



Office of the Commissioner,
Commercial Tax, Uttar Pradesh,
(GST Section)

Letter No. GST/2024 -25/ 110 /Commercial Tax
Lucknow: Dated: 30/01, 2025

To

All Zonal Additional Commissioner, Grade -1,
Additional Commissioner, Grade -2, (S.I.B.)
Joint Commissioner, (Executive/Corporate Circle/ S.I.B)
Commercial Tax, Uttar Pradesh.

Madam/Sir,

Subject: Regularizing payment of GST on co-insurance premium apportioned by the lead insurer to the co-insurer and on ceding /re-insurance commission deducted from the reinsurance premium paid by the insurer to the reinsurer – reg.

On the recommendations of the 53rd meeting of the GST Council held in New Delhi on 22.06.2024, the following activities or transactions were included in Schedule III of the UPGST Act, 2017 as activities or transactions which shall be treated neither as a supply of goods nor as a supply of services:

- a) 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 co-insurance agreements, subject to the condition that the lead insurer pays the central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.
- b) Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.

The above provisions were enacted vide Uttar Pradesh Goods and service Amendment (No. 2) Act, 2024 and have been brought into force on 01.11.2024 vide Notification No. 1650/XI-2-24-9(47)/17-TC-270-U.P.Act -1-2-17Order(333) dated 08.01.2025.

2. In its 53rd meeting, the GST Council further recommended that the payment of GST on the above activities or transactions may be regularized for the past cases on 'as is where is' basis.
3. Thus, as recommended by the 53rd GST Council, the payment of GST on the activities or transactions specified in para 1 above is regularized for the period 01.07.2017 to 31.10.2024, on 'as is where is' basis.
4. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the Undersigned. Hindi version would follow.

Signed by Nitin Bansal
Date: 30-01-2025 (12:47:40)
By Order,
(Dr. Nitin Bansal)
Commissioner, State Tax,
Uttar Pradesh.

Copy To:

- ✓ 1. Joint Commissioner (I.T.), State Tax HQ, Lucknow for uploading the Circular on the Departmental Website.

Signed by
Harilal Prajapati
Date: 30-01-2025 18:14:21
Joint Commissioner (GST)
State Tax HQ, Lucknow.