

F. No. 609/64/2017-DBK
Government of India
Ministry of Finance, Department of Revenue
Central Board of Excise & Customs

New Delhi, dated 27th July, 2017

To,
Principal Chief Commissioners / Principal Directors General,
Chief Commissioners / Directors General,
Principal Commissioners / Commissioners,
all under CBEC

Madam/Sir,

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

As you are aware, the higher All Industry Rates (AIRs) under Duty Drawback scheme viz. rates and caps available under columns (4) and (5) of the Schedule of All Industry Rates of Duty Drawback have 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).

2. Various issues have been highlighted by field formations and exporters regarding the requirement of a certificate to be obtained from the jurisdictional GST officer prescribed vide Note and Condition 12A of Notification 131/2016-Cus (N.T.) dated 31.10.2016 as amended by Notification 59/2017-Cus (N.T.) dated 29.6.2017. The certificate aimed to ensure that there was no double neutralisation of taxes by way of credit/refund and drawback. However, in view of factors such as absence of clarity about jurisdictional GST officer, time lag between exports and the requisite returns to be filed under GST laws, etc., the said certificate from GST officer may not be available immediately at the time of export.

3. Keeping in mind the above difficulties, the 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.

4. Since Notes and Conditions of Notification No. 131/2016-Cus (NT) dated 31.10.2016 (as amended) are integral part of the rates of drawback given under the Schedule to said Notification, accordingly in terms of the Section 75(3) of the Customs Act, 1962 and Rule 5(2) of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, it may be noted that the changes made in Note and Condition 12A shall be applicable w.e.f. 1.7.2017 itself. Thus, 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 format attached. 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.

5. Another aspect that may be noted is that there could be cases where export goods had been cleared from factory, warehouse, etc. prior to 1.7.2017 but let export order has not 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.

6. As part of audit checks, 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 will thus ensure that there is no double neutralisation of taxes by simultaneous availment of credit/refund and drawback.

7. 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.

8. Wide publicity on these aspects may be given by way of issuance of trade notice and field officers also should be sensitised.

Encl. as above.

Yours faithfully,

(Dipin Singla)
OSD (Drawback)
Tel: 23341480

Self-declaration for claiming higher rate of AIR of duty drawback under column (4) and (5) of the AIR Schedule under Notification No. 131/2016-Customs (N.T.) dated 31.10.2016 (as amended)

I/We, M/s., IEC No. and address hereby declare that in respect of export products covered under Shipping Bill Nos. dated on which higher rate of drawback under column (4) and (5) of the Schedule of All Industry Rates of duty drawback of Notification No. 131/2016-Customs (N.T.) dated 31.10.2016 (as amended) is claimed-

- a) (i) no input tax credit of the Central Goods and Services Tax or of the Integrated Goods and Services Tax has been and shall be availed on the export product,

OR

- (ii) no input tax credit of the Central Goods and Services Tax or of the Integrated Goods and Services Tax has been and shall be availed on any of the inputs or input services used in the manufacture of the export product,

OR

- (iii) no refund of Integrated Goods and Services Tax paid on export product shall be claimed;

[Please strike out (i), (ii) or (iii), whichever is not applicable.]

- b) CENVAT credit on the export product or on inputs or input services used in the manufacture of the export product has not been carried forward and shall not carry forward in terms of the Central Goods and Services Tax Act, 2017.

Signature, date and seal of exporter