruling in respect of the following question:

Whether the back-end support services provided by the applicant to the Juniper Inc. under the agreement would be classified as 'Support Services'



under the Tariff Heading 9985 of Notification 11/2017 – Central Tax (Rate) dated 28.06.2017?

- b) Whether the services in question would be treated as Intermediary services or not?
3. The applicant furnishes some facts relevant to the stated activity:
- a. The applicant states that he is in the business of providing back-end support services to its various clients.
 - b. As a part of its business, the applicant states that he has entered into a Trade Compliance Services ("the agreement") with Juniper Networks Inc., an entity located in the USA (hereinafter referred to as 'Juniper Inc.') which lays down terms of various services to be provided by the applicant. The Statement of Work ("SOW") attached to the Agreement details the various services to be provided by the applicant. As per the SOW, the applicant mainly provides the services of Trade Compliance Operations Management (involving assistance and support for export compliance, import compliance, manual documentation preparation, etc.) and miscellaneous administrative support (involving responding to request for historic shipping documents, filing end user certificates, updating the compliance details, updating license details in TradeSphere application, providing customized reports, etc.). The said agreement is accordingly for providing back office support to Juniper Inc. for various transactions undertaken by Juniper Inc.
 - c. The scope of services of the applicant to Juniper Inc. as details in the SOW is summarized by the herewith:
 - (a) Export – Import Compliance Support: To undertake various activities to day-to-day transactions of Juniper Inc. so as to ensure compliance with Bureau of Industry and Security, Department of Commerce, US. This includes screening of order, shipping documents, user registration, etc. in Juniper Inc.'s SAP application. In case of Import, the applicant is also responsible to examine import entry files, report the findings and maintain the database of all the reviewed files.
 - (b) Manual Documentation Support: To undertake various activities so as to provide support to Juniper Inc. in preparing the shipping and other documents in respect of their day-today transactions. This inter-alia includes assistance in preparation of (i) Shipping documents, (ii) Documentation for declaration at Customs, (iii) Documentation for movement from contract manufacturer i.e. Accton.
 - (c) Other administrative support:
 - a. Generation of reports from Oracle Application and sharing of information with Juniper Inc.;
 - b. To update the details of freight charges paid by Juniper Inc. on behalf of its customers in the Oracle application;

- (d) It can be observed, from the above, that the services provided by the applicant to Juniper Inc. are mainly in the nature of various back office support services in relation to compliance requirements to Juniper Inc. and maintenance of information database at all times along with providing other agreed administrative support in this regard.
- (e) The applicant, in terms of the agreement, raises a monthly invoice for the various services provided to Juniper Inc. The entire consideration against the said invoice is received by the applicant in convertible foreign exchange.
- d. The applicant refers to the Annexure to Notification 11/2017 - Central Tax (Rate) dated 28.06.2017 which provides for classification of services under Goods and Services Tax (GST). The relevant extract of the said Annexure is reproduced hereunder:

Sr.No.	Chapter, Heading, Group	Service Code (Tariff)	Description
400	Heading 9985		Support Services
444	Group 99859		Other Support Services
448		998594	Combined Office Administrative Services
		998595	Specialised office support services such as duplicating services, mailing services, document preparation and the like
453		998599	Other support services not specified elsewhere

In addition to above, the applicant also refers to Explanatory notes as released by Central Board of Indirect Taxes and Customs (CBIC) which indicates the scope and coverage of the Heading, Groups and Service Codes of the Scheme of Classification of Services. The relevant extracts of the same is reproduced hereunder:

998594 - Combined Office Administrative Services

This service includes provision of a combination of day to day office administrative services, such as reception, financial planning, billing and record keeping, personnel and mail services etc. for others on contract basis.


998595 - Specialised Office Support Services such as duplication services, mailing services and document preparation services.

