

**MAHARASHTRA AUTHORITY FOR ADVANCE RULING**

**GST Bhavan, 1st floor, B-Wing, Room No. 106, Mazgaon, Mumbai – 400010.**  
**(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)**

**BEFORE THE BENCH OF**

- (1) Ms. P. Vinitha Sekhar, Additional Commissioner of Central Tax, (Member)**  
**(2) Shri T.R. Ramnani, Joint Commissioner of State Tax, (Member)**

GSTIN Number, if any/ User-id	271900000340ARY URD
Legal Name of Applicant	Dubai Chamber of Commerce And Industry
Registered Address/Address provided while obtaining user id	9 floor, Platina, G Block, Plot C59, BKC, Bandra East, Mumbai- 400051, Maharashtra.
Details of application	GST-ARA, Application No. 35 Dated 01.08.2019
Concerned officer	The Commissioner of CGST/CX, Mumbai East Commissionerate, Mumbai
Nature of activity(s) (proposed / present) in respect of which advance ruling sought	
A   Category	Liaison office
B   Description (in brief)	Liaison office as per the approval from RBI
Issue/s on which advance ruling required	(vi) whether applicant is required to be registered under the Act (vii) whether any particular thing done by the applicant with respect to any goods and/or services or both amounts to or results in a supply of goods and/or services or both, within the meaning of that term
Question(s) on which advance ruling required	As reproduced in para 01 of the Proceedings below.

**PROCEEDINGS**

**(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)**

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as “the CGST Act and MGST Act”] by Ms. Dubai Chamber of Commerce, the applicant, seeking an advance ruling in respect of the following questions.

- A) Whether activities performed by DCCI LO shall be treated as supply under GST law?  
B) Whether DCCI LO is required to obtain GST registration?  
C) Whether DCCI LO is liable to pay GST?

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

## **2. FACTS AND CONTENTION – AS PER THE APPLICANT**

2.1 Dubai Chamber of Commerce & Industry, Dubai (hereinafter referred to as "DCCI UAE") is a public, non-profit organization, whose stated purpose is to support the business community in Dubai and promote Dubai as an international business hub.

2.2 Dubai Chamber of Commerce and Industry - Liaison office (hereinafter referred to as "DCCI LO" or "THE APPLICANT") is established by DCCI UAE in Mumbai, Maharashtra. Applicant is also a non-profit organization, formed to represent, support and protect the interests of the Dubai business community in India, by creating a favorable environment, promoting Dubai businesses and by supporting development of business in India. Under the ambit of RBI norms, Applicant shall undertake below liaison/representation activities in India;

1- Liaison between India office and Dubai office

2- Attending and representing DCCI in various seminars, conferences & trade fairs

3- Connecting businesses in India with business partners in UAE and vice versa

4- Organizing events & interactions with Indian stakeholders for sharing information about Dubai

Apart from above, no other activity is to be performed by applicant in India whether with or without any consideration.

2.3 All expenses incurred by applicant (predominantly office rent, salaries, consultancy services), are to be reimbursed from DCCI UAE on cost-to-cost basis. Thus, no consideration is to be charged/ paid for aforementioned activities.

2.4 Thus, 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, Applicant is not liable to obtain GST registration.

2.5 As per Regulation 2 (e) of the Foreign Exchange Management Regulations, 2016 ("FEMR") for establishment of Liaison Office ("LO") in India, a LO Acts as a communication channel between their head office and India entity; lo is restricted to undertake any commercial/ trading/ industrial activity either directly or indirectly; No



consideration is received by LO from head office and LO maintains itself out of inward remittances received from abroad through normal banking channel and a LO is merely an extension of its head office and shall not be treated as separate entity

2.6 As per Regulation 4 (b) along with Schedule II of FEMR "A person resident outside India permitted by the Reserve Bank under these Regulations to establish a branch or liaison office in India may undertake or carry on any activity specified in Schedule I or II (Annex B), as the case may be, but shall not undertake or carry on any other activity unless otherwise specifically permitted by the Reserve Bank" and the permitted activities for a liaison office in India of a person resident outside India is as under:-

- I. Representing the parent company / group companies in India.
- II. Promoting export/import from / to India.
- III. Promoting technical/financial collaborations between parent/ group companies and companies in India.
- IV. Acting as a communication channel between the parent company and Indian companies.

