

**OFFICE OF THE COMMISSIONER  
CENTRAL EXCISE & SERVICE TAX COMMISSIONERATE  
CHANDIGARH –I  
C.R BUILDING, PLOT No. 19, SECTOR 17-C, CHANDIGARH (160017)**

---

दूरभाष सं. Telephone No. (0172) 2721103

फैक्स सं. Fax No. (0172) 2705924

व्यापार सूचना सं. 01/ST/2013 TRADE NOTICE NO. 01/ST/2013

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

1) उपर्युक्त विषय पर केन्द्रीय उत्पाद एवं सीमा शुल्क बोर्ड, राजस्व विभाग, वित्त मंत्रालय, भारत सरकार की फा.सं. 354/190/2012-TRU से जारी परिपत्र सं. 166/1/2013-ST, दिनांक 01.01.2013, की प्रति व्यापार एवं क्षेत्रीय संगठन को सूचना एवं मार्गदर्शन हेतु इसके साथ संलग्न की जाती है। उक्त परिपत्र स्वतः स्पष्ट है

1) A copy of **Circular No. 166/1/2013-ST**, dated **01.01.2013**, from **F. No. 354/190/2012-TRU** issued by the Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, Government of India, on the above subject matter, is enclosed herewith for information and guidance for the trade and field formation. The said **Circular** is self – explanatory.

2) सभी व्यापार संघ/वाणिज्य मण्डल एवं क्षेत्रीय सलाहकार समिति/ लोक शिकायत निवारण समिति के सदस्यों से अनुरोध किया जाता है कि वे इस व्यापार सूचना की अंतर्वस्तु को अपने सदस्यों / संघटकों की सूचना एवं आवश्यक कार्यवाही हेतु उनके ध्यान में लाएँ / प्रचार करें।

2) All the Trade Associations / Chambers of Commerce and the members of the RAC/PGRC are requested to bring/publicize the contents of this Trade Notice amongst their Members/Constituents for their information and necessary action.

**संलग्नक** Encl. यथोपरि As above.

-

**[S.J. SINGH]  
COMMISSIONER**

फा.सं. F.No. V(MISC)30/STC/HQ/Trade Notice/10/2010/Pt

दिनांक Dated: 17/01/2013

Trade Notice is being uploaded on our website [www.cexchd1.gov.in](http://www.cexchd1.gov.in)

Superintendent ( S.Tax )

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 1<sup>st</sup> 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.Jayaprahasam)  
Technical Officer, TRU  
Tel: 011-23092037

