



केन्द्रीय उत्पाद शुल्क एवं सेवा कर आयुक्त का कार्यालय
नं.1, विल्लियम्स रोड, कन्टोनमेंट, तिरुच्चिराम्पल्लि - 620 001
OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE & SERVICE TAX
NO.1 WILLIAMS ROAD, CANTONMENT, TIRUCHCHIRAPPALLI - 620 001.

Trade Notice No. 01/2013- S Tax

Dated 17.01.2013.

Sub:- Clarification in respect of notices/reminder letters issued for life insurance policies- Reg.

Copy of the Circular No.166/01/2013 -ST dated 01.01.2013 (F.No.354/190/2012-TRU) received from Central Board of Excise and Customs, TRU, New Delhi is enclosed herewith for information and necessary action.

The contents of the Trade Notice may be brought to the knowledge of the constituent members of the Trade Associations and Chamber of Commerce.

(Issued in File C.No.IV/16/956/2012 - STC)

view
17.1.13
(A-CLETUS)
JOINT COMMISSIONER

Encl. As above.

To,

The Mailing List I/II/III

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प्रेषित DESPATCHED
दिनांक DATED. 21/1/13

Yc No
12/13

956

(Handwritten signature)

Circular No.166/1/2013 -ST

F.No 354/190/2012- TRU
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
Tax Research Unit



Room No 153, North Block, New Delhi
Dated 1st January, 2013

To

Chief Commissioner of Customs and Central Excise (All);
Chief Commissioner of Central Excise & Service Tax (All);
Director General of Service Tax; Director General of Central Excise Intelligence;
Director General of Audit;
Commissioner of Customs and Central Excise (All);
Commissioner of Central Excise and Service Tax (All);
Commissioner of Service Tax (All)

Respected Madam/Sir,

Subject: - Clarification in respect of notices/ reminder letters issued for life insurance policies - regarding.

It has been represented by life insurance companies that in terms of the practice followed, reminder notices/letters are being issued to the policy holders to pay renewal premiums. Such reminder notices only solicit furtherance of service which if accepted by policy holder by payment of premium results in a service. Clarification has been desired whether service tax needs to be paid on the basis of such reminders.

3. The matter has been examined. Under the Point of Taxation Rules 2011, the point of taxation generally is the date of issue of invoice or receipt of payment whichever is earlier. The invoice mentioned refers to the invoices as issued under Rule 4A of the Service Tax Rules 1994. No tax point arises on account of such reminders. Thus it is clarified that reminder letters/notices for insurance policies not being invoices would not invite levy of service tax. In case of issuance of any invoice, point of taxation shall accordingly be determined.

4. The above clarification is issued only for life insurance sector.
5. Trade Notice/Public Notice may be issued to the field formations accordingly.
6. Please acknowledge the receipt of this circular. Hindi version to follow.

S. Jayaprasam
(S.Jayaprasam) 1. 1. 13
Technical Officer, TRU
Tel: 011-23092037