2.7 Applicant only undertakes Liaison activities between India office and Dubai office; Attends and represents DCCI UAE in various seminars, conferences & trade fairs and connects businesses in India with business partners in UAE and vice versa

2.8 Sub-section 102 of section 2 of CGST Act, 2017 defines the term "services" and the term "supply" has been defined under Section 7 of CGST Act.

2.9 Thus, as per the statutory provisions, any supply of goods or services (except supply of alcoholic liquor for human consumption and specified petroleum products) would be subject to a levy of GST and the prima facie condition to describe any transaction as service/ supply under GST is receipt of consideration against such supply and the same is absent in the subject case.

2.10 For treating activities between related/ distinct person as supply, the pre-condition is that the said activity should be made in the course of furtherance of business, which is absent in the subject case.

2.11 Hence deemed supply provision as mentioned in Schedule I of CGST/ MGST Act, 2017 shall not be applicable in case of liaison work undertaken by DCCI LO. Therefore, applicant is not liable to obtain registration under GST laws.

2.12 Similar views have been adopted in similar matters by the recent rulings by the Advance Ruling Authorities of Rajasthan and Tamil Nadu, in the case of M/s Habufa Meubelen B.V. - Indian LO and M/s Takko Holding GMBH (Tamilnadu), respectively.



2.13 Hence, activities of applicant are not covered under ambit definition of service or supply under GST; applicant is not liable to obtain registration under GST law and its activities are not liable to levy or payment of GST.

**2.14 Additional Submission made on 11.12.2020**

2.14.1 With reference to requirement of Documentary evidence to substantiate that, 'Dubai Chambers of Commerce and Industry' is a non-profit organization, reference is made to "Law No 8 of the Year 1997 on the Organization of the Dubai Chamber of Commerce and Industry" passed by the Ruler of the Emirate of Dubai wherein it is mentioned that *"The Chamber is a non-profit public utility organization, with legal entity and financial and administrative independence."* Hence, it can be seen that the organization has been set up with no-profit objective, to look after the commercial, industrial, agricultural interests of the Chamber members.

2.14.2 Further, with reference to expenditure of Rs. 27,24,700/- (as disclosed in the Financial Statement for the period ended March 31, 2019), incurred directly by the Head Office viz. Dubai Chamber of Commerce & Industry, UAE, on applicant's behalf, the said expenses have been ratified and approved by RBI vide letter No. FE.CO.FID/640/10.01.000/2019-2020 dated March 12, 2020.

2.14.3 Finally, with respect to the observation that applicant is receiving surplus amount as remittances from DCCI UAE which is nothing but profit and hence, should be treated as consideration under GST Act, it is stated that funds from DCCI UAE are received based on expenditure forecast for a quarter. This arrangement is mainly to ensure availability of funds at all times and to reduce administrative burden of bank charges at DCCI UAE's end due to frequent fund transfers. Whatever reimbursable funds are left in excess, are not attributable to "profits" but merely represent Excess surplus cash balance which DCCI LO sets-off against subsequent expenses (on cost to cost basis)

**03. CONTENTION – AS PER THE CONCERNED OFFICER**

3.1 As per Section 2 (17) (a) even if an activity undertaken by Applicant is not for any pecuniary benefit, it will be treated as business under the CGST Act 2017. Hence, the activity of applicant is to be considered as business and payments received by the applicant from DCCI UAE will be treated as consideration. Thus, the claim of the applicant that since it is a nonprofit organization their activity is not to be considered as supply, is not correct.

3.2 With respect to expenses reimbursed to the applicant, the activity undertaken by the DCCI LO also cannot be considered as that of a pure agent even if DCCI LO is



getting reimbursement from DCCI UAE on cost to cost basis only because the applicants activities does not satisfy the provisions of Rule 33 of CGST Rules 2017 which has defined a Pure Agent.

3.3 Under Section 15 (2) (c) of the CGST Act 2017, any amount charged for anything done by the supplier in respect of the supply of the goods or services or both is treated as consideration.

