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We refer to the latest Notice 01/2017 issued by the Government of India on service tax amendment. On a short notice, the India government announced an important change to the application of the India service tax effective from January 22, 2017.

The India Service Tax is applicable for sea freight and related freight charges for import shipments destined to India, even if the freight is on prepaid terms outside of India. The service tax applicable for freight prepaid shipments should be payable along with the sea freight outside of India.

In view of the tax regulations, the ocean sea freight and freight related charges are subject to the service tax rate of 4.5% to all import trades to India including from USA.

To ensure you are informed of the changes and to comply with regulatory filing requirements, NYK will impose the service tax of 4.5% on applicable sea freight and freight related charges on the invoices for import shipments to India with effect from the following dates:

Trade Effective from

All import trades to India including USA      February 1, 2017

Please note that all other service taxes applicable for shipments to and/or from India that are payable in India as per current practice remains unchanged.