



## DIRECT TAX UPDA



KNAV is a firm  
of International  
Accountants, Tax and  
Business Advisors.

Presence in |  
INDIA  
USA  
UK  
FRANCE  
NETHERLANDS  
SWITZERLAND  
CANADA

E: [admin@knavcpa.com](mailto:admin@knavcpa.com)  
W: [www.knavcpa.com](http://www.knavcpa.com)

### 1. Transfer Pricing

#### a. Case Law-Reuters Transaction Services Lin NO. 6947/MUM/2012 and ITA NO. 7211/MUM

Fee received for "foreign exchange de  
services" constitutes "royalty" under Art  
DTAA & s. 9(1)(vi) of the Income.

#### Facts of the case:

M/s Reuters Transaction Services Limited is a  
under the laws of England (tax resident of UK).  
in the business of providing Reuters Dealing 20  
which are electronic deal matching systems enab  
in foreign exchange such as banks, etc to effec  
exchange with other foreign exchange dealers.  
assessee is located in Geneva and the assessee  
Services Marketing Agreement with M/s. R  
('RIPL') whereby RIPL will market the services  
subscribers in India. The assessee claimed that t  
in India was on account of business profits a  
absence of a PE in India, such business profits  
tax in India.

The Assessing Officer examined and analyzed th  
of these agreements as well as the provisions of t  
determining the character of the income received  
as the existence of PE of assessee in India. The  
held that the revenue received by the assessee c

