

M/s Global Reach Education Services Private Limited

Appellate Authority for Advance Ruling — West Bengal

Appeal Case No. 01/WBAAAR/Appeal/2018

Dated 24.07.2018

Q Questions Before the Authority

- Whether the services provided by the Appellant in promoting foreign university courses and assisting in student recruitment qualify as export of services or constitute an intermediary service under Section 2(13) of the IGST Act, 2017.

F Facts

The Appellant promotes courses offered by foreign universities to prospective Indian students and assists in their enrolment. The Appellant receives commission from the foreign universities calculated as a percentage of tuition fees paid by admitted students. The lower authority held that the service is an intermediary service and not an export of service, which the Appellant challenged.

H Ruling

Taxability of student recruitment and course promotion services to foreign universities

Not Export of Services; taxable as Intermediary Service under Section 2(13) of IGST Act, 2017

Fee is linked to student admissions and paid as a percentage of course tuition fees

The Appellate Authority upheld the original ruling, declaring that the Appellant acts as an **intermediary** under Section 2(13) of the IGST Act, 2017. Consequently, the services rendered to foreign universities do **not qualify as export of services** and are subject to GST.

R Reasoning

The Appellate Authority examined the terms of the agreement with Australian Catholic University, which mandated the Appellant to market courses, identify prospective students, and assist in student recruitment and enrolment. Under Section 2(13) of the IGST Act, 2017, an intermediary is defined as a person who arranges or facilitates the supply of goods or services between two or more persons. Because the Appellant's remuneration was directly dependent on actual student admissions, it was facilitating the supply of education services between the foreign university and students rather than providing an independent service on its own account. The authority also held that Service Tax era precedents under Rule 2(f) of the Place of Provision of Services Rules, 2012 do not apply directly to the wider definition under Section 2(13) of the IGST Act.

P Provisions Relied On

Section 100(1) of the Central Goods and Services Tax Act, 2017

Section 100(1) of the West Bengal Goods and Services Tax Act, 2017

Section 2(13) of the Integrated Goods and Services Tax Act, 2017

! For the Practitioner

This ruling establishes that education recruitment agents operating on commission based on student enrolments are **intermediaries** under Section 2(13) of the IGST Act, 2017. Their commission income from foreign universities is **not exempt as an export of service** and attracts full GST liability in India.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [wbbaar-appeal no-01 2018 dt 24-07-2018.pdf](http://wbbaar-appeal.no-01.2018.dt.24-07-2018.pdf)

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