

THE WEST BENGAL AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICES TAX  
14 Beliaghata Road, Kolkata–700015  
(Constituted under section 96 of the West Bengal Goods and Services Tax Act, 2017)

Members present:

Shafeeq S, Joint Commissioner, CGST & CX

Jaydip Kumar Chakrabarti, Senior Joint  
Commissioner, SGST

Preamble

A person within the ambit of Section 100 (1) of the Central Goods and Services Tax Act, 2017 or West Bengal Goods and Services Tax Act, 2017 (hereinafter collectively called “the GST Act”), if aggrieved by this Ruling, may appeal against it before the West Bengal Appellate Authority for Advance Ruling, constituted under Section 99 of the West Bengal Goods and Services Tax Act, 2017, within a period of thirty days from the date of communication of this Ruling, or within such further time as mentioned in the proviso to Section 100 (2) of the GST Act.

Every such appeal shall be filed in accordance with Section 100 (3) of the GST Act and the Rules prescribed there under, and the Regulations prescribed by the West Bengal Authority for Advance Ruling Regulations, 2018.

Name of the applicant	MEDTRAINAI TECHNOLOGIES PRIVATE LIMITED
Address	15U, Telipara Lane, Dhakuria, Kolkata-700031
GSTIN	19AAQCM8199P1Z0
Case Number	WBAAR 12 of 2025-26
ARN	AD190725017308W
Date of application	August 14, 2025
Jurisdictional Authority (State)	Ballygunge Charge
Jurisdictional Authority (Central)	Tollygunge Division, Kolkata South Commissionerate
Order number and date	25/WBAAR/2025-26 dated 24.12.2025
Applicant's representative heard	Mr. Nilabhra Banerjee, Director

1.1 At the outset, we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 (the CGST Act, for short) and the West Bengal Goods and Services Tax Act, 2017 (the WBGST Act, for short) have the same provisions in like matter except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the WBGST Act. Further to the earlier, henceforth for the purposes of these proceedings, the expression 'GST Act' would mean the CGST Act and the WBGST Act both.

1.2 Mr. Nilabhra Banerjee, Director of the applicant wanted to file patent in Japan (and later in USA and UK). Seenergi IPR (GSTIN 19ABLFS2275H1ZR) has been allocated the task by the Company. Seenergi IPR on completion of the task in Japanese patent office, raised the invoice (Invoice No. 202425010239) which is fully PAID by the company. However, Seenergi IPR did not collect GST and directed the company to pay under reverse charge mechanism for total invoice amount. The invoice has two parts. Part-A is reimbursement of payment to Japanese attorney at Japan. The other part, Part-B is Seenergi IPR's own fee. The question is on paying GST on the part-A as the company derives no benefit of any kind from patents obtained in Japan by Nilabhra Banerjee. The patents are meant to protect the right of an Indian citizen elsewhere in the world and have no other benefit. More so, the Japanese attorney expenses are done under jurisdiction of Japanese tax law.

1.3 The applicant has made this application under sub section (1) of section 97 of the GST Act and the rules made there under raising following questions vide serial number 14 of the application in FORM GST ARA-01:

(i) Whether the company needs to pay GST towards reimbursement of expenses Japanese patent attorney has done towards filing a patent in Japanese patent office. The company is filing the patent in favour of Nilabhra Banerjee, one of the directors. The company is not planning to do business in Japan.

(ii) Same question remains for any other patent office on foreign soil as the company has submitted patents in USA and UK.

1.4 The questions on which the advance ruling is sought for are found to be covered under clause (e) of sub-section (2) of section 97 of the GST Act.

1.5 The applicant states that the questions rose in the application neither have been decided by nor is pending before any authority under any provision of the GST Act.

