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Facts

E Ltd are consultants providing services to insurance companies in respect of

- i. insurance loss adjustment, and
- ii. investigations into suspected fraudulent insurance claims

in addition to other types of services on which tax deduction at source apply.

The principal and associate of the company are Chartered Quantity Surveyors. The fees receivable by the company from insurance companies in respect of the services at (i) and (ii) are subjected to tax deduction at source by the payers.

Point in issue

Whether it can be confirmed that the services of loss adjustment and/or investigations into suspected fraudulent insurance claims fall outside the scope of TDS under Section 111B (e) of Sub-Part BA of the Income Tax Act i.e. specified services under the Fifth Schedule to the Act.

Ruling

E Ltd is a company whose principal and associate are registered Chartered Quantity Surveyors and the company provides consultancy services to insurance companies in its capacity as Quantity Surveyor. The services therefore fall under the scope of TDS under Section 111B (e) of Sub-Part BA of the Act i.e. specified services under the Fifth Schedule to the Act.