



Discussion on Union Budget 2024

Org. By Pune Branch of WIRC of ICAI

The Finance Bill, 2024

(As introduced in Lok Sabha)

GST Amendments in CGST Act, 2017 & IGST Act, 2017



Changes Under GST Law

- The Finance (No.2) Bill, 2024 has proposed changes in the CGST Act, IGST Act, UTGST Act and GST (Compensation to States) Act, 2017 (through Clauses 110 to 146 of the Bill in CGST Act 2017, through Clauses 147 to 150 of the Bill in IGST Act, 2017, through Clauses 151 to 152 of the Bill in UT GST Act, 2017 and through Clause 153 in GST (Compensation to States) Act 2017.
- Unless specified otherwise, **amendments proposed in the Finance (No. 2) Bill, 2024, vide clause 110 to 153 will come into effect from a date when the same will be notified concurrently**, as far as possible, with the corresponding amendments to the similar Acts passed by the States & Union territories with legislature.
- The changes in the GST Act wide clauses in the finance bill are stated below:

Section 9 of CGST Act: Amended

Section 9 (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, **and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption** on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

Section 9 is being amended to take “un-denatured Extra Neutral Alcohol [ENA] or rectified spirit used for manufacture of alcoholic liquor, for human consumption“ out of purview of central tax.

ENA used for manufacture of industrial alcohol shall remain covered under GST

Similar amendment is also being made in Section 5 of IGST Act (Charging Section of IGST) & Section 7 of UTGST Act (Charging Section of UTGST)

ENA= a highly pure form of alcohol used in liquor production but not for direct consumption.

New Section 11A inserted in CGST Act, 2017: Power not to recover Goods and Services Tax not levied or short-levied as a result of general practice.

11A. Notwithstanding anything contained in this Act, if the Government is satisfied that -

- (a) a practice was, or is, generally prevalent regarding levy of central tax (including non-levy thereof) on any supply of goods or services or both; and
- (b) such supplies were, or are, liable to, –
 - (i) central tax, in cases where according to the said practice, central tax was not, or is not being, levied, or
 - (ii) a higher amount of central tax than what was, or is being, levied, in accordance with the said practice,

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the central tax payable on such supplies, or, as the case may be, the central tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the central tax was not, or is not being levied, or was, or is being, short-levied, in accordance with the said practice.”

New Section 11A inserted in CGST Act, 2017:

Power not to recover Goods and Services Tax not levied or short-levied as a result of general practice.

Section 11A of CGST Act: Inserted **Section 11A is being inserted to empower the government to regularize non-levy or short levy of central tax due to any general practice prevalent in trade.**

*Similar provision also inserted in **IGST Act [Sec 6A], UTGST Act [Sec 8A] and GST (Compensation to States) Act [Sec 8A]***

Similar provision already existing under Customs Act, 1962 (Sec 28A) Central Excise Act, 1944 (Sec 11-C) which also applied to Service Tax]

This provision was necessitated due to non-payment / short payment of GST by the industry due to ambiguity in provisions of law, overlapping entries of notification etc.

Section 13(3) of CGST Act - Determination of Time of Supply in case of RCM

Section 13(3) dealing with the time of supply of services covered under reverse charge is being amended to provide that the time of supply shall be determined to be the earliest of the following:

- a) the date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or
- b) the date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier, in cases where invoice is required to be issued by the supplier; or
- c) Date of Issue of Invoice by the recipient, in cases where the invoice is to be issued by the recipient.

Sec 31(3)(f) of CGST Act: Update in Self-Invoicing provision Amended

Amended section 31(3)(f):

A registered person who is liable to pay tax under sub-section 9(3) or 9(4) (i.e. RCM liability) shall **within the period as may be prescribed**, issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both;

Update in Self-Invoicing provision

Section 31(3)(f) is being amended, so as to incorporate an enabling provision **for prescribing the time-period for issuance of an invoice** by the recipient in case of reverse charge mechanism supplies from unregistered supplier.

Thus, law mandates self-invoicing by the recipient but there is lack of clarity as to time period within which invoice shall be issued. It is now being proposed that such time period shall be as prescribed in the Rules.

