

GIB/MH/DUBAI CHAMBER/24.05.2021/AAR-470

Advance Ruling Category : SUPPLY OF SERVICES

State : Maharashtra

Order No.: GIB/MH/DUBAI CHAMBER/24.05.2021/AAR-470

Name of Entry :
DUBAI CHAMBER OF COMMERCE AND INDUSTRY

Date : 24-05-2021

Breif Issue :

FACTS OF THE CASE:

In this case the applicant, Dubai Chamber of Commerce and Industry is also a non-profit organization, formed to represent, support and protect the interests of the Dubai business community in India, by creating a favourable environment, promoting Dubai businesses and by supporting development of business in India.

Under the ambit of RBI norms, applicant shall undertake liaison/representation activities in India namely Liaison between India office and Dubai office, Attending and representing DCCI in various seminars, conferences & trade fairs and Connecting businesses in India with business partners in UAE and vice versa Organizing events & interactions with Indian stakeholders for sharing information about Dubai.

All expenses incurred by applicants (predominantly office rent, salaries, consultancy services), are to be reimbursed from DCCI UAE on a cost-to-cost basis. Applicant is not a separate legal entity, rather it is a mere extension of DCCI UAE. Reimbursement of expenses received from DCCI UAE cannot be treated as consideration under GST law and hence. Applicants are not liable to obtain GST registration.

ISSUE OF THE CASE:

The applicant has sought the advance ruling on the issue whether activities performed by DCCI LO shall be treated as supply under GST law?

Decision of Advance Ruling Authority :

DECISION:

The applicant is satisfying all the conditions of an intermediary and there is no hesitation in holding that, the applicant is an intermediary. As per the provisions of Section 13 (8) of the

IGST Act, 2017, we find that the place of supply in subject case of the applicant as an intermediary would be the location of the supplier of services i.e. the location of the applicant which is located in the State of Maharashtra, India.

From the website of Dubai Chamber, UAE, it is seen that they are providing various services for which fees are charged. Thus it is clear that the applicant's Head Office appears to be a profit making organization, in which case the applicant cannot be considered as a non-profit making organization.

There is definitely, a supply of services by the applicant to various businesses in India and Dubai and such supply is done by the applicant as an intermediary - activities under taken by the DCCI is nothing but "Business". The terms "Supply" and "Business" are defined under GST Act, in an inclusive manner and have wide connotations. Hence the reply filed by the applicant to cross objection is incorrect. Activities undertaken by the applicant are covered by the scope of word "Commerce", "Business" and also covered under the scope of "Supply".

The applicant connects businesses in India with business partners in Dubai. In other words applicant is providing services, to various business in India and Dubai. Hence, the facts of both the cited cases are different from the facts of the present case - the applicant is receiving consideration from its Head Office in excess of expenses incurred by it, we agree with the jurisdictional officer's view that, the applicant cannot be treated as a non-profit organization. Also, the application is providing intermediary services for which it is liable to pay GST.