

India; Singapore

High Court: Fees Received from Transmission of 'Live Feed' Not Royalty

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The Delhi High Court (HC), in the case of *CIT v. Fox Network Group Singapore Pte Ltd.* (ITA 812/2023), upheld the decision of the lower court (ITAT) that fees received by the taxpayers towards "live feed" could not be classified as royalty income under section 9(1)(vi) of the Income Tax Act, 1961 (the Act).

(a) Facts. The taxpayer, a Singapore tax resident, declared income from sublicensing non-live content for tax year 2015-2016. The tax authorities questioned the partial inclusion, with the taxpayer arguing that the remaining amount from live content did not qualify as royalty under section 9(1)(vi) of the Act, based on various agreements executed by it.

(b) Issue. The HC examined whether the income derived from the transmission of "live feed" would fall within the ambit of royalty.

(c) Decision. The HC ruled in favour of the taxpayer with observations set out below.

Income from "live feed" cannot be considered "work" for taxation of income as royalty, as held in the case of [Delhi Race Club \(1940\) Ltd. v. CIT](#). Further, such income cannot be considered as "process", as that hinged upon the activity of transmission by a satellite, which was not undertaken by the taxpayer in the given case.

Accordingly, the HC upheld the orders of the ITAT that income from "live feed" was not in the nature of royalty.

The decision was pronounced by the HC on 5 January 2024.

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