3.4 In the present case, applicant is receiving payments from DCCI UAE in respect of the activity undertaken by it for "DCCI UAE". The provisions of Section 15 (2) (c) of the CGST Act 2017, and also the provisions of Rule 2 (31) of the CGST Rules are applicable to Applicant's activity and the same is to be treated as consideration. The consideration received by the applicant is taxable under Section 2(31) of the CGST Act 2017. Any amount received in the course of furtherance of business is treated as consideration.

3.5 Applicant is receiving consideration and as per Section 7 of CGST Act applicant's activities are to be treated as supply and hence taxable under CGST Act. Therefore applicant must get itself registered.

3.6 Applicant has submitted that under the ambit of RBI norms, applicant shall undertake only liaison/ representation activities as mentioned in their application. Hence, applicant has sought clarification as to whether their activities shall be treated as supply.

3.7 It is seen that as per Section 7 (1) (c) supply includes "the activities specified in Schedule I, made or agreed to be made without a consideration; -----". Also Section 2 (105) makes it abundantly clear that supplier shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied. Hence the claim of the applicant that since they are not getting any consideration their activity cannot be considered as supply is wrong, as even an activity that is done without any consideration can be treated as supply and Applicant will be considered as a supplier.

3.8 Applicant has also claimed that apart from the liaison/ representation activities undertaken by it, no other activity is to be performed by it whether with, or without, any consideration. The provisions of Section 15(2) (c) explicitly states that value of Supply shall include any amount charged for anything done by the supplier in respect of the supply of goods or services or both at the time of, or before delivery of goods or supply of services. From the subject facts and as per all the provisions cited above



it appears that, applicant is liable to pay GST and has to obtain GST registration under CGST Act 2017.

3.9 Further, on going through the financial records of the company the following facts have been noticed:

(a) Applicant is maintaining Receipts and Payments method of Accounting. From the Receipts and Payments Statement for the period ending 31st March 2019 it is observed that, the Applicant has received Remittances from their Head Office which is excess of the expenditure incurred, during the said period, by Rs. 2,49,664/- which is surplus amount received. This amount is shown as closing cash balance by the applicant. This is nothing but profit for the applicant and goes against their contention that, they are functioning on cost to cost basis.

(b) From their provisional Balance Sheet as on 31st August 2019, it is observed that they are having a cash balance of Rs.13, 39,384 /-. This proves that from 31.03.2019 to 31.08.2019, the applicant has got a further increase in profit of Rs.10,89,700 /-. Also it is observed that in the current liabilities there is no equivalent amount of liability of Rs.13,39,384 /- clearly proving that the amount of cash lying on hand on 31.08.2019 is not for any amount of outstanding liability as on 31.08.2019:

(c) Also it is observed that an amount of Rs.23,17,270/- is shown in the Liability side of the Balance Sheet as on 31.08.2019 under the Head of DCCI-UAE. This clearly shows that their Head Office has made remittances to the applicant exceeding the actual cost incurred by it which has resulted in a creation of Liability to the extent of Rs.23,17,270/-. It appears that for the period 01.01.2019 to 31.08.2019, the applicant has received Rs. 1,09,73,532 /- which is far exceeding the expenditure amount of Rs. 82,81,609 / for the same period.

3.10 From the facts stated above, it is clear that, the applicant is not functioning on a cost to cost basis and is receiving surplus amount, as remittances, from their Head Office. This surplus amount is nothing but profit. Hence remittances received by the applicant should be treated as consideration under GST Act. Hence, applicant should obtain GST registration and pay GST on the said amount of consideration received by it.

3.11 In the Sr. No. 11 of the Notes to Financial Statement for the financial year 2018 2019 it is observed that the Statutory Auditor of the applicant has made a remark that

*"The Head Office has made the payments of Rs. 27, 24,700 /- (Rs. 3, 79,800 /- towards security deposit for the office premises and Rs. 23, 44,900 /- towards expenses) to the vendors directly in the current financial year. The liaison Office has not applied for*



*ratification of these payments with the Reserve Bank of India till the date of the signing the financial statements”.*

