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कार्यालय आयुक्त केन्द्रीय उत्पाद शुल्क, सीमा शुल्क एवं सेवाकर, भोपाल
48, प्रशासनिक क्षेत्र, अरेरा हिल्स, होशंगाबाद रोड, भोपाल
OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE & SERVICE TAX,
48, ADMINISTRATIVE AREA, ARERA HILLS, HOSHANGABAD ROAD, BHOPAL

F.No. IV(16)30/TN/ST/BPL/2013

Bhopal, Dated 30.01.2013

TRADE NOTICE NO. 01/2013/SERVICE TAX

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

It is brought to the notice of the Trade, Industry and all concerned that the life insurance companies have represented to the CBEC, New Delhi 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.

The matter has been examined by the board, 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.

The above clarification is issued only for life insurance sector.

All the Trade Associations/ Chambers of Commerce and the members of the RAC are requested to bring to notice/ publicize the contents of this Trade Notice amongst their Members/Constituents for their information and usage.

Authority – Board's Circular no. 166/1/2013-ST dtd. 01.01.2013.

(Dr. D.K. Verma)
COMMISSIONER

31/1/2013

F.No. IV(16)30/TN/ST/BPL/2013

Copy to :- All RAC Members / Trade & Associations / Departmental officers as per mailing list.

Superintendent (Service Tax)