

**-COPY OF-
SERVICE TAX CIRCULAR
NO.144/13/2011-ST
Dated: July 18, 2011**

Subject: - Clarification on Completion of service- regarding.

Representations requesting clarification on “completion of service” as provided under the Point of Taxation Rules, 2011 and Service Tax Rules, 1994 have been received from certain sections of service providers that in many situations it is not possible to issue invoices within 14 days of the completion of the service since the exact date of completion of service is difficult to identify. Instances have been given where after the task of providing the service may be physically accomplished, but certain other formalities are required to be completed from the client's end before an invoice can be issued.

2. These representations have been examined. The Service Tax Rules, 1994 require that invoice should be issued within a period of 14 days from the completion of the taxable service. The invoice needs to indicate inter alia the value of service so completed. Thus it is important to identify the service so completed. This would include not only the physical part of providing the service but also the completion of all other auxiliary activities that enable the service provider to be in a position to issue the invoice. Such auxiliary activities could include activities like measurement, quality testing etc which may be essential pre-requisites for identification of completion of service. The test for the determination whether a service has been completed would be the completion of all the related activities that place the service provider in a situation to be able to issue an invoice. However such activities do not include flimsy or irrelevant grounds for delay in issuance of invoice.

The above interpretation also applies to determination of the date of completion of provision of service in case of “continuous supply of service”.

3. Trade Notice/Public Notice may be issued to the field formations accordingly.
4. Please acknowledge the receipt of this circular. Hindi version to follow.

F.No.354/93/2011-TRU

**(Samar Nanda)
Under Secretary, TRU**