This service code includes; services consisting of sending material by stuffing, sealing, metering and mailing; document preparation; document editing or proof reading; word processing,



- e. The applicant states that from the above explanatory notes, it can be understood that scope of support services would include services in the nature of back-end such as document preparation, document processing, etc. which are outsourced by a Company. In the present case, the services provided by the applicant to Juniper Inc. in terms of the Agreement and the SOW are similar to those covered under the explanatory notes released by the CBIC. Therefore, the applicant claims that such services supplied by the applicant under the agreement to Juniper Inc. are in the nature of support services classifiable under Tariff Code 9985.
- f. The applicant also refers to the definition of 'Support Service' as defined under the pre-GST regime which covered such services. Section 65B(49) of the Finance Act, 1994 defined 'Support Service' to mean:
"Infrastructural, operational, administrative, logistic, marketing or any other support of any kind comprising functions that entities carry out in ordinary course of operations themselves but may obtain as services by outsourcing from others for any reason whatsoever and shall include advertisement and promotion, construction or works contract, renting of immovable property, security, testing and analysis."
- g. The applicant states that from the above it can be observed that 'support services' as defined above inter alia covered services in the nature of outsourcing. In present case, the services provided by the applicant are also in the nature of outsourcing activities, i.e. back-end support function. Therefore, it can be said that services provided by the applicant to Juniper Inc. under the agreement would be classified as 'Support Services' under Service Tariff 9985; and in particular under the Group 99859 covering 'Other Support Services'.
- h. The applicant also highlights various activities performed by them under the agreement and they are of the same nature i.e. 'Support Services' as explained above. Accordingly, and without prejudice to the need of referring to the definition of 'Composite Supply' as per Section 2(30) of the CGST Act or otherwise, the principal supply in respect of the activities in question would be 'Support Services' only, since all the activities undertaken under the agreement are also in the nature of 'Support Services' on a standalone basis.
- i. Further, the applicant highlights that the said services provided under the agreement are not in the nature of an 'intermediary'. The term 'intermediary' is defined under Section 2(13) of IGST Act. The definition of intermediary is reproduced hereunder:
Section 2(13) of IGST Act -

'Intermediary' means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services or both securities on his own account'.



- j. In this regard, the applicant highlights the following facts as per the terms of the agreement:
- i. Services provided by the applicant to Juniper Inc (service recipient) is on a principal-to-principal basis;
 - ii. The services in question are supplied by the applicant to Juniper Inc. on its own account;
 - iii. The applicant provides the services directly to the service recipient i.e. Juniper Inc and not to any other person on behalf of the service recipient, say, the customers of Juniper Inc.
 - iv. Juniper Inc. would be dealing with customers directly and the applicant is not authorized to enter into any contract or arrangement on behalf of Juniper Inc.
 - v. Services provided by the applicant is on the basis of guidelines issued in terms of agreement entered with Juniper Inc, and the applicant reports directly to Juniper Inc. Therefore, inference can be made that there is no arrangement or facilitation of supply of goods or services or both which is done by the applicant to customers of Juniper Inc.
 - vi. The applicant does not secure any order from the customers in India, but the order will be placed directly by the customer on the application owned and maintained by Juniper Inc.
 - vii. Juniper Inc. supplies goods or services or both to its customers on the basis of orders received from its customers on the application provided for placing of the order;
 - viii. It is the customer of Juniper Inc, who will import the goods, file bill of entry and pay the applicable duties on imports.
- k. The applicant states that he does not arrange or facilitate any services on behalf of Juniper Inc and hence there is no question of service qualifying as 'Intermediary' services being provided by the applicant. The arrangement entered is between Juniper Inc and the applicant and there is no involvement of any other entity or person.
- l. The applicant refers to the para 5.9.6 of CBEC's Education Guide dated 20.06.2012 which, though released under the pre-GST regime, the framework and the intention of the Government would hold true even under the GST regime. The said Education Guide while explaining the term 'intermediary' clearly states that a person who arranges or facilitates a provision of a service, but provides the main service on his own account, is excluded from the scope of the term 'intermediary'. In the present case, the support services are provided by the applicant on his own account and the applicant does not facilitate any supplies of goods or services but provides back end support services.
- m. The applicant also refers to certain judicial precedents under the Finance Act, 1994 i.e. erstwhile regime wherein it was held that where services are provided on principal to principal basis, the said services would qualify as main service, not intermediary service.



- **Global Transportation Services Pvt Ltd. [2016 (45) STR 574 (AAR)]** - This service agreement would be on principal to principal basis and not as agent of said airline/ shipping lin. Therefore, applicant would be covered by the exclusion clause, i.e. provides the main service - inbound and outbound shipment on his own account in terms of Rule 2(f) of POP rules and thus not covered under Rule 9(c) ibid as "intermediary service"

- **GoDaddy India Web Services Pvt Ltd [2016 (46) STR 806 (AAR)]** the applicant is providing business support service such as marketing and other allied services like oversight of quality of third party customer care centre operated in India and payment processing services, on behalf of GoDaddy US. Therefore, these services provided by the applicant to GoDaddy US cannot be categorized as intermediary services.