1.6 The application is, therefore admitted.

## **Submission of the Applicant**

### 2.1 The applicant states that

- ✓ Invoice states that this is a re-imbursement of expenditure done by Japanese patent lawyers in Japan. Therefore, the actual transaction was done on the company's behalf in Japan.
- ✓ The Company derives no benefit, whatsoever, from the given transaction in India. Moreover, the company does not intend to do business in Japan.
- ✓ There is an opportunity of income from royalty, though remote, that might come into consideration. The patent owner is liable to pay tax on the inward royalty if that happens.
- ✓ The company is ready to pay the GST on the Seenergi IPR's fees that are mentioned in the invoices.

### 2.2 Applicant's interpretations of law in this case are:

- ✓ Actual transaction has taken place in Japan. The company is reimbursing the money. Therefore, it is outside the jurisdiction of GST law of the country. Therefore GST is not applicable in the case.
- ✓ The company (incorporated in India) does not earn any monetary benefit from the patent filed in Japan. Therefore, the transaction cannot be termed as a consideration.
- ✓ The company agrees that Seenergi IPR's fees mentioned on the invoices attract GST and the company is ready to pay that part only and not the reimbursement of foreign attorney fees.

### 2.3 The applicant has submitted the following points in respect of the subject matter of the advance ruling:

#### a) **The service is analogous to “legal protection” and should be treated as exempt for firms with zero turnover.**

“Legal services” provided by advocates or law firms are exempt under GST when provided to individuals or business entities under exemption category. Since MedTrainAI is a start up, having zero turnover in the years 2023-24 and 2024-25, it is exempt from paying GST as per Notification No. 9/2017-Integrated Tax (Rate), serial no 47, Header 9982/9991.

Patent filing, the applicant believes, is essentially a legal service — it involves drafting,

representation, and submission before an IP authority, which demands representation by an advocate, and not a commercial consultancy.

Therefore, by parity of reasoning, international patent filing services undertaken by international advocates and advocacy support provided by *M/s SEENERGI IPR* should enjoy the same exemption as legal services rendered by advocates, under the existing notification.

**b) The service in question does not qualify as “supply” under Section 7(i) of the CGST Act- [to be read in conjunction with Section 20(i) of IGST Act, 2017].**

Examining the issue under Section 7(1)(a) : Under Section 7(1)(a) of the CGST Act, “supply” means all forms of supply made for a consideration in the course or furtherance of business.

In the present case the activity (foreign patent filing) is protective, not productive — it safeguards intellectual property but does not generate turnover, output, or business presence abroad.

Hence, this transaction fails the “in the course or furtherance of business” test and therefore should not be treated as a taxable supply under GST.

**(c) International patent filing is not a consumption of service**

GST is a destination-based consumption tax, applicable where goods or services are consumed.

Section 2(11) IGST defines,

“import of services” means the supply of any service, where-

- (i) The supplier of service is located outside India;
- (ii) The recipient of service is located in India; and
- (iii) The place of supply of service is in India;

Accordingly to point (iii), in our case, the service (patent filing application) is supplied and consumed outside India- the protection, legal effect, and jurisdiction of the patent all lie outside India. There is no consumption within India, and therefore no taxable event arises domestically.

**(d) Exemption for legal services-Notification No.12/2017- Central Tax (Rate), Entry 45**

Entry 45 (as originally issued and as in force) exempts, inter alia, the following services:

- By a partnership firm of advocates or an individual advocate (other than a senior advocate) by way of legal services to:
  - (i) an advocate or partnership firm of advocates providing legal services;
  - (ii) any person other than a business entity; or

- (iii) a business entity with an aggregate turnover up to Rs. 20 lakh (Rs. 10 lakh in special category states) in the preceding financial year
- By a senior advocate by way of legal services to:
  - (i) any person other than a business entity; or
  - (ii) a business entity with an aggregate turnover up to Rs. 20 lakh (Rs. 10 lakh in special category states) in the preceding financial year.

Thus, legal services to a small business entity below the registration threshold are expressly exempt.

