

SERVICE TAX

Recovery procedure against confirmed demand orders – CBEC amends the existing procedures

CBEC has amended the procedure of initiation of recovery proceedings against a confirmed demand in the following manner:

1. Where *NO* appeal is filed with Commissioner (Appeals)/ CESTAT

Recovery to be initiated after the expiry of period for filing appeal i.e 60 days / 90 days.

2. Where an appeal is filed with Commissioner (Appeals)/ CESTAT, *WITHOUT* a stay application

Recovery to be initiated after filing of such appeal, without waiting for the statutory period of filling an appeal to be exhausted.

3. Where an appeal is filed *WITH* a stay application with Commissioner (Appeals)/ CESTAT

*Recovery to be initiated **30 days after the filing of appeal**, if no stay is granted, otherwise as per the conditions of the stay order.*

Further, apart from above, recovery proceedings will be initiated **IMMEDIATELY** in the following cases :

-Where Commissioners (Appeals) confirms demand in the order in original

-Tribunal or High Court confirms the demand, with no stay in operation.

These guidelines have been issued on the basis of the decision of Hon'ble Supreme Court in the case of *Collector of Customs, Bombay Vs Krishna Sales (P) Ltd [1994 (73) E.L.T 519 (S.C)]*

Consequential amendments have been made on the above subject in CBEC's Excise Manual of Supplementary Instructions and following circulars issued on the above subject have been rescinded with immediate effect:

S.No.	Date	Circular No. and File number of CX-6
1.	18-11-88	80/88 and 208/31/88

2.	2-3-90	7/90 and 208/107/89
3.	21-12-90	23/90 and 209/107/89
4.	12-11-92	16/92 and 208/59/92
5.	3-8-94	47/47/94 and 208/33/94
6.	2-6-98	396/29/98 and 201/04/98
7.	25-2-2004	788/21/04 and 208/41/03

[Circular No. 967/01/2013 CX dated 01.01.2013]

Stay by Andhra Pradesh High Court

It may be noted that recently, Andhra Pradesh High Court has granted an interim stay against this Circular in the WPMP No. 873 of 2013 in WP No. 730 of 2013 on 09.01.2013.

Janashree Bima Yojana & Aam Aadmi Bima Yojana exempt from service tax

Life Insurance Services provided under Janashree Bima Yojana (JBY) and Aam Aadmi Bima Yojana (AABY) schemes have been exempted from service tax. Entry No. 26A has been inserted in *Notification No. 25/2012-ST dated 20.06.2012* to give effect to this amendment.

[Notification No. 49/2012-ST dated 24.12.2012]

Reminder notices to pay renewal premiums not chargeable to service tax - CBEC clarifies

The point of taxation generally is the date of issuance of the invoice or receipt of payment, whichever is earlier. CBEC, therefore, has clarified that the reminder notices issued by the life insurance companies to policyholders to pay renewal premium, not being invoices issued in terms of Rule 4A of Service Tax Rules, 1994 will not be exigible to service tax.

[Circular No. 166/1/2013 ST dated 01.01.2013]

Source: www.cbec.gov.in

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Secretary

Indirect Taxes Committee

The Institute of Chartered Accountants of India

ICAI Bhawan

A-29, Sector -62, NOIDA (U.P.) India