

SERVICE TAX (DIGITAL SERVICES) (AMENDMENT) (NO. 2) REGULATIONS 2020

PU (A) 419

31 December 2020

IN exercise of the powers conferred by paragraph 91(2)(m) of the Service Tax Act 2018 [Act 807], the Minister makes the following regulations:

Citation and commencement

1(1) These regulations may be cited as the **Service Tax (Digital Services) (Amendment) (No. 2) Regulations 2020**.

1(2) These Regulations come into operation on 1 January 2021.

Amendment of heading of Part IIA

2. The Service Tax (Digital Services) Regulations 2019 [*P.U. (A) 269/2019*], which are referred to as the “principal Regulations” in these Regulations, are amended in the heading of Part IIA, by inserting before the words “A FOREIGN REGISTERED PERSON” the words “A FOREIGN SERVICE PROVIDER OR”.

Amendment of regulation 5A

3. Regulation 5A of the principal Regulations is amended by inserting before the words “foreign registered person” the words “foreign service provider or” wherever appearing.

Amendment of heading of Part III

4. The heading of Part III of the principal Regulations is amended by substituting the word “INVOICE” the words “INVOICE, CREDIT NOTE AND DEBIT NOTE”.

New regulation 6A

5. The principal Regulations is amended by inserting after regulation 6 the following regulation:

“Issuance of credit note and debit note

6A. (1) A foreign registered person providing any digital service shall issue a credit note or debit note where, after the return for the digital service has been furnished to the Director General, there is a reduction of, or addition to, service tax amount which has been charged on the digital service—

- (a) due to a change in the rate of service tax in force under section 10 of the Act; or
- (b) due to any adjustment in the course of business.

(2) Where there is a reduction of, or addition to, service tax amount under subregulation (1)—

- (a) the foreign registered person providing the digital service shall make the deduction or addition of service tax in the return for the taxable period in which the credit note or debit note is issued or received; or
- (b) in the case of a foreign registered person who has ceased to be a foreign registered person, the foreign registered person shall make the deduction or addition of service tax in the return for the last taxable period during which he was registered.

- (3) A credit note or debit note issued shall contain the following particulars:
- (a) the words “credit note” or “debit note” in a prominent place;
 - (b) the serial number of the credit note or debit note;
 - (c) the date of issuance of the credit note or debit note;
 - (d) the registration number of the foreign registered person;
 - (e) the reason for the issuance of the credit note or debit note;
 - (f) a description sufficient to identify the digital services provided;
 - (g) the quantity and amount for each digital service provided;
 - (h) the total amount excluding service tax;
 - (i) the rate and amount of service tax; and
 - (j) the number and date of the invoice or document issued for the digital service.
- (4) Any foreign registered person who contravenes this regulation commits an offence.”.

Amendment of regulation 10

6. Regulation 10 of the principal Regulations is amended—
- a. in the shoulder note, by substituting for the words “or subsection 34(6)” the words “, subsection 34(6) or 40(3)”; and
 - b. by substituting for subregulation (1) the following subregulation:
 - “(1) Any person who is eligible to claim for refund under paragraph 38(1)(a), subsection 34(6) or 40(3) of the Act shall apply to the Director General in the form and manner as he may determine.”.