

**GOVERNMENT OF WEST BENGAL
DIRECTORATE OF COMMERCIAL TAXES
14, BELIAGHATA ROAD, KOLKATA-700015**

TRADE CIRCULAR No. 07/2025
(Corresponding Central Circular No. 244/01/2025-GST)

DATED:18.03.2025

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.

Based on the recommendations of the GST Council in its 53rd meeting held on 22nd June, 2024, at New Delhi, and in exercise of the powers conferred under section 168 of the West Bengal Goods and Services Tax Act, 2017 (hereinafter referred to as the WBGST Act,2017), the following clarification is being issued through this Circular:

2. On the recommendations of the 53rd meeting of the GST Council held in New Delhi on 22nd June, 2024, the following activities or transactions were included in Schedule III of the WBGST 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 the West Bengal Goods and Services Tax (Amendment) Act, 2024 and have been brought into force on 01.11.2024 vide this Department Notification No. 143-F.T. dated 27.01.2025.

3. In its 53rd meeting, the GST Council further recommended that the payment of GST on the activities or transactions, as specified in paragraph 2 above, may be regularized for the past period, i.e. from 01.07.2017 to the effective date of amendments in the WBGST Act,2017 , on '*as is where is*' basis.
4. Thus, as recommended by the 53rd GST Council, the payment of GST on the activities or transactions specified in paragraph 2 above is regularized for the period 01.07.2017 to 31.10.2024, on '*as is where is*' basis.
5. Difficulty, if any, in implementation of this Trade Circular may be brought to the notice of the Commissioner.

Sd/-

(DEVI PRASAD KARANAM, IAS)
Commissioner, State Tax
West Bengal

Memo. No.- 41/CT/PRO
3C/PRO/2025

Date:18.03.2025

Copy forwarded to the Special Commissioner, State tax /ISD for information and for uploading it on the official website of the Directorate for information of all concerned.

Sd/-

(Joyjit Banik)
Additional Commissioner, State Tax
&
PRO