- 3.12 From the facts detailed above and as per all the cited provisions it appears that, applicant is liable to obtain GST registration and pay GST on its supply.
- 3.13 Vide Additional submissions dated 21.01.2020, the applicant has also filed rebuttals to the cross objection filed by the jurisdictional officer who has submitted that, the applicant is liable to pay GST and obtain registration under CGST Act, 2017 because the applicant: cannot be considered as a pure agent as per the provisions of Rule 33 of CGST Rules 2017; since the provisions of Section 15 (2) (c) of the CGST Act 2017, and also the provisions of Rule 2 (31) of the CGST Rules quoted above are applicable to the activity undertaken by the Applicant the payments received from DDCI UAE, are to be treated as consideration ; as per Section 7 (1) (c) supply includes the activities specified in Schedule 1, made or agreed to be made without a consideration and Section 2 (105) makes it clear that supplier shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied. The applicant has contended that, their activity cannot be considered as supply since they are not getting any consideration from DCCI UAE. The said contention made by the applicant is not correct because as per the provisions of the GST Laws, even an activity that is performed without any consideration, can be treated as supply.



#### **04. HEARING**

- 4.1 Preliminary hearing in the matter was held on 20.11.2019. Shri Bhadresh Vyas, C.A., appeared and requested for admission of their application. Jurisdictional Officer Shri Iyer K.S. Suryanarayan, Superintendent, Range-01, Division-IV, Mumbai East Commissionerate also appeared.
- 4.2 The case was again fixed for hearing on admission on 22.01.2020. Shri Bhadresh Vyas, C.A., appeared and made both, oral and written submissions. Jurisdictional Officer Shri Iyer K.S. Suryanarayan, Superintendent, Range-01, Division-IV, Mumbai East Commissionerate also appeared and made written submissions.
- 4.3 The case was admitted and final hearing was held on 03.03.2020. Shri Bhadresh Vyas, C.A., appeared and made oral and written submissions. Jurisdictional Officer Shri Iyer K.S. Suryanarayan, Superintendent, Range-01, Division - IV, Mumbai East Commissionerate also appeared and made submissions.
- 4.4 The case was once again fixed for final e-hearing on 26.11.2020. Authorized Representative of the applicant, Shri. Rushabh Gandhi CA., and Shri Lucky Ahuja CA.,

both were present. Jurisdictional officer Shri Iyer K.S. Suryanarayan, Superintendent, Range-I, Division-IV, Mumbai was also present. The authorized Representatives agreed to establish, with documents that they are a non-profit organization. They have also made submissions in support of their contention that they are just a Liason office of Dubai Chamber of Commerce, their Head Office in Dubai. They have also submitted that they cannot be considered as 'Intermediary'.

4.5 **Heard both, the applicant as well as the jurisdictional officer.**

## 05. DISCUSSIONS AND FINDINGS

5.1 We have gone through the facts of the case, documents on record and submissions made by both, the applicant as well as the jurisdictional officer.

5.2 Applicant, has mentioned that it shall undertake liaison/ representation activities in India viz. (1) Liaison between India office and Dubai office ; (2) Attending and representing DCCI in various seminars, conferences & trade fairs ; (3) Connecting businesses in India with business partners in UAE and vice versa ; (4) Organizing events & interactions with Indian stakeholders for sharing information about Dubai.

5.3 Thus while on one hand applicant has submitted that it is not undertaking any supply, on the other hand applicant accepts **that it connects businesses in India with business partners in Dubai**, which is nothing but supply of services. Thus the applicant acts as a conduit between some business partners in Dubai and certain businesses in India. It therefore appears that the applicant is acting as an intermediary in the subject case. Thus, we will now discuss the definition of an Intermediary as per GST Laws and see whether the applicant fits into the definition of an Intermediary.

5.4 It is therefore necessary, first, to understand the definition of 'intermediary' as defined in the CGST Act. Section 2(13) of the IGST Act is reproduced as under:-

*"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"*

5.5 Applicant is located in India and represents its Dubai Head Office and as a representative of the Dubai office, the applicant connects businesses in India with business partners in Dubai. Hence it is necessary to find out if the applicant acts as an intermediary because in such a case the provisions of place of supply will be applicable. Therefore, in the context of definition of 'Intermediary' as mentioned above, we now examine the submission made by the applicant that, it **connects businesses in India**





**with business partners in Dubai**, to ascertain whether the applicant is an Intermediary in the subject case.

5.6 As per the definition, an intermediary:

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

5.6.1 In the subject case the applicant calls itself a liaison office and an intermediary can be called “by whatever name”. So in the subject case condition number (i) is satisfied.

