

## **SERVICE TAX**

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### **CIRCULAR**

#### **ST : Clarification regarding service tax liability of visa facilitators on assistance provided for processing visa applications**

#### **CIRCULAR NO. 137/6/2011-ST, DATED 20-4-2011**

An issue has been brought before the Board, seeking a clarification as to whether service tax liability would arise on the assistance provided by visa facilitators, to individuals directly, for processing of visa applications.

**2.** The same has been examined. Assistance provided by a visa facilitator, for obtaining visa, to a visa applicant or for foreign employer does not fall within the scope of supply of manpower service. Visa facilitators, while providing visa assistance directly to individuals does not act on behalf of the embassies, as agents of the principal and hence service tax is not leviable within the meaning of business auxiliary service. Also where the assistance is rendered to an individual directly, by a visa facilitator, and the visa applicant pays the service charge on his own (meaning such service charge is not borne by any business entity), the same cannot be considered as support service for business or commerce.

**3.** Visa facilitators, merely facilitate the procurement of visa and directly assist individuals who intend to travel abroad, to complete the immigration formalities. Visa facilitators collect certain statutory charges like visa fee, certification fee, attestation fee, emigration fee, etc. from the visa applicant, which are remitted to the respective authorities, and in addition collect service charges for themselves as remuneration for the assistance provided by them to obtain the visa. Such a service provided by a visa facilitator, in the form of assistance to individuals directly, to obtain a visa, does not fall under any of the taxable services under section 65(105) of the Finance Act, 1994. Hence service tax is not attracted.

**4.** However, service tax is leviable on any service provided other than assistance directly to individuals for obtaining visa, falling under the description of any taxable service, as classifiable under the appropriate heading. To cite a few instances, where in addition to rendering assistance directly to individuals for obtaining visa, visa facilitators may also act as agents of recruitment or of foreign employer, in which case, service tax is leviable to the extent under the service of 'supply of manpower'. In certain other cases, for example, a visa facilitator, may be rendering visa assistance to individuals who are employed in a business entity, but the service charge may be paid by the business entity on behalf of those individuals, to the visa facilitator, in which case, service tax is leviable under 'business support service'.

**5.** Trade Notice/Public Notice may be issued to the field formations accordingly.