



**BACKGROUND** The software industry typically follows two alternative business models – the Product Model and the Service Model. The sale / license of shrink wrapped / canned software falls within the product model whereas the service model typically covers customized enterprise solutions involving software design, advisory, customized software coding, software maintenance and trouble shooting support and related consulting services for the customer’s IT infrastructure at large. The service model has been the backbone of the Indian software players and is the preferred mode for large B2B transactions. Inherently, the service model involves human interface in the form of software engineers providing services to the customer, either onsite or offsite. In the context of cross border services, the services may be physically rendered either at the customers premises or onsite i.e. in the source country or at the service provider premise.....