



भारत सरकार

Government of India,

वित्त मंत्रालय, राजस्व विभाग

Ministry of Finance, Department of Revenue

वस्तु एवं सेवाकर एवं सीमा शुल्क, मुख्य आयुक्त का कार्यालय

Office of the Chief Commissioner, Goods and Services Tax & Customs

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Trade Notice No. 09/2017

Dated, Shillong the 19th July, 2017

Subject: Issues related to Bond/Letter of Undertaking for exports without payment of integrated tax
- Reg.

Attention of all Central Excise assessee/manufacturers, Service Tax assessee, Exporter, Trade and Industry and all concerned are invited to Ministry's Circular No. 4/4/2017 issued under F.No. 349/82/2017-GST dated 7th July, 2017, the Central Board of Excise & Customs in exercise of the powers conferred under Section 68(1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act in complying with the procedure prescribed for making exports of goods and services without payment of integrated tax with respect to furnishing of bonds/Letter of Undertaking. However, these issues are being clarified hereunder.

2 As per Rule 96A of the Central Goods and Services Tax Rules, 2017 (The CGST Rules), any registered person exporting goods or services without payment of integrated tax is required to furnish a bond or a Letter of Undertaking (LUT) in **FORM GST RFD-11**.

3 Attention is invited to Notification No. 16/2017-Central Tax dated 01-07-2017 vide which the category of exporters who are eligible to export under LUT has been specified along with the conditions and safeguards. All exporters, not covered by the said notification, would submit bond. The procedures for submission and acceptance of bond has already been prescribed vide Circular No. 2/2/2017-GST dated 4th July, 2017. The bond shall be furnished on non-judicial stamp paper of the value as applicable in the State in which bond is being furnished.

4 A clarification has been sought as to whether bond to be furnished for exports is a running bond (with debit/credit facility) or a one-time bond (separate bond for each consignment/export). It is observed consignment wise bond would be a significant compliance burden on the exporters. It is directed that the exporters shall furnish a running bond, in case he is required to furnish a bond, in **FORM GST RFD-11**. The bond would cover the amount of tax involved in the export based on estimated tax liability as assessed by the exporter himself. The exporter shall

ensure that the outstanding tax liability on exports is within the bond amount. In case the bond amount is insufficient to cover the tax liability in yet to be completed exports, the exporter shall furnish a fresh bond to cover such liability.

FORM RFD-11 under Rule 96 A of the CGST Rules requires furnishing a bank guarantee with bond. Field formations have requested for clarity on the amount of bank guarantee as a security for the bond. In this regard it is directed that the jurisdictional Commissioner may decide about the amount of bank guarantee depending upon the track record of the exporter. If Commissioner is satisfied with the track record of an exporter then furnishing of bond without bank guarantee would suffice. In any case the bank guarantee should normally not exceed 15% of the bond amount.

As regards LUT, it is clarified that it shall be valid for twelve months. If the exporter fails to comply with the conditions of the LUT he may be asked to furnish a bond. Exports may be allowed under existing LUTs/Bonds till 31st July 2017. Exporters shall submit the LUTs/bond in the revised format latest by 31st July, 2017.

It is further stated that the Bond/LUT shall be accepted by the jurisdictional Deputy /Assistant Commissioner having jurisdiction over the principal place of business of the exporter. The exporter is at liberty to furnish the bond/LUT before Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of tax payers to respective authority is implemented. However, if in a State, the Commissioner of State Tax so directs, by general instruction, to exporter, the Bond/LUT in all cases be accepted by Central Tax Officer till such time the said administrative mechanism is implemented. Central Tax Officers are directed to take every step to facilitate the exporters.

Attention is further invited to Circular No. 26/2017-Customs dated 1st July 2017, vide which it has been clarified that the existing practice of sealing the container with a bottle seal under Central Excise supervision or otherwise would continue till 1st September, 2017. Such sealing shall be done under the supervision of the officer having physical jurisdiction over the place of business where the sealing is being done. A copy of the sealing report would be forwarded to the Deputy/Assistant Commissioner having jurisdiction over the principal place of business.

These instructions shall apply to exports on or after 1st July, 2017.


(W.L. Hangshing)
Chief Commissioner

C.No.IV(16)05/CCO/TECH-I/GST/SH/2017/

3977-26

Dated: 20/7

20 JUL 2017

Copy forwarded for information & necessary action to:-

1. The Director General, Directorate General of Service Tax, Mumbai, 9th Floor, Piramal Chambers, Jijibhoi Lane, Lalbaug, Parel, Mumbai – 400 012.
2. The Director General, Directorate General of Audit, Room No. 172, 107, C.R. Building, I.P. Estate, New Delhi – 110 002.
3. The Director (Cus.IV), CBEC, North Block New Delhi – 110 001.

4. The Commissioner (GST), Central Board of Excise & Customs, GST Policy Wing, New Delhi-110066.
5. The Commissioner, Goods and Services Tax, Agartala/Aizawl/Dibrugarh/Dimapur/Guwahati /Itanagar/Imphal/Shillong.
6. The Commissioner, Customs (P) N.E.R., Shillong.
7. The Commissioner (Appeals), Goods & Services Tax, Guwahati.
8. The Commissioner (Audit), Goods & Services Tax , Guwahati
9. The Director General, Directorate General of Inspection, Customs & Central Excise, D Block, I.P. Bhawan, I.P. Estate, New Delhi – 110 002.
10. The Director General, Directorate General of Revenue Intelligence, D Block, I.P. Bhawan, 7th Floor, I.P. Estate, New Delhi – 110 002.
11. The Commissioner, Directorate of O&M Services, Customs & Central Excise, 412-A/8, Deep Sikha Building, Rajendra Place, New Delhi – 110 008.
12. The Commissioner, Directorate of Statistics & Intelligence, Central Excise & Customs, DLF Centre, G.K – II, New Delhi – 110 048.
13. The Commissioner, Directorate of Preventive Operations, Customs & Central Excise, 4th Floor, Lok Nayak Bhawan, 'A' Wing, Khan Market, New Delhi – 110 003.
14. The Commissioner, Directorate of Publications, Customs & Central Excise, I.P. Estate, C.R. Building, New Delhi – 110 002.
15. The Commissioner (System), Directorate of Systems, Customs & Central Excise, C.R. Building, New Delhi – 110 002.
16. The Additional Director General, National Academy of Customs, Excise & Narcotics, Eastern Region, P-27 CIT Scheme, VIII(M), Bidhannagar Road, Kolkata – 700 067.
17. The Pr. CCA, Central Board of Excise & Customs, AGCR Building, 1st Floor, New Delhi – 110 002.
18. The Accountant General of Meghalaya/Manipur/Nagaland/Tripura/Assam.
19. All RAC Members under Shillong GST Zone
20. All Trade Associations/Chamber of Commerce under Shillong GST Zone.
21. The Addl. Commissioner, Goods and Services Tax, Dibrugarh/Guwahati.
22. The Addl. Commissioner, Customs (P) N.E.R., Shillong.
23. The Joint Commissioner (P&V), Goods and Services Tax, Shillong.
24. The Dy./Asst. Commissioner, Goods & Services Tax Division(All)
25. The Superintendent (Systems), CCO, Shillong for uploading on the Website.
26. Guard File.


(L. Beimopha)
Joint Commissioner