Trade Notice, 01/2019

Sub: Clarification regarding applicability of All Industry Rates of duty drawback while fixing Brand Rate of duty drawback in post GST era. - reg.


2. The matter has been examined by the OSD (Drawback). Circular Nos. 83/2003-Customs dated 18.09.2003 and 97/2003- Customs dated 14.11.2003 were issued by the Board allowing the applicability of All Industry Rates (AIRs) of Duty Drawback in respect of certain specific items, namely, finished/lining leather, bicycles and their parts/accessories and bus bodies when used in the export product, while determining Brand Rate of Duty Drawback under Rules 6 and 7 of the then Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (now Customs and Central Excise Duties Drawback Rules, 2017). These clarifications in the pre-GST era were issued based on the premise that the aforesaid items were exempt from levy of Central Excise duty and the duties on their inputs remained unrelieved.

3. Post GST, since Central Excise duty on inputs and Service Tax on input services used in the manufacture of export goods have been subsumed in GST for which input tax credit/refund is available thereunder, the basic premise for applicability of AIRs for calculation of Brand Rate of duty drawback no longer exists for exports made in GST regime. Accordingly, it is clarified that contents of para 3(a) and 3(b) of Circular No. 83/2003 dated 18.09.2003 and Circular No. 97/2003 dated 14.11.2003 are not applicable for exports made in post GST era.

4. As regard the duties to be rebated under Duty drawback scheme in post GST era, which are not refunded or neutralized in any other manner, the same can be claimed by the exporter on actual basis in terms of Rules 6 and 7 of aforesaid Rules, 2017.
5. All the trade associations are requested to give wide publicity to the contents of this trade notice among their members and trade in general.

Copy forwarded to:

1. The Chief Commissioner of Customs (DZ), New Custom House, New Delhi-110037.
2. The Chief Commissioner of Customs (Preventive), New Custom House, New Delhi-110037.
3. The Principal Commissioner/ Commissioner of Customs, ICD, TKD (Import) New Delhi-110020.
4. The Principal Commissioner/ Commissioner of Customs, ICD, TKD Patparganj, New Delhi.
5. The Principal Commissioner/ Commissioner of Customs (Preventive), New Custom House, New Delhi-110037.
6. The Principal Commissioner/ Commissioner of Customs (General), New Custom House, New Delhi-110037.
7. The Principal Commissioner/ Commissioner of Customs, ACC (Import), New Custom House, New Delhi-110037.
8. The Principal Commissioner/ Commissioner of Customs, ACC (Export), New Custom House, New Delhi-110037.
10. All Additional /Joint Commissioners of Customs, ICD TKD (Export), New Delhi-110020
11. All Deputy/Assistant Commissioners of Customs, ICD TKD (Export), Shed, SIIB/BRC/Recovery/Review/Legal/Audit/Adjudication/Export Processing/Drawback, New Delhi-110020.
12. The Deputy/Assistant Commissioner of Customs (Export Technical), ICD, TKD, New Delhi, with a request to upload on the website.
14. The Federation of Indian Export Organizations, Niryat Bhawan, Rao Tula Ram Marg, Opp. Army Hospital, Research & Referral, New Delhi-110057.
16. All India Garments Exporters Common Cause Guild, 44, Community Centre, East of Kailash, New Delhi-110065.
18. Guard File.

Assistant Commissioner,
ICD, TKD, Export,
New Delhi