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ADVANCE RULINGS

Dubai Chamber of Commerce and Industry



ARA-35/2019-20/B-14- DCCI

Facts:

Dubai Chamber of Commerce & Industry (DCCI) - Liaison office- is an NPO established by DCCI UAE in Mumbai. It undertakes liaison activities between India office and Dubai office. All the expenses incurred in connection with the same are reimbursed by the H.O. on cost to cost basis. It supports the business in Dubai and promotes Dubai as international trade by conducting B2B meetings, trade missions, etc.

Questions Raised:

Whether the DCCI LO is liable to be registered under GST?
Whether the activities undertaken by it amount to supply and is thus, subject to GST?

Analysis and Conclusion:

Reference was made to the definition of "**intermediary" under section 2(13) of IGST Act** which reads as "Intermediary means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services of both, or securities, between two or more persons, but doesn't include a person who supplies such goods or services or both or securities on his own account**.**"

In this regard it was held that as per the definition, an intermediary can be called "**by whatever name**". Further, by **connecting businesses in India with business partners in Dubai**, applicant is actually facilitating supply of goods/services between two or more persons. To advocate the same, it was further stated that business in general sense, means any activity generating income. Moreover, since the service of connecting the businesses is being undertaken as a liaison office, the applicant is not acting on its own account but the H.O. This implies satisfaction of the definition of intermediary as stated above.

Further, since DCCI UAE provides various paid services through its website, it was concluded that its liaison office in India cannot be treated as an NPO. Thus, it was opined that applicant is **effecting supply of services** which are subject to GST and **GST registration is required**.