



CENTRAL WAREHOUSING CORPORATION  
(A GOVT. OF INDIA UNDERTAKING)



By Speed Post/Email

No. CWC/FD-Taxation/ST(Gen)/2015-16/2015

Date: 31.03.2016

**Service Tax Circular # 91**

**Subject= Applicability of Service Tax on payment of establishment charges to Custom Staff under Reverse Charge Mechanism.**

Earlier vide Circular No. 68 dated 05.04.2013, it was informed that Custom, being a government body, does not provide any support service to the Corporation and is only discharging its statutory functions and therefore, service tax under Reverse Charge Mechanism will not be applicable on the payment of establishment charges for Custom Staff posted/deployed at various CFSs, ICDs & Bonded Warehouses situated in all regions.

However, as per notification No. 06/2016 dated 18.02.2016, the word “**support**” is omitted w.e.f. 01.04.2016 and as per revised provisions of RCM, CWC is liable to discharge service tax liability under RCM w.e.f. 01.04.2016 on payment of establishment charges to Indian Customs for Custom Staff posted/deployed at various CFSs, ICDs & Bonded Warehouses situated in all regions.

The receipt of this Circular may please be acknowledged and its contents be brought to the notice of all concerned for their scrupulous compliance.

This issues with the approval of Competent Authority.

(Amit Puri)

Dy. General Manager (TAX)


**Distribution to:**

1. All Regional Managers of CWC.
2. All Executive Engineers in-charge of all the Construction Cells of CWC.

3. All AGMs/Managers/(Sr.) Asstt. Manager in-charge of the Finance, Accounts & Internal Audit Wings of all ROs & CCs of CWC.

**Copies for information to:**

1. All HODs at CWC, Corporate Office, New Delhi.
2. All DGM/AGMs/Managers/(Sr.) Asstt. Managers/Accountants in Finance, Accounts & Internal Audit Cadre at CWC Corporate Office, New Delhi.
3. PS to Managing Director, CWC,CO, New Delhi.
4. PS to Director(Fin)/Director(Pers),CWC,CO, New Delhi.
5. PS to CVO/OSD(Recovery)/GM(F&A)s, CWC, CO, New Delhi.
6. PS to GM(System), CWC, CO, New Delhi with a request to place this Circular on CWC's website.
7. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.



**(Amit Puri)**

**Dy. General Manager (TAX)**