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

Kind attention of the members of Trade/Importers/Exporters is invited to the Circular No. 32/2017-Customs dated 27.07.2017 in respect of clarification regarding exports under claim for drawback in the GST scenario. 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. These checks will thus ensure that there is no double neutralisation of taxes by simultaneous availment of credit/refund and drawback.

7. Difficulty, if any, in the implementation of the above clarification may please be brought to the notice of the undersigned.

Encl. as above.

Copy to: As per list attached.
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
Copy forwarded to:

i. The PS to Chief Commissioner of Customs (DZ), NCH, New Delhi-110037.
ii. PS to Chief Commissioner of Customs (Preventive), NCH, New Delhi-110037.
iii. The Principal Commissioner of Customs, ICD TKD(Import), New Delhi.
iv. The Principal Commissioner of Customs Air Cargo (Import), NCH, New Delhi-110037.
v. The Commissioner of Customs ICD Tughlakabad (Export), New Delhi.
vi. The Commissioner of Customs, ICD PPG.
vii. The Commissioner of Customs, General Commissionerate, NCH, New Delhi-110037.
viii. The Commissioner of Customs, IGI Airport New Delhi-110037.

x. The Deputy Commissioner, EDI with the request to upload the above Public Notice on official website.

xi. The Delhi International Airport Limited, Cargo Terminal, New Delhi.
xii. The General Manager, CELEBI, Cargo Terminal, Near IGI Airport New Delhi,
xiii. The General Manager, DCSC, Cargo Terminal New Delhi
xiv. The President, Delhi Customs Clearing Agent Association, 260-261, Anarkali Bazar, Jhandewalan New Delhi-110019.
xv. The President & Secretary, M/s. Delhi Exporters Association, 1998, Naughera, Kinari Bazar, Delhi-110001.
xvi. The Air Cargo Agents Association of India, (Northern Region), Room No. 25, ACAAI Warehouse Terminal, Near Centaur Hotel, IGI Airport, New Delhi-110037.
xviii. Notice Board
xix. Guard File

[Signature]
Assistant Commissioner (Technical)
ACC Export