5.6.2 The applicant has not categorically mentioned that it is arranging or facilitating supply of goods or services or both but has definitely said that it connects businesses in India with business partners in Dubai. The term business, in a general sense, means an activity which generates income, where there may be trading of goods or provision of services, etc. The applicant has not given details of their business partners in Dubai but we have no hesitation in concluding that these business partners would be companies doing business of some kind involving trading in goods or provision of services or securities or all of them. Similarly is the situation with ‘businesses in India’. These businesses also would be involving trading in goods or provision of services or securities or all of them. By connecting businesses in India with business partners in Dubai, applicant is actually arranging or facilitating the supply of goods or services or both, or securities, between two or more persons and therefore satisfies condition number (ii) mentioned above.

5.6.3 Further, it is very clear from the applicant’s submissions that it is not providing any services on its own account. Rather it is providing the service of connecting two or more business with an intention of promoting such businesses in Dubai and since it has stated that it is a liaison office of its Dubai Head Office, the applicant is not acting on its own account, rather it is acting on behalf of its Head Office and thus satisfies condition number (iii) mentioned above.

5.6.4 Thus the applicant is satisfying all the conditions of an intermediary and we have 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.

5.7 Further, The Dubai Chamber of Commerce and industry, as per their website [www.dubaichamber.com](http://www.dubaichamber.com) was established in the year 1965 and whose mission is to



represent, support and protect the interests of the business community in Dubai by creating a favourable environment; promoting Dubai as an international business hub and by supporting the development of businesses in Dubai. The website mentions that the Dubai Chamber takes a pioneering position not only in the UAE but globally too, by acting as an information and research centre, providing business documentation, offering legal services, facilitating networking opportunities and delivering almost every conceivable business solution. The said website has explained a certain document by the name 'ATA' Carnet as an international customs document that permits duty-free and tax-free temporary importation of goods for up to one year and covers almost everything including Commercial samples, Professional equipment, goods for use at trade fairs, shows, exhibitions, events. With the ATA Carnet, salesmen, exhibitors, and other business travelers may: Make advance customs arrangements at predetermined cost; Visit several countries; Use their ATA Carnet for several trips during its one-year validity; Return to their home country without problems or delays. This particular document is issued by the Dubai Chamber, UAE. There is a particular cost attached to each and every Carnet issued and the said cost varies depending on various factors like whether the same is being issued to members or non-members, etc. For example: (i) ATA Carnet Fess for only one visit for a member is AED 800 while the same Carnet is issued to a non-member for AED 1800. Further, there are charges for Carnet to be issued for more than additional countries, there are regularization fees, cancellation fees, etc. all collected by the Dubai Chamber of Commerce, UAE. The website mentions that a collection of Security Deposit which may differ according to value of goods and number of countries intended to visit. The website also mentions that the Dubai Chamber of Commerce, UAE has launched the "Global Trusted e-Network", a global platform comprising trusted businesses, helping members establish trust with their potential customers and business partners. To ensure that only reliable businesses are listed, each company goes through credit rating verification process and receives a credit rating score issued by Dubai Chamber in collaboration with international credit rating agencies. In addition, a complementary Credit Rating Business Information Report will be issued. Upon verification, a company will receive Trusted Business digital Certificate and Stamp (T&C apply) that can be displayed on their website and other corporate collateral. Dubai Chamber, UAE also offers the Credit Rating Service in line with the Chamber's mission to serve and protect the interests of the Dubai business community. According to the said website, the service was established to enhance transparency and integrity among companies and to expand the scope of their



commercial transactions. The Credit Rating Service provides companies with Business Information Reports that serve as an effective risk mitigation tool and assist in making correct investment decisions relating to partners companies worldwide. Dubai Chamber will be doing the credibility check on the companies that any person wishes to deal with, on behalf of the said person and this service is open for Dubai Chamber members as well as to non-members worldwide. This is also a paid service where the price depends on the location of the company whose report is requested.