- **Universal Services India Pvt Ltd [91 VST 483 (AAR)]** - In the given case, the applicant is engaged in provision of payment processing services to WWD US wherein it was held that services under the consideration is being provided on its own account as a main service and qualifies as Business Support Service and not an "intermediary".

In the present case, the applicant is providing main service. i.e. business support services to WWD US and on his own account. Therefore, the applicant is not an "intermediary" and the service provided by him is not intermediary service.

- n. Similar decision was also held in the case of M/s Evalueserve.com Pvt Ltd v. CST, Gurgaon [2018 (3) TMI (CESTAT Chandigarh)] - In view of the above precedents, the applicants claims that it can be observed that wherever the assessee provides support services on his own account, the services have been held to not qualify as intermediary services. In the present case, as can be observed from the nature of services and other explanation provided in this application, the applicant provides back end support services for facilitating business transactions of Juniper Inc. and thus provides the services on its own account.
- o. In light of the above background, the applicant states that he is of the view that the supply of services by the applicant under the agreement is not an intermediary service and will be classifiable under "Support Service" under the Tariff Heading 9985 of Notification 11/2017 - Central Tax (Rate) dated 28.06.2017.

4. FINDINGS & DISCUSSION:

We have considered the submissions made by the Applicant in their application for advance ruling as well as the submissions made by Sri Badrinath, CA, authorized representatives, during personal hearing. We have also considered the issues involved, on which advance ruling is sought by the

applicant, and relevant facts. At the outset, we would like to state that the provisions of both the CGST Act and the KGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the KGST Act.

4.1 The Trade Compliance Services Agreement entered between the applicant and Juniper Inc. is verified and found the following:

- (a) The applicant shall perform services for the benefit of Juniper Networks as the parties may agree from time to time (the "Services"). The Services will be provided in accordance with the written Statements of Work ("SOW") agreed to between the parties. The applicant and Juniper Networks shall jointly determine and identify each party's roles for each set of services set forth in an SOW.
- (b) The applicant is and shall remain an independent contractor and not an employee of Juniper Networks. Except as specifically provided in this agreement, nothing in this agreement shall either be rendered, or be interpreted or construed to mean that the parties are partners, joint venturers, trustee/beneficiary, employer/employee or principal/agent of the other. Except as specifically provided in this agreement, neither party shall have any authority whatsoever to obligate or commit the other party, contractually or otherwise, and neither party shall do anything whatsoever to represent to any person that they have any authority to so obligate or commit the other party.
- (c) The applicant acknowledges that they have not authority to enter into and the applicant agrees not to enter into any contract incur any liability or otherwise act on behalf of Juniper Networks. Nothing in this agreement shall be construed to imply that vendor is an agent, employee, or other representative of Juniper Networks nor shall Vendor make any representations to the contrary.
- (d) In the course of performing the services, the applicant has agreed to comply with all applicable export, import and technology control laws and regulations. Without limiting the foregoing, the applicant has agreed, both during the term of this agreement and thereafter, not to export any technical data or other material received or generated by the applicant in the course of performing Services under this agreement without complying with all applicable export control laws and regulations.
- (e) Scope of the work states that the applicant is going to provide services to Juniper related to :
 - a. Trade Compliance Operations Management which involves compliance screening relevant to Juniper's business, as instructed and trained by Juniper
 - b. Helpdesk support services which includes providing status of shipment to Juniper internal and external customers
 - c. Certain administrative tasks as described therein



(f) Regarding the Trade Compliance Operations Management, it is seen that Juniper has provided access to the applicant on its TradeSphere and Oracle applications, to perform outsourced processes. The responsibility of the business logic and functionality of the applications remain with Juniper.

a. Export Compliance: Juniper has trained applicant to perform certain activities on day to day transactions of Juniper, so as to comply with the rules and regulations laid down by Bureau of Industry and Security, Department of Commerce, US.

i. Restricted Party Screening: Prior to booking an order or demo of a product, potential customers of Juniper are to be screened against the restrictive party list. The applicant is responsible to screen the entities on TradeSphere application and provide the results to concerned teams of Juniper and/or other service providers of Juniper.