**(e) Reverse charge on legal services- Section 9(3), CGST Act and Notification 13/2017 Central Tax (Rate)**

- Section 9(3) empowers the Government to notify categories of supply on which tax shall be paid on reverse charge by the recipient.
- Notification No. 13/2017 Central Tax (Rate), SI No. 2, notifies “services supplied by an individual advocate including a senior advocate or firm of advocates by way of legal services to any business entity located in the taxable territory”, making such business entity liable under RCM.

However, RCM applies only to taxable supplies; if a particular category of legal services is exempt under Notification 12/2017, no tax can be demanded under RCM for that exempt supply.

### **3.Submission of the Revenue**

3.1 The concerned officer from the Tollygunge Division vide letter 4379 dated 24.09.2025 has expressed his view as follows:

The applicant who is located in India received the service in foreign soil through an intermediary. In the instant case, the applicant engaged M/s Seenergi IPR(GSTIN: 19ABLFS2275H1ZR) who is registered in India, acted on the behalf of applicant, for the purpose of filing the patent in Japan patent office. The ultimate consumer of the services provided by the foreign Patent Office is the applicant, whose location is in India. As per section 13 of IGST Act, 2017 the applicant needs to discharge the tax liability under reverse charge, for importing the service.

### **4. Observations & Findings of the Authority**

4.1 We have gone through the records of the issue as well as submissions made by

the authorized representative of the applicant during personal hearing. We have also considered the view given by the revenue..

4.2 According to the facts narrated by the applicant, Medtrainai Technologies Private Limited the applicant) filed patent in Japan vide Patent Application No. 2024-182025 dated 17.10.2024 for 'system and method for Airway Management Training using smart manikins, augmented reality and adaptive learning'.

Seenergi IPR (GSTIN 19ABLFS2275H1ZR) has been allocated the task by the Company. Seenergi IPR on completion of the task in Japanese patent Office, raised invoice vide invoice no 202425010239 dated 21.01.2025. The invoice has two parts. Part-A is the reimbursement of payment to Japanese attorney in Japan. The other part, Part-B is Seenergi IPR's own fee. The total amount mentioned in the invoice has been fully paid by the applicant. However, Seenergi IPR did not collect GST and directed the applicant to pay tax on total amount of invoice under reverse charge mechanism.

The same thing happened in the case of USA and UK as well in respect of filing patent application for 'system and method for Airway Management Training using smart manikins, augmented reality and adaptive learning'.

4.3 In the above context the applicant has placed before this authority the following two questions:

Q1. Whether the Company needs to pay GST towards reimbursement of expenses for Japanese patent attorney that has been done towards filing a patent in Japanese patent office?

Q2. Whether the same thing will happen in case of such reimbursements in other foreign countries such as USA and UK?

4.4 The applicant's beliefs and interpretations of law can be summarised as under:

A) Part A of the invoice states that it is a re-imbursement of expenditure done by Japanese patent lawyers in Japan. Therefore the applicant believes that the actual transaction was done on the applicant's behalf in Japan.

B) Actual transaction has taken place in Japan. The company is only reimbursing the money. Therefore, it is outside the jurisdiction of GST law of the country and GST is not applicable in this case.

C) The Company (incorporated in India) does not earn any monetary benefit from the patent filed in Japan. Therefore, the transaction cannot be termed as a consideration.

D) There is an opportunity of income, if any from royalty. Though the chance is remote, still that may come into consideration. The patent owner (here the applicant) is liable to pay tax on the inward royalty if that happens.

E) The applicant agrees that Seenergi IPR's fees mentioned in Part B of the invoice attracts GST and the applicant is ready to pay the corresponding tax. But the applicant is not liable to pay tax for reimbursement of foreign attorney fees paid in Japan.

4.6 Before going into the details of the discussion and findings, we need to analyse the invoice issued by Seenergi IPR (the supplier) to Medtrainai Technologies Private Limited (the applicant) as noted in Paragraph 4.2. The said invoice bearing serial no. 202425010239 dated 21.01.2025 has two elements marked as Serial no. 1 and Serial no. 2.

