

**Circular**  
**Central Tax**  
**Circular No. 186/18/2022-GST**

**Dated 27<sup>th</sup> December 2022**

**Clarification on various issue pertaining to GST-reg.**

Representations have been received from the field formations seeking clarification on certain issues with respect to –

- i. Taxability of No Claim Bonus offered by Insurance companies;
- ii. Applicability of e-invoicing w.r.t an entity.

2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act"), hereby clarifies the issues as under

1. Whether the deduction on account of No Claim Bonus allowed by the insurance company from the insurance premium payable by the insured, can be considered as consideration for the supply provided by the insured to the insurance company, for agreeing to the obligation to refrain from the act of lodging insurance claim during the previous year(s)?

2. Whether No Claim Bonus provided by the insurance company to the insured can be considered as an admissible discount for the purpose of determination of value of supply of insurance service provided by the insurance company to the insured?

3. Whether the exemption from mandatory generation of e-invoices in terms of Notification No. 13/2020-Central Tax, dated 21<sup>st</sup> March, 2020, as amended, is available for the entity as whole, or whether the same is available only in respect of certain supplies made by the said entity?

It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Board. Hindi version would follow.

For more details, please follow,

<https://taxinformation.cbic.gov.in/view-pdf/1003138/ENG/Circulars>