

	the same bank in another State.	are obtained by the account holder in Maharashtra, the place of supply of services will be Delhi (and hence Central tax / State tax or Union territory tax will be chargeable). In such transactions, the branch in Maharashtra will only be a facilitator for providing these services. If the branch in Maharashtra levies any charges on the branch in Delhi for providing this facility, that will be a separate supply between the two branches, it will be chargeable to Integrated tax.
62.	Will GST be charged in transactions, where loan of one bank is taken over by another bank?	GST will be chargeable on any transaction processing fees levied for such takeover of loans, but not on the interest component (as interest is exempted).
63.	Whether GST will be levied on sale of re-possessed asset?	Sale of repossessed asset falls within the scope of supply and will be chargeable to GST.
64.	Whether GST will be levied on interchange fees on card settlement fees paid/shared by banks?	Fees charged for card settlement is a consideration which is part of a separate transaction between the banks which are parties to this transaction and shall be liable to GST. This is a B2B supply and credit of this transaction is available.
65.	What is the leviability of GST on securitization transactions undertaken by banks?	Securitized assets are in the nature of securities and hence not liable to GST. However, if some service charges or service fees or documentation fees or broking charges or such like fees or charges are charged, the same would be a consideration for provision of services related to securitization and chargeable to GST.

INSURANCE SECTOR

Sr. No.	Question	Answer
66.	What is the location of the supplier of service for fund management charges in ULIP policies?	The fund management charges are charges towards managing and administering the fund. These funds are managed by the Fund Management team. The location of the supplier of service for fund management charges shall

		be the location / office which manages the fund.
67.	Whether commission paid to insurance agents shall be construed as supplies received under Section 9(3) of CGST Act, 2017? If yes, whether the Life Insurance Company can raise a consolidated invoice for such commission payments?	Sr. No. 7 of notification No. 13/2017-Central Tax (Rate), dated 28th June, 2017 as amended covers supplies received from Insurance Agents and provides for the Insurance Company to pay GST on such supplies under Section 9(3) of the CGST Act, 2017. In such cases, the insurance company may issue agent-wise consolidated invoice at the end of the month for the supply of services received during the month.
68.	Whether insurance policies issued to Non-Resident Indians, where the premium is paid through the Non-Resident External Bank account, will be 'export of services'? Would the insurance premiums be taxable in cases where the same is not received in convertible foreign exchange or from the NRE Accounts?	No. The amounts paid from the Non-Resident External Accounts are paid in Indian Rupees and are not received in convertible foreign exchange. Therefore, the conditions for export of services as provided under section 2(6) of IGST Act, 2017 are not satisfied. Life Insurance services in such cases would be treated as inter-State supplies and subject to GST.
69.	Will the requirements of Letter of Undertaking or Bond be required to be complied with in the case of Life Insurance Premium where the conditions of export of services are satisfied before or at the time of supply of the Life Insurance Service?	Yes. As per Section 16(3) of the IGST Act, 2017, read with Rule 96A of the CGST Rules, 2017, an exporter is required to submit a Letter of Undertaking or Bond in case the export of service is made without payment of integrated tax.

70.	What would be the time of supply of life insurance services?	<p>Insurance policies are contracts for indemnifying any loss suffered by the policyholder. The policyholder is required to pay a premium at the time of inception of the policy. Renewal premiums are required to be paid on periodical basis during the tenure of the policy. For renewal of the policies the policyholders are allowed grace period ranging from 15 days to 30 days in accordance with the IRDA (Protection of Policyholders' Interests) Regulation, 2002.</p> <p>The time of supply of life insurance services to the policy holders would be as under:-</p> <p>(a) New Policy – At the time of issuance of the policy;</p> <p>(b) Renewal of Policy – The time of issuance of renewal notice for insurance premium;</p> <p>(c) Other charges including ULIP charges – At the time of levy or recovery of the charges from the policyholder.</p>
71.	When service tax was paid on or before 30th June, 2017 for the services to be provided, but subsequently not provided, whether refund claim can be made under Section 142(5) of the CGST Act?	Section 142(5) of the CGST Act, 2017 specifically provides for refund of tax paid under the Finance Act, 1994 in respect of services not provided. The same shall be disposed off in accordance with the provisions of the Chapter V of the Finance Act, 1994.
72.	Can the input tax credit of Krishi Kalyan Cess be carried forward?	No. It is not permitted in terms of section 140(1) of the CGST Act, 2017 read with Rule 117(1) of the CGST Rules, 2017.

73.	In the case of group insurance policies, a Master Policy is issued; the beneficiaries of the Master Policy may be located in more than one State. In such cases, what will be the place of supply of services?	In the case of issuance of Master / Group Policy to a registered person where the premium charged is a single premium and not segregated based on the beneficiaries of the insurance policies, the place of supply for such policy will be the location of the registered person paying the premium.
74.	What is the time of supply of services for deposits and advances in cases of the recipient issuing a bank guarantee or making a deposit before assumption of risk and issuance of a policy?	As per the proviso to Section 2(31) of the CGST Act, 2017, a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply. In case of advances, however, the time of supply is the time of receipt of advance as provided in section 13(2)(a) of the CGST Act, 2017.
75.	Whether ITC will be allowed on motor garage services used by insurance company for claim settlement?	Yes, ITC will be allowed on services of motor garage used by an insurance company for claim settlement.
76.	Whether the service provided by the re-insurance company to an insurer will be treated as a supply?	The service of re-insurance falls within the scope of supply, and is chargeable to GST.

STOCK BROKING SERVICES

Sr. No.	Question	Answer
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