The item described in serial no. 1 reads 'Towards reimbursement of payments of our Japanese Attorney charges for considering documents, reviewing, preparing and filing the application, paying all applicable government fees at time of filing, translation of specification having 9,497 words, reporting with copies of all relevant documents and other incidentals'.

On the other hand, the item described in serial no. 2 reads ' Towards our handling charges, including docketing, interacting with you, preparing and filing formal drawing, advising you from time to time and reporting to you with copies of all relevant documents'.

The supplier has mentioned with an asterisk in the invoice that 'GST @ 18% is payable, if applicable, at the client's end under Reverse Charge Mechanism effective 1<sup>st</sup> July 2017'.

The only issue in the application for advance ruling is applicability of GST @ 18% under Reverse Charge Mechanism on the amount noted against serial no.1 as above. So our discussion is restricted to this aspect only.

4.7 It is amply clear from the language of the invoice that the amount mentioned in serial no. 1 is a reimbursement of expenses incurred by the supplier in Japan.

So we should begin with term reimbursement. This term has not been defined in the GST Act. So the meaning of the term is to be understood in common parlance.

According to the Black's Law Dictionary (2<sup>nd</sup> edition), reimbursement means *to pay back; to make return or restoration of an equivalent for something paid, expended or*

*lost; to indemnify or make whole.* The Oxford Dictionary has defined reimbursement as *repay (a sum of money spent); repay or compensate (a person).*

The Cambridge Learner's Dictionary defines the term as *to pay money back to someone, especially money that they have spent because of their work.* According to P. Ramanathan Aiyar Law Lexicon, Reimbursement is *repayment of what is spent; to reimburse is to repay what is expended; restoration of an equivalent for something paid or expended.*

Deriving the common points or the common spirits of all the above definitions, we can say that reimbursement is repayment of what has already been spent or incurred for the restoration of the spent or incurred amount. It is not a consideration for a service rendered.

4.8 The Income Tax Tribunal at Bengaluru in the Bovis Lend Lease (I) Pvt. Ltd. Vs. ITO case has pronounced certain parameters essential for a payment to be considered as reimbursement. The parameters are as under:

- The actual liability to pay should be of the person who reimburses the money to the original payer.
- The liability should be clearly determined. It should not be an approximate or varying amount.
- The liability should have crystallised. In other words, the reason given that the payments that were never required but were made just to avoid a potential problem might not qualify.
- There should be a clear ascertainable relationship between the paying and reimbursing parties. Therefore, alleged reimbursement by an unconnected person may not qualify.
- The payment should first be made by somebody whose liability it never was and the repayment should then be made to that person to square off the account.
- Three parties should exist in a case of reimbursement—a payer, a payee and a person reimbursing the amount to the payer.

4.9 Now coming back to the domain of the GST Act, a transaction will attract tax only if the transaction is a supply as provided in Section 7 of the CGST Act, 2017. For the meaning of supply the relevant portion of Section 7 of the act is reproduced here:

7. (1) *For the purposes of this Act, the expression “supply” includes—*
- (a) *all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;*



- (b) *import of services for a consideration whether or not in the course or furtherance of business;*
- (c) *the activities specified in Schedule I, made or agreed to be made without a consideration; and*
- (d) *the activities to be treated as supply of goods or supply of services as referred to in Schedule II.*

In view of the above, it is clear that reimbursement can be subjected to tax if it is established as consideration paid for provision of goods or services or both.