ii. Order Screening: As per the business logic on TradeSphere application, any transaction which should not be PASSED automatically by the system is kept on HOLD and for all such transactions, an alert is sent to the applicant directly from the TradeSphere application. The applicant is responsible to manually intervene into such transactions and take necessary actions based on guidelines provided by Juniper as per agreed SLA.

iii. Shipment Screening: As per the business logic on TradeSphere application, any transaction which should not be PASSED automatically by the system is kept on HOLD and for all such transactions, an alert is sent to the applicant directly from the TradeSphere application. The applicant is responsible to manually intervene into such transactions and take necessary actions based on guidelines provided by Juniper as per agreed SLA.

iv. Shipping documents: Juniper revenue shipments are booked in Oracle by Juniper Order Management team and this information flows to TradeSphere application automatically. As a process, the applicant receives from Juniper contracted manufacturers and/or freight forwarders for shipping documents. The applicant is responsible for the accuracy of the compliance information on the shipping documents and to fulfill the document request of the manufacturer/ freight forwarder as per agreed SLA.

v. Web Registration: As per the business decision by Juniper, all individuals / companies who register themselves on Juniper website to access certain information, will have to be screened against the business rules laid down by Juniper on TradeSphere application. At times, when the application is unable to make a decision, the applicant manually intervenes and takes necessary actions based on guidelines provided by Juniper and as per agreed SLA.

vi. License key: As per the business logic on TradeSphere application, any transaction which should not be PASSED

automatically by the system is kept on HOLD and for all such transactions, an alert is sent to the applicant directly from the TradeSphere application and the applicant is responsible to manually intervene into such transactions and take necessary actions based on guidelines provided by Juniper and as per agreed SLA.

- b. **Import Compliance:** Juniper has trained applicant to perform certain activities on the day-to-day transactions of Juniper, so as to comply with the rules and regulations laid down by the Bureau of Industry and Security, Department of Commerce, US and Customs and Border Protection governing bodies:
 - i. **Import Entry Audit:** Juniper has nominated certain forwarders to file the entries with US Customs whenever the import is done under the name of Juniper. Such transactions are periodically sent to the applicant for audits. The applicant is responsible to audit the entry files and report the findings to Juniper periodically.
 - ii. **Import Entry Record Keeping:** Juniper has assigned the responsibility to the applicant to maintain the database of all import files audited by the applicant and safe keep the documents (in any format) for a period of 5 years.
- c. **Manual documentation:** Juniper has trained the applicant to perform certain activities on the day-to-day transactions of Juniper, so as to support Juniper in preparing the shipping documents for non-revenue shipments.
 - i. **CS, DOA, Internal & RMA shipments:** Juniper has provided guidelines to the applicant on preparing the shipping documents for its Customer Service, Dead on Arrival, Internal (Shipments moving between Juniper offices / manufacturer to Juniper office) and Return Material Authorised Shipments. The applicant is responsible to prepare the documents based on the destination country and relevant compliance parameters to be used for such transactions as instructed by Juniper and process the requests within the agreed SLA.
 - ii. **Demo Loan Shipping Documents:** Juniper has provided guidelines to the applicant on preparing the shipping documents for Demo Loan shipments. The applicant is responsible to prepare the documents based on the destination country and relevant compliance parameters to be used for such transactions as instructed by Juniper.
 - iii. **Mailroom Shipping Documents:** Juniper is yet to provide guidelines to the applicant on preparing the shipping documents for mailroom shipments (shipments between Juniper offices with non-Juniper products). Once trained, the applicant will be responsible to prepare the documents based on the destination country and relevant compliance parameters to be used for such transactions as instructed by Juniper.



- iv. Hong Kong Declaration documents: Juniper has assigned the responsibility to the applicant to prepare the documentation for declaration purposes at Hong Kong Customs. The applicant is responsible to prepare two sets of documents (import into Hong Kong and export out of Hong Kong) for each shipment which physically transit through Hong Kong.
- v. Accton Shipping documents: Juniper has assigned the responsibility to the applicant to prepare the documentation for certain shipments moving out of one of its contract manufacturers (Accton). The applicant is responsible to prepare the documents out of Accton moving to various Juniper offices and/or other contract manufacturer locations worldwide.
- vi. CS Hub documents: Juniper APAC Customer Support team has trained the applicant to prepare the documentation for all CS Shipments moving from Singapore UPS hub to Customers and/or other UPS locations in APAC region. In addition to this, the applicant is also responsible for all shipments moving from UPS Louisville hub to APAC UPS locations for replenishment.

