

Global Reach Education Services Pvt Ltd

Authority for Advance Ruling — West Bengal

02 /WBAAR/ 2017-18

Dated 21.03.2018

Q Questions Before the Authority

- Whether the service provided to the Universities abroad is to be considered export within the meaning of Section 2(6) of the Integrated Goods and Services Act, 2017, and, therefore, a zero-rated supply under the CGST / WBGST Act 2017.

F Facts

The applicant provides overseas education advisory services, promoting foreign university courses to prospective students in India. They receive a commission from the foreign universities based on the number of students successfully recruited and enrolled. The applicant claims this is an independent service, while the authority examines whether they are acting as an intermediary.

H Ruling

Whether the service is an export of service

No, the services are not Export of Service and are taxable under the GST Act.

The ruling is subject to the provisions under Section 103(2) of the GST Act.

The authority ruled that the applicant's services do not qualify as an export of service. Consequently, the services are considered taxable under the GST Act. The authority determined that the applicant acts as an intermediary, making the place of supply the territory of India.

R Reasoning

The authority concluded that the applicant is an **intermediary** because they facilitate the recruitment of students for foreign universities and receive a commission based on that recruitment. Because they are an intermediary, the place of supply is determined under Section 13(8)(b) of the IGST Act as the location of the supplier, which is India. Since the place of supply is not outside India, the condition under Section 2(6)(iii) of the IGST Act for an export of service is not satisfied. The authority relied on the definitions and provisions within the IGST Act, specifically Sections 2(6), 2(13), 8, and 13.

P Provisions Relied On

Section 2(6) of the IGST Act

Section 2(13) of the IGST Act

Section 8 of the IGST Act

Section 13(2) of the IGST Act

Section 13(8)(b) of the IGST Act

Section 97(2)(a) & (e) of the GST Act

Section 103(2) of the GST Act

Section 104(1) of the GST Act

! For the Practitioner

This ruling clarifies that education agents receiving commission-based compensation for student recruitment are likely to be classified as **intermediaries** under the IGST Act. Practitioners should note that such arrangements will generally fail the **export of service** criteria because the place of supply will be deemed to be in India. It serves as a warning that contractual clauses claiming an 'independent contractor' status may be overridden by the actual nature of the services provided.

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 -> [wb 2017-18 02 dated 21032018.pdf](#)

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