

Sabre Travel Network India Pvt Ltd

Authority for Advance Ruling — Maharashtra

NO.GST-ARA- 08/2018-19/B- 76

Dated 26.07.2018

Q Questions Before the Authority

- Whether the marketing, promotion and distribution services (hereinafter referred to as the "Said Services") provided by Sabre India to Sabre APAC would be subject to tax under the Central Goods & Services Tax Act 2017 and the Maharashtra Goods & Services Tax Act 2017 (hereinafter referred to as "Said Tax Acts") or would remain excluded under the said Acts as the said activities qualify as export of service in accordance to Section 2(6) of the Integrated Goods and Service Tax Act 2017 read with the said Tax Acts?

F Facts

The Applicant, a Indian subsidiary of Sabre Asia Pacific Pte. Ltd. (Sabre APAC, Singapore), entered into a Marketing Agreement to promote and distribute Computer Reservation System (CRS) Software in India. The Applicant approaches potential travel agent subscribers, markets the software, assists in onboarding, and provides localized support services, while receiving consideration from Sabre APAC on a cost-plus-markup basis in foreign currency. Sabre APAC retains ultimate control over subscribing agreements and access credentials.

H Ruling

Taxability and export qualification of marketing, promotion, and distribution services provided to Sabre APAC

The marketing, promotion and distribution services provided by the applicant to Sabre APAC would be subject to tax under the provisions of the GST Act.

Services categorized as intermediary services under Section 2(13) of the IGST Act, 2017.

The Authority held that the Applicant functions as a link facilitating the transaction between the foreign entity and Indian subscribers, thereby qualifying as an **intermediary** under Section 2(13) of the IGST Act, 2017. As per Section 13(8)(b) of the IGST Act, 2017, the place of supply for intermediary services is the location of the service provider in India. Consequently, the services do not qualify as export of services under Section 2(6) of the IGST Act, 2017 and are **subject to GST**.

R Reasoning

The Applicant is responsible for identifying, educating, and scouting potential Indian travel agents to utilize Sabre APAC's CRS software. Since the software belongs to the foreign entity and contracts are executed between Sabre APAC and the subscribers, the Applicant acts as an agent or broker facilitating supply rather than supplying the primary service on its own account. Therefore, the service falls within the definition of an

intermediary under Section 2(13) of the IGST Act, 2017. Under Section 13(8)(b) of the IGST Act, 2017, the place of supply for intermediary services is fixed at the **location of the supplier in India**, failing the requirement under Section 2(6)(iii) for the place of supply to be outside India.

P Provisions Relied On

Section 2(6) of the IGST Act, 2017	Section 2(13) of the IGST Act, 2017
Section 7(5)(c) of the IGST Act, 2017	Section 8(2) of the IGST Act, 2017
Section 13(8)(b) of the IGST Act, 2017	Section 16 of the IGST Act, 2017
Section 97 of the CGST Act, 2017	Section 98 of the CGST Act, 2017

! For the Practitioner

This ruling highlights that Indian subsidiaries marketing and arranging access for foreign digital platforms or software to local customers risk classification as **intermediaries**. Practitioners should note that receiving cost-plus remuneration in foreign currency does not automatically grant export status if the place of supply falls in India under Section 13(8)(b).

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 -> maha-gst-ara-08-b-76 dt.26.07.18 stnipl.pdf

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