New Section 16(5) of CGST Act inserted:

Section 16(5): “Notwithstanding anything contained in sub-section (4), in respect of an invoice or debit note for supply of goods / services pertaining to the Financial Years 2017- 18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take ITC in any return under Section 39 which is filed upto the 30th November, 2021.

It's a much awaited relaxation as to the time-limitation stipulated in Section 16(4) of CGST Act for the initial years of GST i.e. FY 2017-18, 2018-19, 2019-20, 2020-21 and also discussed in the 53rd GST Council Meeting.

New Section 16(6) of CGST Act inserted:

Section 16(6) - Where registration of a registered person is cancelled u/s 29 & subsequently the cancellation of registration is revoked by any order, either under section 30 or pursuant to any order made by the Appellate Authority or the Appellate Tribunal or court and where availment of input tax credit in respect of an invoice or debit note was not restricted under sub-section (4) on the date of order of cancellation of registration, the said person shall be entitled to take the input tax credit in respect of such invoice or debit note for supply of goods or services or both, in a return under section 39,—

- i. filed upto thirtieth day of November following the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier; or
- ii. for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, **where such return is filed within thirty days** from the date of order of revocation of cancellation of registration,

whichever is later

Relaxation as to the time limitation stipulated in Section 16(4) of CGST Act i.r.o. Revocation of cancellation of registration.

New Section 16(6) of CGST Act inserted:

Section 146 of Finance Bill, 2024: No refund shall be made of all the tax paid or the ITC reversed, which would not have been so paid, or not reversed, had the said provision of Sec 16(5) & 16(6) been in force at all material times.

Section 30 (Revocation of cancellation of registration) provides that a taxpayer whose registration is restored by the PO, can file returns for the period from the date of order of cancellation of registration or effective date of cancellation of registration (in case the registration was cancelled retrospectively) till the date of order of revocation of cancellation of registration, only after the application for revocation of cancellation of registration is approved by the tax authorities. Further, such returns are required to be filed within 30 days of revocation order.

It was noticed that even when the returns are so filed within 30 days of the revocation order, ITC availed therein becomes ineligible if the time period stipulated in Sec 16(4) for ITC availment has already been over.

It was felt that ITC which was admissible as on date of cancellation order, but not availed due to time involved in cancellation and revocation thereof, shall be admissible in the return filed within 30 days of the revocation order.

Sec 30(2) of CGST Act: Proviso Inserted

The proper officer may, in such manner and within such period as may be prescribed, by order, either revoke cancellation of the registration or reject the application:

Provided that the application for revocation of cancellation of registration shall not be rejected unless the applicant has been given an opportunity of being heard.

Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.

Sec 17(5) of CGST Act: Amended

- Section 17(5) is being amended, so as to **restrict the non availability of ITC in respect of tax paid under section 74** of the said Act only for demands up to Financial Year 2023-24.
- Sec 73 & 74 have been made applicable only for period up to F.Y 2023- 24. On/from F.Y 2024-25, Sec 74-A (newly inserted shall be applicable). Accordingly, consequent change has been proposed in Sec 17(5)(i)).
- **Reference to sections 129 and 130 in Sec 17(5) also being omitted.**

Sec 129 & 130 earlier amended to provide only for **LEVY OF PENALTY** (and no taxes).
Hence, omission is proposed of references of Sec 129 & 130 in Sec 17(5)(i).

Sec 39(3) of CGST Act: Substituted

- **Mandatory filing of 'NIL Return - Form GSTR-7** [Return by tax deductor]
- Sec 39(3) of CGST Act: substituted Section 39(3) is being substituted, so as to mandate the electronic furnishing of return [GSTR-7] for each month by the Tax Deductor, irrespective of whether any deduction has been made in the said month or not.
- Presently, Form GSTR-7 is only required to be filed for the months in which deductions have been made. Difficulty has been noticed to monitor filing of same by the tax deductor (like non-filing is due to no deduction during the period or non-filing is due to default of tax deductor. Nil return filing made monitor to ensure timely remedial action can be taken to ensure timely compliances by such person.
- Presently, Section 39(8) provides for mandatory filing of return only for registered suppliers - those who are required to furnish a return u/Sec 39(1) & 39(2), whether or not any supplies of goods or services have been made during such tax period.

