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By CA Nagendra Hegde

1. Clarification regarding exports under claim for drawback in the GST scenario

The higher All Industry Rates (AIRs) under Duty Drawback scheme has been continued for a transition period of three months i.e. 1.7.2017 to 30.9.2017 (Circular No. 22/2017-Customs dated 30.6.2017).

CBEC has issued circular 33/2017- Customs to clarify certain aspects regarding claiming higher rate of duty draw back. Few important aspects are listed below:

- a) Government has amended Note and Condition 12A of Notification 131/2016-Cus (N.T.) dated 31.10.2016 by Notification 73/2017- Cus (N.T.) dated 26.7.2017 and dispensed with the requirement of the certificate from GST officer to claim higher rate of drawback. To facilitate exports, the higher rate of drawback can be claimed on the basis of self-declaration to be provided by exporter in terms of revised Note and Condition 12A of aforesaid Notification.
- b) Exports which have been made from 1.7.2017 onwards shall be governed by the revised Note and Condition 12A. For all exports made w.e.f 1.7.2017 for which higher rate of drawback is claimed, exporter has to submit the self-declaration in the prescribed format. This format is also being suitably included in the EDI shipping bill. In respect of exports that have already been made, exporters may submit a single declaration regarding the export products covered in past shipping bills for which let export order has been given from 1.7.2017 onwards. This shall be irrespective of any certificate or declaration, if any, given earlier.
- c) It shall be noted that where export goods had been cleared from factory, warehouse, etc. prior to 1.7.2017 and let export order hasnot been issued before 1.7.2017. Such goods are not supplies under GST and accordingly,said Note and Condition 12A is not applicable. For such goods, the declaration from exporter or certificate from the then Central Excise officer as applicable in terms of Note and Condition 12 of said Notification No. 131/2016-Customs (NT) shall continue.
- d) The need for regular sample checking of the veracity of declarations accepted for disbursing AIR drawback claims has been highlighted in Board's instruction F. No. 603/01/2011-DBK dated 11.10.2013. The said instruction is reiterated for the purpose of audit checks for above cited self-declarations. Directorate General of Audit (Central

Taxes) is also being asked to have the declarations given by exporters about non availment of ITC/refund etc. in respect of exports under drawback verified at the time of audit of these units/exporters. These checks are to ensure that there is no double neutralisation of taxes by simultaneous availment of credit/refund and drawback.

- e) It is also instructed to all the officers that in order to further facilitate exporters, it may be ensured that all pending drawback claims are disposed of on priority and zero pendency be maintained. Supplementary claims whenever filed should also be processed on priority.

2. Certain Procedural relaxations for EOU

EOUs are allowed duty free import of goods under notification No.52/2003-Custom dated 31-3-2003. However, in view of GST the said notification has been consequently amended by notification No. 59/2017-Customs dated 30-6-2017.

In this regard, Trade has brought the attention of the CBEC on various problems faced by them in following certain procedures. Considering the same CBEC has issued following clarifications vide Circular 29/2017- Customs dated 17th July 2017.

1. The B-17 bond, being a general purpose running bond will serve the requirement of continuity bond to be submitted under Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, and therefore EOU/STP/EHTP units are not required to submit separate continuity bond.
2. It was clarified that the requirements of information about estimated quantity and value of goods to be imported are to be provided under Rule 5(1)(a) of the (Import of Goods at Concessional Rate of Duty) Rules, 2017 for a period not exceeding one year. This means that units may submit the requirements for any shorter period than one year and then can give requirements for the subsequent period. Also there is no bar in the said rules to amend/give additional information. Therefore, the units can amend/modify/add such information from time to time as per the requirement of import of goods.
3. For the transitional period upto 31-7-2017, the EOU/EHTP/STP units would have option to follow the procedure of Rule (5) of IGCR, rules or use procurement certificate for import of goods.
4. The inter unit transfer would be on invoice on payment of applicable GST taxes. However, such transfer would be without payment of custom duty. The supplier unit will endorse on

such documents the amount of custom duty, availed as exemption, if any, on the goods intended to be transferred. The recipient unit would be responsible for paying such basic customs duty, as is obligated under Notification no. 52/2003-Cus dated 31-3-2003 (as amended), when the finished goods made out of such goods or such goods are cleared in DTA. The circular no. 35/2016 –Custom dated 29-7-2016 would stand amended to the extent that no procurement certificates would be required for inter- unit transfer.

Source: Circulars issued by CBEC

CA. Nagendra Hegde

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