Section 13 of the CGST Act, 2017 provides for value of supply. The relevant portions of the section are as under:

*15. (1) The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.*

*(2) The value of supply shall include—*

- (a) any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, the Central Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act, if charged separately by the supplier;*
- (b) any amount that the supplier is liable to pay in relation to such supply but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the goods or services or both;*
- (c) incidental expenses, including commission and packing, charged by the supplier to the recipient of a supply and **any amount charged for anything done by the supplier in respect of the supply of goods or services or both** at the time of, or before delivery of goods or supply of services;*
- (d) interest or late fee or penalty for delayed payment of any consideration for any supply; and*
- (e) subsidies directly linked to the price excluding subsidies provided by the Central Government and State Governments.*

*Explanation.—For the purposes of this sub-section, the amount of subsidy shall be included in the value of supply of the supplier who receives the subsidy.*

*(emphasis added)*

The CGST Act includes any amount charged for anything done by the supplier in respect of the supply of goods or services or both in the incidental expenses to be included in the value of supply. It is also evident that clause (c) as above is an inclusive clause. But exception to this clause has been provided in Rule 33 of the CGST Rules, 2017.

4.10 It is in Rule 33 that we find the concept of 'pure agent' in GST. The Explanation to Rule 33 provides:

*For the purposes of this rule, the expression —pure agent means a person who-*

- (a) enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs in the course of supply of goods or services or both;*
- (b) neither intends to hold nor holds any title to the goods or services or both so procured or supplied as pure agent of the recipient of supply;*
- (c) does not use for his own interest such goods or services so procured; and*
- (d) receives only the actual amount incurred to procure such goods or services in addition to the amount received for supply he provides on his own account.*

Now Rule 33 provides the conditions which are to be followed in order to exclude the expenditure or costs incurred by a supplier as a pure agent from the value of supply. The said rule provides:

**33. Value of supply of services in case of pure agent.**

*Notwithstanding anything contained in the provisions of this Chapter, the expenditure or costs incurred by a supplier as a pure agent of the recipient of supply shall be excluded from the value of supply, if all the following conditions are satisfied, namely, -*

- (i) the supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorisation by such recipient;*
- (ii) the payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service; and*
- (iii) the supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the services he supplies on his own account.*

4.11 It is at this backdrop that we have to decide the issue placed before us in this application for advance ruling. Certain issues are to be addressed to in order to arrive at any kind of conclusion.

A) Whether Seenergi IPR has acted like a pure agent of the applicant so far as the activity mentioned in the application is concerned?

B) Whether the amount claimed in Part 1 of the invoice *supra* can be considered as reimbursement?

C) Whether the amount claimed in Part 1 of the invoice *supra* can be regarded as consideration under the GST Act?

D) Whether the transaction under question amounts to import of service as per the relevant provisions of the Integrated Goods and Services Tax (IGST) Act, 2017?

Before going into the details of the above issues we must look into the agreement signed between the applicant and Seenergi IPR and other related documents like the invoice issued by the foreign attorneys.

4.12 No contractual agreement signed between the applicant and Seenergi IPR has been placed on records though the applicant was instructed to produce such documents. So it appears before us that such contractual agreement between the two never existed. We have in our hand copies of certain mails transacted between the two. We have also in our hand copies of application for patents filed by the applicant in Japan, USA and UK. The certified English transcripts of the Japanese documents have been furnished by Seenergi IPR.

From the above noted documents it appears before us:

1. No contractual agreement was signed between the applicant and Seenergi IPR for the works detailed in the application. The nature and scope of the work can be understood from the mails of the applicant and Seenergi IPR.
2. In our considered view, Seenergi IPR never acted as a 'pure agent' as per Rule 33 *supra* since all the conditions noted there are not satisfied in the present case.
3. From the mails it appears that the applicant has paid beforehand the amount of expenses to be made by Seenergi IPR. It is not the case that Seenergi IPR has incurred and spent some expenses on behalf of the applicant and then the applicant is reimbursing the same amount.
4. In all the foreign countries viz. Japan, USA and UK, the documents have been issued in the name of the applicant. In the documents placed before us nowhere we find the name of Seenergi IPR in some capacity or the other.