Sec 54(15) of CGST Act: Inserted

- Zero-rated Supplies (Export or Supply to SEZ) - No benefit if goods supplied are subjected to export duty.
- **Sec 54(15) of CGST Act:** inserted Section 54(15) is being inserted to provide that **no refund of ITC or IGST shall be allowed in cases of zero-rated supply of goods where such goods are subjected to export duty.**
- **Existing Sec 54(3)** provides for situations under which refund of ITC can be claimed. One situation is where supply made is ‘Zero-rated supply’. 2nd proviso to Sec 54(3) however provides that “no refund of unutilized ITC shall be allowed in cases where the goods exported out of India are subjected to Export Duty.”
- To ensure proper discourage of export of such goods, now it is being proposed to ban ‘ITC refund’ as well as ‘IGST refund’ in such cases. Also, since DTA supplies to SEZ also attract ‘Export Duty’ as per explicit provision of SEZ Rules, 2006, it is now being proposed to deny refund of ITC/IGST in such Zero-rated supply.

Sec 54(15) of CGST Act - Inserted

Sec 54(15) Notwithstanding anything contained in this section, no refund

- (i) of un-utilized ITC on account of zero rated supply of goods
- or
- (ii) of integrated tax paid on account of zero rated supply of goods

shall be allowed where such zero rated supply of goods is subjected to export duty.

Similarly, **Section 16(5) is being inserted in the IGST Act, 2017** to provide that no refund of ITC or of IGST paid on account of zero rated supply of goods shall be allowed in cases where the zero rated supply of goods is subjected to export duty.

- **Accordingly Sec 54(3) second proviso has been Omitted** as it was dealing only with refund of ITC

Sec 70 (1A) of CGST Act - Inserted

- Appearance before PO - Authorized representative can appear on behalf of summoned person (**Clarity provided**)
- **Section 70(1A)** is being inserted to explicitly provide for appearance of authorized representative to appear on behalf of the summoned person before the proper officer in compliance of summons issued by the said officer.
- even earlier also person was entitled to respond summon through AR.
- **Section 116 - Appearance by authorized representative.**
 - (1) Any person who is entitled or required to appear before an officer appointed under this Act, or the Appellate Authority or the Appellate Tribunal in connection with any proceedings under this Act, may, otherwise than when required under this Act to appear personally for examination on oath or affirmation, subject to the other provision of this section, appear by an authorized representative.

Sec 73 (12) & 74(12) of CGST Act - Inserted

Sec 73 & 74 - Applicability restricted to period up to FY 2023-24

- **Sections 73(12) & 74(12) are being inserted so as to restrict the applicability of the said provisions for determination of tax pertaining to the period upto Financial Year 2023-2024.**
- Revenue lost many cases due to its failure to establish mala-fide on part of assess. to safeguard revenue, it has been decided to provide for same time limitation for bona-fide cases as well as mala-fide cases and accordingly, new Sec 74-A is being proposed for determination of tax in all cases. Accordingly, applicability of Sec 73 and 74 has been restricted to period upto FY 2023-24.

Sec 74-A of CGST Act: Single section for dealing with all cases (bona-fide or mala-fide cases of non-payment/ short payment) - Inserted

- New Section 74A is being inserted, so as to provide for determination of tax not paid or short paid or erroneously refunded or ITC wrongly availed or utilized for any reason pertaining to the FY 2024-25 onwards.
- It also provides for the same limitation period for issuing SCN and DO (demand order) in respect of demands from the FY 2024-25 onwards, irrespective of whether the charges of fraud, willful misstatement, or suppression of facts are invoked or not.
- However, higher penalty has been kept as it is for cases involving fraud, wilful misstatement, or suppression of fact