(g) Regarding the Helpdesk Support Services, it is agreed that Juniper has provided access to the applicant on its TradeSphere and Oracle applications, to perform the outsourced processes. The responsibility of the business logic and functionality of the applications remain with Juniper.

- a. Email responses: Juniper has trained the applicant to perform certain activities on the day-to-day transactions of Juniper, so as to help its internal and external Customers get visibility on the status of their shipments. The applicant will be responsible to reply to the email messages with accurate information obtained from Juniper applications within the agreed SLA.
- b. Forwarder Confirmation: Juniper has trained the applicant to perform the forwarder confirmation process on its Oracle applications. The applicant will be responsible to perform the assigned task accurately as per guidelines from Juniper and has to adhere to the timelines set by Juniper. Apart from performing the Forwarder Confirmation on the shipments. The applicant is also responsible to generate the 'Shipped Not Invoice' report from Oracle and alert certain teams within Juniper in a timely manner.
- c. Pre-Pay & Add: Juniper has trained the applicant to perform the "pre-pay and add" process for all shipments for which Juniper would have paid the freight charges on behalf of the customer. The applicant will be responsible to calculate the freight charges based on the weight and quantity of a shipment and input the freight charges prior to performing the Forwarder Confirmation on a particular shipment. The applicant has to adhere to the timelines specified by Juniper.
- d. Serial Number Back Out: Juniper has trained the applicant to perform the serial number back out process on its Oracle

application. The applicant will be responsible to perform the assigned task based on the guidelines provided by Juniper.

- c. SSUI: Exception Handling (payments): Juniper has a pre-defined approach to clear its financial dues to its service providers. All service providers have to go through a payment screening gateway controlled by an outsourced service provider called Software Solutions Unlimited Inc (SSUI). Through this payment channel, all payments which have a genuine Juniper GL code will get through and the payment will be processed. The ones which do not have a pre-coded GL Code will be on hold. Juniper has trained Fulcrum on how to handle such exceptions and the applicant will be responsible to clear the outstanding payments based on the knowledge imparted by Juniper.

(h) Regarding the administrative tasks the process related ad-hoc requests are placed by the management team at Juniper to the applicant. Some examples of such requests are listed in the agreement:

- a. Web Registration mass update of back-end data which triggers a spike in volume on the process
- b. Request for historic shipping documents
- c. Filing End User Certificates and verifying the accuracy and eligibility of the same at the time of releasing an order
- d. Updating the compliance details of Juniper intangible products and coordinating with Juniper IT helpdesk to upload the details on TradeSphere application
- e. Updating licenses obtained by Juniper in TradeSphere application.

4.2 The details of the above works that has been entrusted to the applicant by Juniper shows that the Juniper Inc has outsourced its works to the applicant and the applicant is providing his services either updating in the system and if the system is not able to process the work, then it has to do the process manually and update the system. There is no interaction of the applicant with the third persons, either directly or indirectly and the applicant is only concerned with the work which has been entrusted to it on the system.

4.3 The clause (13) of section 2 of the IGST Act, 2017 defines the "intermediary" as under:

"(13) "intermediary" means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a person who supplies such goods or services or both or securities on his own account."

The issue is whether the applicant is arranging or facilitating the supply of services between two or more persons. The terms of the agreement are verified and found that the applicant has outsourced a part of the activity of supply of services by Juniper Inc to his clients or recipients of such service, to the applicant and the applicant is providing the service in relation to the service provided by Juniper Inc. The exact meaning of the word "facilitating" has not been defined or explained in the Act or Rules.



4.4 The meaning of the word "facilitate" as provided in the various dictionaries are as under:

Oxford Dictionary : "facilitate" - Make (an action or process) easy or easier.

Cambridge Dictionary: "facilitate" - to make something possible or easier

The Free Dictionary by Farlex

"Facilitate" : verb - accelerate, advance, aid, assist, assist the progress, clear, clear the way, de-obstruct, disburden, disentangle, ease, enable, encourage, expedite, expedite, forward, foster, free from difficulty, free from hindrance, free from impediment, free from obstruction, further, give clearance, hasten, help, lend a hand, lessen the labor, lift a ban, lighten, make a path for, make easy, make possible, open the way for, pave the way, promote, push forward, quicken, *rem faciliorem reddere*, render a task easier, render assistance, render less difficult, simplify, smooth, speed up

In terms of the Statement of work, it is seen that the applicant is engaged in providing the services themselves. In other words there is no third person involved in providing services to Juniper or receiving from Juniper where the applicant may have acted as the go in between. The applicant is thus not involved as an intermediary in terms of the contents of the statement of work provided by the applicant.

