



सीमाशुल्क आयुक्त (निर्यात)

OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT)

नवीन सीमा शुल्क भवन, निकट इन्दिरा गांधी अन्तर्राष्ट्रीय हवाई अड्डा, नई दिल्ली-110037

NEW CUSTOM HOUSE, NEAR IGI AIRPORT, NEW DELHI-110037

C.No VIII/12/ACE/Tech/PN/34/2017-18

Dated /09/2017

PUBLIC NOTICE NO. /2/2017-18

Subject: The Customs and Central Excise Duties Drawback Rules, 2017 and All Industry Rates (AIRs) of Drawback related changes-reg.

Kind attention of the members of Trade/Importers/Exporters is invited to the Circular No. 32/2017-Customs dated 22.09.2017 regarding the Customs and Central Excise Duties Drawback Rules, 2017 and All Industry Rates (AIRs) of Drawback related changes. The Central Government has notified the Customs and Central Excise Duties Drawback Rules, 2017 (hereinafter referred to as Drawback Rules 2017) vide Notification No. 88/2017-Customs (N.T.) dated 21.9.2017 to replace the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995. These Rules take effect from 1.10.2017. The Central Government has also revised All Industry Rates (AIRs) of Drawback vide Notification No. 89/2017-Customs (N.T.) dated 21.9.2017 which comes into force on 1.10.2017. The notifications may be downloaded from Board's website and carefully perused for details. Some of the important changes in the Rules and AIR Schedule notification are highlighted below –

- (a) Definition of Drawback has been amended to provide for drawback of Customs and Central Excise duties excluding integrated tax leviable under sub-section (7) and compensation cess leviable under sub-section (9) respectively of section 3 of the Customs Tariff Act, 1975 chargeable on any imported materials or excisable materials used in the manufacture of goods exported;
- (b) References to input services and Service Tax have been omitted;
- (c) As drawback is limited to incidence of duties of Customs on inputs used and remnant Central Excise Duty on specified petroleum products used for generation

of captive power for manufacture or processing of export goods, only general AIRs under column (4) with caps under column (5) have been provided in the Schedule. For claiming these general AIRs, the relevant tariff item have to be suffixed with suffix 'B' e.g. for export of goods covered under tariff item 640609, the drawback serial no. should be declared as 640609B;

- (d) The Composite rates of Drawback are being discontinued w.e.f. 1.10.2017. Hence, the composite rates and Notes and Conditions pertaining to CENVAT credit, rebate of Central Excise duty, etc. stand omitted. Thus, the declaration required to be given by an exporter for claiming composite rate of drawback w.e.f. 1.7.2017 as per Circular no. 32/2017-Customs dated 27.7.2017 is no longer required w.e.f.1.10.2017;
- (e) In case of AIR claim against tariff item numbers 711301, 711302 and 711401, the requirement of declaration by exporter as per Circular no. 30/2016-Customs dated 24.6.2016 is no longer required w.e.f. 1.10.2017;
- (f) The Notification also specifies the alternative AIRs on garment exports (items covered under Chapter 61 and 62) made against the Special Advance Authorization (para 4.04A of FTP 2015-20) in discharge of export obligations in terms of Notification No. 45/2016-Customs dated 13.8.2016. These AIRs are provided in 'Table' in the said notification. For claiming these alternative AIRs, the relevant tariff item has to be suffixed with suffix 'D' instead of the usual suffix 'B';
- (g) Para 3 of the Notification no. 89/2017-Customs (N.T.)dated 21.9.2017 specifies the amount for payment as provisional drawback by proper officer of Customs in terms of sub-rule (3) of Rule 7 of the Drawback Rules, 2017. This is equivalent to the AIR corresponding to the export goods, if applicable, and subject to the same conditions as applicable to a claim for that component. The amount paid as provisional drawback under the above dispensation shall be taken into account by