	Existing Provision		Proposed Provision
Situation	Sec 73	Sec 74	Sec 74-A
Case Covered	<u>BONA-FIDE CASES</u> Other than Fraud, wilful misstatement, or suppression of facts	<u>MALA-FIDE CASES</u> Fraud, wilful misstatement, or suppression of facts	<u>ALL CASES</u>
Time limit for issuance of SCN	3 months prior to the <u>due date of issuance of Order</u>	6 months prior to the <u>due date of issuance of Order</u>	<u>42 Months</u> (= 3.5 Years) from <u>due date of Annual Return</u> <i>(in case of erroneous refund, <u>42 Months</u> (= 3.5 Years) from date of erroneous refund)</i>
Time limit for issuance of Order	3 years from <u>due date of Annual Return</u> <i>(in case of erroneous refund, 3 years from date of erroneous refund)</i>	5 years from <u>due date of Annual Return</u> <i>(in case of erroneous refund, 5 years from date of erroneous refund)</i>	<u>12 Months</u> (= 1 Years) from <u>date of issuance of SCN</u> <i>(+ Extension of <u>6 months</u> can be granted by the Commissioner or an officer authorized by the Commissioner senior in rank to the PO)</i> <i>* Effective, for all cases total applicable time period for completion of adjudication proceedings shall now onward be <u>5 years</u> (4.5 Years + Extension of 6 months)</i>
Applicability	<u>Upto</u> FY 2023-24	<u>Upto</u> FY 2023-24	From FY 2024-2025 & onwards

Situation	Existing Provision		Proposed Provision																							
	Sec 73	Sec 74	Sec 74-A																							
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Penalty in general	<table border="1"> <tr> <td>Penalty (CGST)</td> <td>=</td> <td>Higher of</td> <td>10% of Tax/ITC</td> </tr> <tr> <td></td> <td></td> <td></td> <td>₹ 10,000</td> </tr> </table>	Penalty (CGST)	=	Higher of	10% of Tax/ITC				₹ 10,000	<table border="1"> <tr> <td>Penalty (CGST)</td> <td>=</td> <td>100% of Tax/ITC</td> </tr> </table>	Penalty (CGST)	=	100% of Tax/ITC	<table border="1"> <tr> <td>Penalty (CGST)</td> <td>=</td> <td>Higher of</td> <td>10% of Tax/ITC</td> </tr> <tr> <td></td> <td></td> <td></td> <td>₹ 10,000</td> </tr> </table>	Penalty (CGST)	=	Higher of	10% of Tax/ITC				₹ 10,000	<table border="1"> <tr> <td>Penalty (CGST)</td> <td>=</td> <td>100% of Tax/ITC</td> </tr> </table>	Penalty (CGST)	=	100% of Tax/ITC
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Pre-SCN [Tax + Interest + Penalty (if any) is paid before issuance of Notice]	No penalty payable No notice shall be issued. [S. 73(5)]	Penalty payable = 15% of Tax / ITC No notice shall be issued. [S. 74(5)]	No penalty payable No notice shall be issued. [S. 74-A (8) (i)]	Penalty payable = 15% of Tax / ITC No notice shall be issued. [S. 74-A (9) (i)]																						
Post SCN (within 30 days) [Tax + Interest + Penalty (if any) is paid within 30 days of issuance of Notice.]	No penalty payable All proceedings i.r.o. said notice deemed to be concluded. [S. 73(8)]	Penalty payable = 25% of Tax / ITC All proceedings i.r.o. said notice deemed to be concluded.. [S. 74(8)]	No penalty payable All proceedings i.r.o. said notice deemed to be concluded. (Period relaxed - now payment can be made within 60 days- instead of earlier 30 days) [S. 74-A (8) (ii)]	Penalty payable = 25% of Tax / ITC All proceedings i.r.o. said notice deemed to be concluded. (Period relaxed - now payment can be made within 60 days- instead of earlier 30 days) [S. 74-A (9) (ii)]																						
Post passing of Order (within 30 days) [Tax + Interest + Penalty (if any) is paid within 30 days of communication of Order.]	Penalty payable = Higher of two (10% of Tax / ITC) or (10,000/-)- No relaxation in penalty	Penalty payable = 50% of Tax / ITC All proceedings deemed to be concluded. [S. 74(11)]	Penalty payable = Higher of two (10% of Tax / ITC) or (10,000/-)- No relaxation in penalty	Penalty payable = 50% of Tax / ITC All proceedings deemed to be concluded. (Period relaxed - now payment can be made within 60 days- instead of earlier 30 days) [S. 74-A (9)(iii)]																						
Post passing of Order (after 30 days) [Tax + Interest + Penalty (if any) is paid after 30 days of communication of Order.]	Penalty payable = Higher of two (10% of Tax / ITC) or (10,000/-)- No relaxation in penalty	Penalty payable = 100% of Tax / ITC No relaxation in penalty	Penalty payable = Higher of two (10% of Tax / ITC) or (10,000/-)- No relaxation in penalty	Penalty payable = 100% of Tax / ITC No relaxation in penalty																						

