



## Client Advisory

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### **CMA CGM - IMPORT**

#### **SERVICE TAX ON PRE-PAID OCEAN FREIGHT**

Dear Valued Customer,

The Government of India vide its Notification 01/2017-Service Tax dated 12-01-2017 seeks to withdraw the exemption from service tax for services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India (notification enclosed).

This advisory is effective from **22-01-2017** and we would like to inform the trade that all applicable INVOICES with effect from 22-01-2017 for PREPAID IMPORT OCEAN FREIGHT WILL ATTRACT SERVICE TAX @ 4.5%

The breakdown of Quantum as follows: Total 4.5%

- Abated base service tax rate = 4.2%
- Swachh Bharat cess = 0.15%
- Krishi kalyan cess = 0.15%

CMA CGM will invoice the Service tax @ 4.5% on the **PREPAID IMPORT OCEAN FREIGHT AT ORIGIN** (from Shipper) to cover this additional cost.

CMA CGM INDIA would like to thank you for your support. Kindly reach out to our Customer service representative if you have further queries regarding this advisory.

Best Regards,  
**CMA CGM Agencies India Pvt. Ltd.**  
24<sup>th</sup> January 2017