So Seenergi IPR being considered as 'pure agent' of the applicant is out of question. Since the amount has been paid by the applicant beforehand, it cannot be considered as reimbursement *per se*. On the other hand, Seenergi IPR is not providing the service of filing patent application for the applicant. So the amount under question is not consideration for any supply provided by Seenergi IPR.

In our considered view, this is a case where the applicant has received service of filing patent application from foreign companies situated outside India. For example, as per the documents placed before us the applicant has received legal service from Asahina Patent Attorneys Corporation represented by Masahiro Mishima in Japan and from Beck Green LLP, 12 Fulwood Place, London, United Kingdom. So it is a legal service received by the applicant.

Legal and accounting services having SAC 9982 is covered by serial no. 20 of Notification No. 11 – Central Tax (Rate) Dated 28.06.2017. The specific service code

for the service under this application for advance ruling is 998213, the description being 'Legal documentation and certification services concerning patents, copyrights and other intellectual property rights'.

4.13 The above facts lead us to the provisions of Section 13 of the IGST Act, 2017 in order to determine the place of supply in respect of the above transactions noted in

Paragraph 4.12. The relevant provisions of the section are reproduced as under:

**Section 13. Place of supply of services where location of supplier or location of recipient is outside India.-**

*(1) The provisions of this section shall apply to determine the place of supply of services where the location of the supplier of services or the location of the recipient of services is outside India.*

*(2) The place of supply of services except the services specified in sub-sections (3) to (13) shall be the location of the recipient of services*

As per the provisions of the act legal services do not fall in sub-sections (3) to (13).

So the place of supply received by the applicant is the location of the applicant i.e. West Bengal.

4.14 Here the applicant has put forward the argument that Notification No. 12 – Central Tax (Rate) Dated 28.06.2017, as amended has made the transaction under question an exempt one. He has referred to Entry No. 45 of the notification. For understanding the issue we are reproducing the relevant portions of the entry.

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent)	Condition
(1)	(2)	(3)	(4)	(5)
45	Heading 9982 or Heading 9991	Services provided by- (a) an arbitral tribunal to - (i) any person other than a business entity; (ii) a business entity with an	Nil	Nil

		<p>aggregate turnover up to [such amount in the preceding financial year as makes it eligible for exemption from registration under the Central Goods and Services Tax Act, 2017 (12 of 2017)]; or</p> <p>[(iii)the Central Government, State Government, Union territory, local authority, Governmental Authority or Government Entity;]</p> <p>(b) a partnership firm of advocates or an individual as an advocate other than a senior advocate, by way of legal services to-</p>		
		<p>(i) an advocate or partnership firm of advocates providing legal services;</p> <p>(ii) any person other than a business entity;</p> <p>(iii) a business entity with an aggregate turnover up to [such amount in the preceding financial year as makes it eligible for exemption from registration under the Central Goods and Services Tax Act, 2017 (12 of 2017)]; or</p> <p>[(iv)the Central Government, State Government, Union territory, local authority, Governmental Authority or Government Entity;]</p> <p>(c) a senior advocate by way of legal services to-</p> <p>(i) any person other than a business entity;</p> <p>(ii) a business entity with an aggregate turnover up to [such amount in the preceding financial year as makes it eligible for exemption from registration under the Central Goods and Services Tax Act, 2017 (12 of</p>		<p>Page 13 of 16</p>

		2017)]; or [(iii) the Central Government, State Government, Union territory, local authority, Governmental Authority or Government Entity.]		
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Here we must say that the applicant has missed the point that the terms 'advocate' and 'senior advocate' in the above table has to be interpreted according to the definitions provided in clause 2 of the notification. Sub-clause (b) of Clause 2 states that "advocate" has the same meaning as assigned to it in clause (a) of sub-section (1) of section 2 of the Advocates Act, 1961 (25 of 1961). Again, sub-clause (zzd) provides that "Senior advocate" has the same meaning as assigned to it in section 16 of the Advocates Act, 1961 (25 of 1961).