Sec 74-A - Consequential Amendments

With proposed introduction of Sec 74-A (in replacement of existing Sec.,. 73 & 74), following consequential amendments have also been proposed:

- 1) Sec 10(5) : Composition Levy
- 2) Sec 21 : Manner of recovery of ITC distributed in excess (by ISD)
- 3) Sec 35(6) : Accounts and Other records
- 4) Sec 49(8) : Payment of Tax / Interest/Penalty/ Other amount
- 5) Sec 50(1) : Interest on delayed payment of tax
- 6) Sec 51(7) : Tax Deduction at source
- 7) Sec 61(3) : Scrutiny of return
- 8) Sec 62(1) : Assessment of non-filer of returns
- 9) Sec 63 : Assessment of unregistered persons
- 10) Sec 64(2) : Summary assessment in certain special cases
- 11) Sec 66(6) : Special Audit
- 12) Sec 75(1), (2), (10), (11), (12), (13): General provisions as to determination of tax
- 13) Sec 104(1): Advance ruling to be void in certain cases.
- 14) Sec 107(11): Appeals to Appellate Authority
- 15) Sec 127 : Power to impose penalty in certain cases
- 16) Sec 17(5) : Blocked Credit

Sec 107(6) of CGST Act: Reduction in amounts of pre-deposit required for filing appeal at first stage [i.e. with Appellate Authority - Inserted]

Section 107(6) is being amended, so as to reduce the maximum amount of pre-deposit for filing appeal before the first Appellate Authority **from Rs. 25 crores to Rs. 20 crores.**

Summary:-

- **Existing:** Pre-deposit (CGST) = 10% of Tax In Dispute (subject to Max 25 Cr)
- **Proposed:** Pre-deposit (CGST) = 10% of Tax In Dispute (subject to Max 20 Cr)

Sec 112(8) of CGST Act: Reduction in amounts of pre-deposit required for filing appeal at second stage [i.e. with Appellate Tribunal]- Amended

Section 112(8) is also being amended to reduce the requirement of additional **pre-deposit to 10%** of the disputed tax (earlier it was 20%) subject to a maximum of Rs. 20 crores (earlier it was 50 crores).

Summary:-

- **Existing:** Pre-deposit (CGST) = 20% of Tax In Dispute (subj. to Max 50 Cr)
- **Proposed:** Pre-deposit (CGST) = 10% of Tax In Dispute (subj. to Max 20 Cr)

Sec 112(1) & (3) of CGST Act: Time limitation for filing appeal with Appellate Tribunal will now onwards be as notified by Govt-Amended

Sections 112(1) & (3) are being amended, so as to empower the Government to notify the date for filing appeal before the Appellate Tribunal. This will become effective from 1st Aug 2024.

