

## **Liaison office of GE India held as agency PE as it has authority to conclude contract on behalf of GE overseas**

**Summary – The Delhi ITAT in a recent case of GE Energy Parts Inc., (the Assessee) held that where pursuant to survey conducted at Liaison Office premises in India of assessee group (GE overseas) it was observed that expatriates were deputed in India for undertaking different business interests of overall GE group, LO constituted assessee's fixed place PE and that since GE India comprising of expatriates / employees of overseas GE entities had authority to conclude contracts on behalf of GE overseas, it constituted dependent agency PE**

### **Facts**

- Assessee a company incorporated in USA was a part of the GE Group which makes equipments to the customers in India relating to oil and gas business, energy business, transportation business and aviation business. Pursuant to survey conducted at Liaison Office premises in India of GE overseas , it was observed that expatriates were deputed in India for undertaking the marketing activities/sale functions of overall GE group. GE India was not merely acting as a communication cahnnel, but, was actually indulging in commercial activities. It was wholly involved in negotiating and finalizing the contracts. GE India had authority to conclude contracts on behalf of GE overseas. Thus, GE India was doing core marketing and sales activity and GE overseas was doing auxiliary activities, in aid and support of the activities of the marketing activities carried out by GE in India.

### **Held**

- Whether thus LO constituted assessee's fixed place PE and that GE India comprising of expatriates / employees of overseas GE entities constituted dependent agency PE - Held, yes