

**OFFICE OF THE PRINCIPAL CHIEF COMMISSIONER
OF CGST & CENTRAL EXCISE, MUMBAI ZONE
GST BHAVAN, 115, M. K. ROAD, CHURCHGATE, MUMBAI-20**

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TRADE NOTICE NO. 11 /PCCO/MUMBAI /2017

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

Attention of the Trade including Exporters Manufacturers, Traders, Service Providers, Suppliers, Dealers, General Trade & Industry coming under the jurisdiction of the Office of the Principal Chief Commissioner of CGST & CX, Mumbai Zone and all other stakeholders is invited to the contents of the Circular No. 32/2017 - Customs, issued by the Central Board of Excise and Customs from F. No. F. No. 609/64/2017-DBK on 27th July, 2017 which are discussed below:-

2. 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).
3. 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 neutralization 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.
4. 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.
5. 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

6. 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.

7. 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 nonavailment 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 neutralization of taxes by simultaneous availment of credit/refund and drawback.

8. In order to further facilitate exporters, it has been directed to the field formations to ensure 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.

9. All the concerned Trade Associations and Chambers of Commerce and Industry are requested to bring the contents of this Trade Notice to the notice of their members and constituents, for necessary guidance.

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

11. This issues with the approval of the Chief Commissioner, CGST & CX, Mumbai Zone.

Sd/-

(S. C. GANGER)
Additional Commissioner
PCCO, CGST & CX, Mumbai Zone

F. No: IV/16-Tech-82/PCCO/Mumbai/2017

Mumbai, the 2nd August, 2017

Copt to:-

- 1) Trade Associations.(through respective E Mails)
- 2) Principal Commissioner/Commissioner of CGST & CX, Mumbai South, Mumbai East, Mumbai West, Mumbai Central, Thane, Thane Rural, Bhiwandi, Palghar, Navi Mumbai, Belapur & Raigarh., Audit Commissionerates Audit-I, Audit-II, Audit-III, Audit-IV and Audit-V ,Mumbai
Suitable instructions shall be issued to the field formations to sensitise them about the contents of said Circular No. 32/2017 – Customs dated 27th July, 2017 and to get the directions contained therein implemented.
- 3) Audit Section, PCCO, Mumbai.
- 4) The Superintendent of Computer Cell for uploading in website.
- 5) P.R.O., Mumbai Central CGST/CX Commissionerate ,Mumbai for displaying on Notice Board at GST BHAVAN, 115, M. K. ROAD, CHURCHGATE, MUMBAI-20.
- 6) Master File