The Advocates Act, 1961 has provided that "advocate" means an advocate entered in any roll under the provisions of this Act [vide Section 2(a) of the Advocates Act, 1961]. The meaning of 'senior advocate' has to be construed in the same light. So there is no scope, whatsoever, to include the advocate/ senior advocate of foreign land into the provisions of Entry no. 45. So the other conditions for exemption are of no help to the applicant.

In our considered view, the supply received by the applicant from the foreign attorneys is a taxable service.

4.15 For determining the nature of taxability of legal services provided by foreign attorneys to the applicant we have to refer to Section 9(3) of the CGST Act, 2017 read with Notification No. 13 – Central Tax (Rate) Dated 28.06.2017, as amended. The relevant portions of the notification are reproduced hereinunder:

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
(1)	(2)	(3)	(4)
2	Services supplied by an individual advocate including a senior advocate by way of representational services before any court, tribunal or authority, directly or indirectly, to any business entity located in the taxable territory, including where contract for provision of such service has been entered through another advocate or a firm of advocates, or by a firm of advocates, by way of legal services, to a business entity.	An individual advocate including a senior advocate or firm of advocates.	Any business entity located in the taxable territory.

So the tax on the above service is to be paid on reverse charge basis.

The applicant has drawn our attention to the argument that for application of tax on reverse charge basis, the supply has to be taxable first. According to the applicant, the referred supply is not taxable on two counts. Firstly, it is exempted under Notification No. 12 – Central Tax (Rate) Dated 28.06.2017. Secondly, applicant's activity i.e. patent filing in foreign countries is neither in course or furtherance of business. So it is not a supply at all.

The applicability of the first assumption has been negated in our discussion in Paragraph 4.14.

For the second assumption, the applicant appears to be confused when he states that the legal services provided are not in the course or furtherance of the applicant's business. This appears to be a dubious claim inasmuch as the act of filing a patent is to protect their intellectual property in the respective jurisdiction, which, in our view, is very much in the course or furtherance of the applicant's business. However, the point of determination on whether something is a supply is that whether the activity is in the course or furtherance of the business of the supplier of service, i.e. whether the legal services provided were in the course or furtherance of the business of the foreign attorneys, in this case. It is the second element that is the subject matter of the present application and we have no doubt that the service rendered by the foreign attorneys is a supply. So we find no force in the arguments put forward by the applicant.

In view of the foregoing discussion, we rule as under:

### **RULING**

Q1. Whether the Company needs to pay GST towards reimbursement of expenses for Japanese patent attorney that has been done towards filing a patent in Japanese patent office?

**Answer:** The answer is in the affirmative. The tax is payable on reverse charge basis as per Entry no. 2 of the Notification No. 13 – Central Tax (Rate) Dated 28.06.2017

Q2. Whether the same thing will happen in case of such reimbursements in other foreign countries such as USA and UK?

**Answer:** The answer is the same as answer to question 1.

Sd/-

(SHAFEEQ S.)

Member

West Bengal Authority for Advance Ruling

Sd/-

(JAYDIP KUMAR CHAKRABARTI)

Member

West Bengal Authority for Advance Ruling

Place: Kolkata

Date: 24<sup>th</sup> December 2025

To,

MEDTRAINAI TECHNOLOGIES PRIVATE LIMITED

15U, Telipara Lane, Dhakuria, Kolkata-700031

Copy to:

- (1) The Principal Chief Commissioner, CGST & CX, 180, Shantipally, R.B.Connector, Kolkata-700107
- (2) The Commissioner of State Tax, West Bengal, 14, Beliaghata Road, Kolkata-700015
- (3) The Charge Officer, Ballygunge Charge, 14, Beliaghata Road, Kolkata-700015
- (4) The Commissioner, CGST & CX, Kolkata South Commissionerate, 180,, Shantipally R.B.Connector, Kolkata-700107
- (5) Office Copy