5.7.1 Thus 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.

5.7.2 Further, the website says that "Dubai Chamber's Representative Office in India was established in June, 2018 in Mumbai, India and is continuously engaging with businesses in India and Dubai. The India office gathers first hand market information and identifies opportunity areas for the members of Dubai Chamber, at major events in India. Thus the Mumbai office promotes the interest of Dubai companies intending to grow their international presence. They encourage Indian businesses to participate at key exhibitions in Dubai to boost their International business, along with gathering & dissemination of market intelligence. The Mumbai office also facilitates business by way of B2B meetings, trade missions, networking events, buyer seller meets and brainstorming with businesses on their plans for Dubai and India."

5.7.3 Thus 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 as has been discussed above.

5.8 We also find that the jurisdictional officer has perused the financial records of the applicant, made detailed observations in the departmental submissions and has opined that the applicant is not a non-profit organization and is effecting supply of services for a consideration for which, it has to obtain GST registration and pay applicable GST on its transactions.

5.9 Finally, we observe that, in the Applicant's letter dated 21/06/2020, there is Annexure-A attached to it and on page No. 3 of said Annexure, applicant has given the meaning of commerce as under. *"The buying and selling of goods and services, especially in large amount."*

5.10 This interpretation is not correct. The meaning of Commerce is 'anything which aids the trade is covered by the Scope of 'Commerce'. There is no doubt and it is admitted



fact that the applicant DCCI is covered by the Scope of the word “Commerce”. Certain dictionary meanings of the word ‘Commerce’ are mentioned as under:-

- Oxford Dictionary: defines ‘Commerce’ as “*Trade, especially between countries; the buying and selling of Goods and Services*”.
- Merriam-Webster Dictionary: defines ‘Commerce’ as “*The exchange or buying and selling of commodities on a large scale involving transportation from place to place.*”
- Dictionary.Com: defines ‘Commerce’ as “An interchange of goods or commodities, especially on a large scale between different countries (*foreign commerce*) or between different parts of the same country (*domestic commerce*); trade; business.”

Commerce includes two types of activities, viz (i) trade and (ii) auxiliaries to trade.

Buying and selling of goods is termed as trade. But there are a lot of activities that are required to facilitate the purchase and sale of goods. These are called services or auxiliaries to trade and include transport, banking, insurance, communication, advertisement, packaging and warehousing.

In view of the above, 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”. We find merit in the contentions made by the jurisdictional officer in his submissions.

5.12 The applicant has relied upon the decision made by the Rajasthan Advance Ruling Authority in an application filed by M/s Habufa Meubelen. In the said case, M/s Habufa Meubelen are manufacturers of steel tube furniture and other furniture and home decoration. In the said case, the liaison office was set up only to represent the interest of the Head Office situated in Netherlands for the purpose of liaising with the suppliers for quality control. The applicant has also relied upon the decision made by the Tamil Nadu Advance Ruling Authority in an application filed by M/s Takko Holding GMBH. In the Takko case, the applicant liaison office was set up only to act as a communication channel between its Head Office and Indian supplier of goods to its Head Office in terms of its procurement, order placement, quality checks, etc.

5.12.1 However in the subject case, 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.



5.13 Finally, in view of the fact that 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.

06. In view of the above discussions, we pass an order as follows:

### ORDER

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

NO.GST-ARA-35/2019-20/B-14

Mumbai, dt. 24/05/2021

For reasons as discussed in the body of the order, the questions are answered thus –

**Question A):-** Whether activities performed by 'DCCI LO' shall be treated as supply under GST law?

**Answer:-** Answered in the affirmative.

**Question B):-** Whether 'DCCI LO' is required to obtain GST registration?

**Answer:-** Answered in the affirmative.

**Question C):-** Whether 'DCCI LO' is liable to pay GST?

**Answer:-** Answered in the affirmative.

PLACE - Mumbai

DATE 24/05/2021

  
P. VINITHA SEKHAR  
(MEMBER)

  
T. R. RAMNANI  
(MEMBER)

**Copy to:-**

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Chief Commissioner of Central Tax, Churchgate, Mumbai
5. Joint Commissioner of State tax, Mahavikas for Website.

**Note :-**An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15<sup>th</sup> floor, Air India Building, Nariman Point, Mumbai – 400021.