4.5 The issue under question is whether the services provided by the applicant to Juniper Inc would be classifiable as "Support Services" under the Tariff Heading 9985 of Notification No.11/2017 - Central Tax (Rate) dated 28.06.2017. The nature of the service supplied by the applicant is verified and found that the applicant is providing the services which is in the nature of back office work. The claim of the applicant that the services provided by him is covered under the Heading 9985 is verified and found the following

Heading 9985 is related to

Chapter, Section, Heading or Group	Service Code (Tariff)	Service Description
Heading 9985		Support Services
Group 99851		Employment services including personnel search/referral service and labour supply service
Group 99852		Investigation and security services
Group 99853		Cleaning services
Group 99854		Packaging services
Group 99855		Travel arrangement, tour operator and related services
Group 99859		Other support services
	998591	Credit reporting and rating services
	998592	Collection agency services
	998593	Telephone based support services
	998594	Combined Office administrative services
	998595	Specialised office support services such as

		duplicating services, mailing services, document preparation and the like
	998596	Events exhibitions, conventions and trade shows organisation and assistance services
	998597	Landscape care and maintenance services
	998598	Other information services nowhere else classified
	998599	Other support services nowhere else classified

It is very clear that the activities of the applicant is a support service provided to the recipient of services and are not covered under the Groups from 99851 to 99855. It is also not covered by the Service Code 998591 to 998594 and 998596 to 998598. The only question here is whether it is covered by Service code 998594 or 998595 or 998599.

The explanatory notes relating the Service Code 998594 reads as under:

"998594 Combined office administrative services

This service code includes provision of a combination of day to day office administrative services, such as reception, financial planning, billing and record keeping, personnel and mail services etc. for others on a contract or fee basis"

The nature of the works done is verified and found that it is not **office administration** work done for others on contract basis and hence they cannot be covered under Service Code 998594.

The explanatory notes relating the Service Code 998595 reads as under:

"998595 Specialized office support services such as duplication services, mailing services and document preparation services

This service code includes blueprinting, photocopying and other duplication services other than printing; services consisting of compiling lists of names and addresses from telephone directories and other sources but does not include compilation services of facts and information, cf. 998399; services consisting of sending materials (e.g., advertising material, information material or any other material) by envelope addressing, stuffing, sealing, metering and mailing but does not include courier services, cf. 996812; document preparation; document editing or proofreading; typing, word processing, or desktop publishing; secretarial support services; transcription of documents, and other secretarial services; letter or resume writing; provision of mailbox rental

This service code does not include:

- specialized stenotype services such as court reporting and public stenography services, cf. 998599"

The issue before us is whether the services rendered can be covered under the term "document preparation services". The contract agreement is verified and found that the applicant is not just preparing the document but performs activities on the day to day transactions of Juniper Inc like Screening of

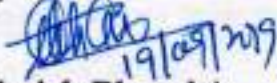


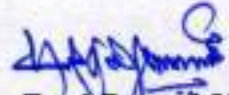
restricted parties, screening of orders, screening of shipments, maintenance of shipping documents, doing manual processing of transactions on HOLD, auditing of entries, Record keeping etc. Hence the activities of the applicant cannot be covered under the Service Code 998595 and hence covered under the Service Code 998599.

5. In view of the foregoing, we pass the following

RULING

1. The back-end support services provided by the applicant to the Juniper Inc under the agreement is classifiable as "Support Services" under the Tariff Heading 9985 of Notification No.11/2017 - Central Tax (Rate) dated 28.06.2017 and more specifically under the Service Code 998599.
2. The services in question are not Intermediary Services for the reasons explained.


(Harish Dharnia)
Member


(Dr. Ravi Prasad M.P.)
Member

Place : Bengaluru,

Date : 19-09-2019

To,

The Applicant

Copy to:

- (a) The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
- (b) The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
- (c) Commissioner of Central Tax, Bangalore South Commissionerate, Bengaluru.
- (d) The Asst. Commissioner, LGSTO-15, Bengaluru.
- (e) Office Folder