Existing:

- Appeal by assessee = 3 Months (+ Condonation of 3 Months)
- Appeal by Department = 6 Months (+ No provision of Conditions)

Proposed:

- Appeal by assessee = 3 Months (+ Condonation of 3 Months)
- Appeal by Department = 6 Months (+ Condonation of 3 Months)

Sec 112: Appeal to Appellate Tribunal

Time limit	Existing Provision	Proposed Provision
<p>Appeal by assessee Sec 112(1)</p>	<p><u>3 Months</u> <u>from the date of communication of order appealed against</u> <u>[+ Condonation of delay upto 3 Months as per Sec 112(6)]</u></p>	<p><u>3 Months</u> <u>from the date of communication of order appealed against</u> or the date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, <i>whichever is later."</i> <u>[+ Condonation of delay upto 3 Months as per Sec 112(6)]</u></p>
<p>Appeal by Dept Sec 112(3)</p>	<p><u>6 Months</u> <u>from the date on which such order has been passed</u> <u>[+ Condonation of delay upto 3 Months as per Sec 112(6)]</u></p>	<p><u>3 Months</u> <u>from the date on which such order has been passed</u> or the date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, <i>whichever is later."</i> <u>[+ Condonation of delay upto 3 Months as per amended Sec 112(6)]</u></p>

Sec 122 (1B) of CGST Act: Clarification as to applicability of Sec 122 (1B) penalty: leviable only on ECOs who are required to comply with TCS but defaulted - Amended

Section 122(1B) is being amended to provide that the said penalty will be applicable only to electronic commerce operators [ECOs] who are required to collect tax at source.

Existing:

- Applicable to all ECOs. (though it was never so intended)

Proposed:

- ECOs who is required to collect tax at source (now clarified - amendment being classificatory shall be applicable retrospectively. Therefore this amendment will become applicable from 1st October 2023

Sec 128-A of CGST Act: Conditional waiver of interest or penalty or both relating to demands raised u/Sec 73 - Inserted

- Section 128A is being inserted to provide for a conditional waiver of interest and penalty in respect of demand NOTICES issued under section 73 of the said Act for the FYs 2017-18, 2018-19 and 2019-20, except the demand notices in respect of erroneous refund.
- In cases where interest and penalty have already been paid in respect of any demand for the said FYs, no refund shall be admissible for the same.
- In Case where demand notice has been issued u/Sec 74, but during the appellate or court proceedings, it is concluded that charges of fraud or willful misstatement or suppression of facts to evade tax are not established against the notice, and tax is required to be determined by the PO u/Sec 73 as per Sec 75(2), then waiver benefit shall be available in such cases also.

Section 140 (7) – Transitional arrangements for input tax credit amended with effect from the 1st day of July, 2017

Existing Provision

Section 140 (7) Notwithstanding anything to the contrary contained in this Act, the input tax credit on account of any services received prior to the appointed day by an Input Service Distributor shall be eligible for distribution as [credit under this Act, within such time and in such manner as may be prescribed, **even if] the invoices relating to such services are received on or after the appointed day.**

Amended Provision

Section 140 (7) Notwithstanding anything to the contrary contained in this Act, the input tax credit on account of any services received prior to the appointed day by an Input Service Distributor shall be eligible for distribution as [credit under this Act, within such time and in such manner as may be prescribed, **whether the invoices relating to such services are received prior to, on or after, the appointed day.**

Amended to avoid litigation

Sec 171 & 109 of CGST Act: Amended

Anti-profiteering proceedings:

- (1) Sunset clause provided for Anti-profiteering provisions and handling of such cases by GST Appellate Tribunal;
- (2) Enabling provision made for notifying scope of cases that can be heard by the Principal Bench of GST Appellate Tribunal

Section 171 dealing with anti-profiteering is being suitably amended to empower the Government to notify the sunset date for the said provisions. [proviso inserted in Sec 171(2)]

Explanation is being inserted in Sec 171 providing that 'Authority' for purpose of Sec 171 shall include the Appellate Tribunal if so empowered u/s 171.

ALSO, Sec 109 amended (sub-section (5A) inserted) to provide the power to CG to notify PRINCIPAL BENCH of Appellate Tribunal as an Authority to examine anti-profiteering cases.

Schedule III of CGST Act: Activities not considered as Supply of Goods or Services- Amended

Para 9:

The activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements, subject to the condition that the lead insurer pays the tax liability on the entire amount of premium paid by the insured.

Para 10:

The services by the insurer to the re-insurer, for which the ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that tax liability on the gross reinsurance premium inclusive of reinsurance commission or the ceding commission is paid by the reinsurer.

Thank you!



Any Questions