



The Institute of Chartered Accountants of India GST & Indirect Taxes Committee

GOODS & SERVICES TAX UPDATE-252

Clarification on the 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 –

The following activities or transactions which were included in Schedule III of the CGST Act, 2017 as activities or transactions which shall be treated neither as a supply of goods nor as a supply of services, became applicable with effect from 01.11.2024 vide the Finance (No. 2) Act, 2024 through *Notification No. 17/2024-CT dated 27.09.2024*:

- a) The 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.

As per the recommendations made in the GST Council meetings, GST payment on the above activities, from July 1, 2017 to October 31, 2024, have been regularized on an "as is where is" basis.

[Circular No. 244/01/2025-GST dated. 28.01.2025](#)

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