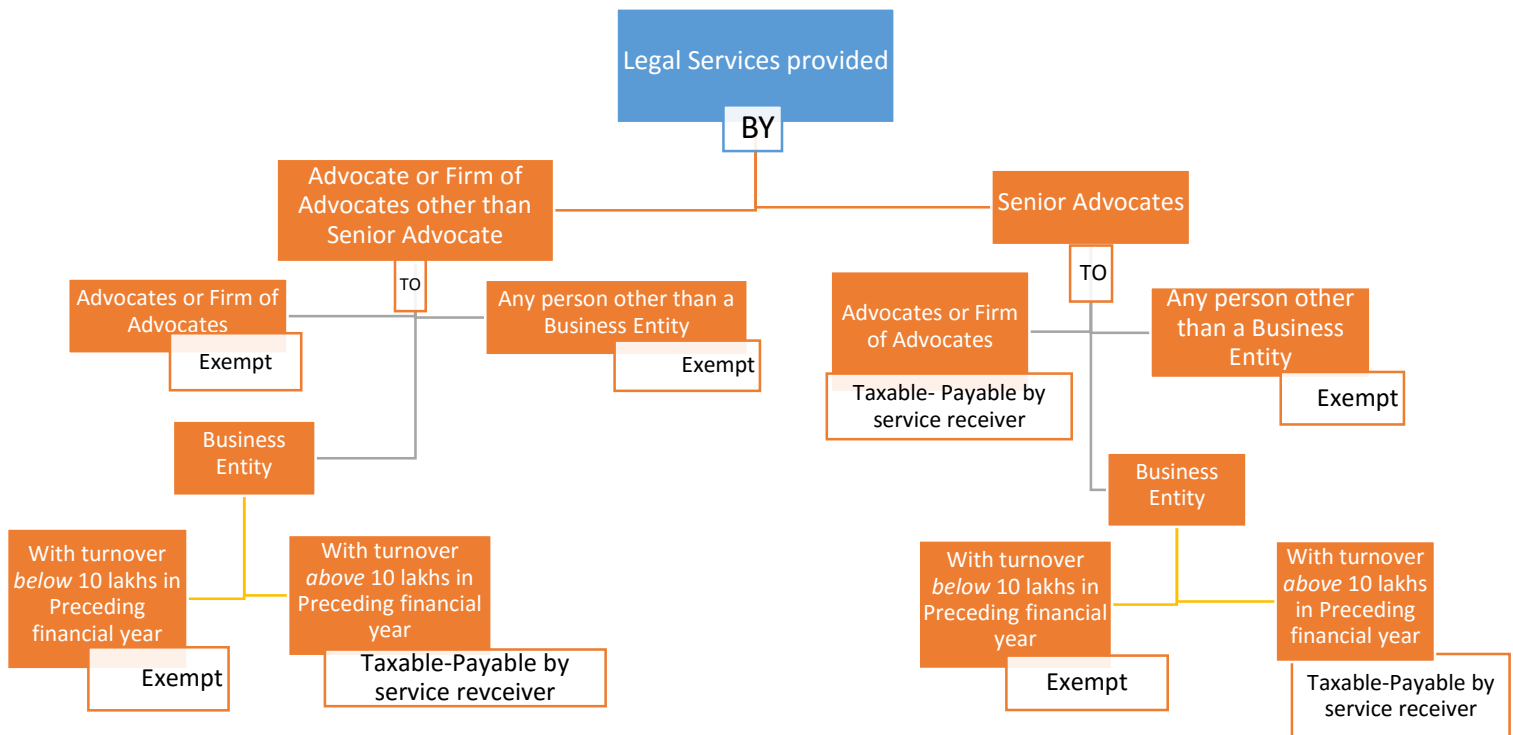


## ROLLBACK OF TAXABILITY OF LEGAL SERVICES RECEIVED FROM AN ADVOCATE

### Analysis of notification on 06-06-2016



**With the notification No.32,33 and 34 dated 06-06-2016, service tax on legal consultancy by Senior Advocates and other Advocates shall be applicable under reverse charge mechanism at 100% i.e., payable by the service receiver.**

Scenario: XXX Co. a business entity having business income above 10 lakhs in the preceding financial year takes legal service from Mr. YYYY a senior advocate for which a bill was raised. What are the tax implications?

- After Notification on 06-06-2016: The business entity will have to pay tax under reverse charge mechanism at 100% of the invoice amount.
- If the XXX Co. had an income below 10 lakhs in the preceding year, then the following would charge would be exempted

*The indirect consultancy team at B C Shetty & Co, has experts who can help you in training and implementing developments in the Service Tax Law, attain 100% compliance of the law, maintain credibility and save tax and expense at the same time.*

**Disclaimer:** Information contained herein is for informational purposes only and should not be considered for any particular instance or individual or entity. We have obtained information from publicly available sources, there can be no guarantee that such information is accurate as of the date it is received or it will continue to be accurate in future. No one should act on such information without obtaining professional advice after thorough examination of particular situation.

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We are happy to help you,

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