

**Instruction No. 15/2017-Customs**

F. No. 450/119/2017-Cus IV  
Government of India  
Ministry of Finance  
Department of Revenue  
(Central Board of Excise & Custom)  
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New Delhi, dated the 9<sup>th</sup> October, 2017

To

All Principal Chief Commissioners/Chief Commissioners of Customs / Customs  
(Preventive),  
All Principal Chief Commissioners/Chief Commissioners of Customs and Central  
Excise,  
All Directors General,  
All Principal Commissioners/Commissioners of Customs / Customs (Preventive),  
All Principal Commissioners/ Commissioners of Customs and Central Excise.

Sir/Madam,

**Sub: Refund of IGST paid on export of goods under Rule 96 of CGST Rules 2017**

As you are aware, Rule 96 of the CGST Rules 2017 deals with refund of Integrated Tax paid on goods exported out of India. It provides that the shipping bill filed by an exporter shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India once export general manifest (EGM) and valid return in Form GSTR-3 or Form GSTR- 3B, as the case may be has been filed. Once these conditions are met, the Customs System shall process the claim for refund and an amount equal to the integrated tax paid in respect of each shipping bill or bill of export shall be electronically credited to the bank account of the applicant mentioned in his registration particulars and as intimated to the Customs authorities.

2. The Committee on Exports setup by the GST Council has recommended that IGST refunds for exports made in July 2017 must start by 10.10.2017. This recommendation has been endorsed by GST Council in its meeting on 06-10-2017. Necessary background work is being done by the Directorate General of Systems, GSTN and Controller General of Accounts (PFMS). In order to ensure that refunds start smoothly, following guidelines are issued for the field formations-

**Export General Manifest**

3. Filing of correct EGM is a must for treating shipping bill or bill of export as a refund claim. Commissioners must ensure that the concerned airlines/shipping lines/carriers file EGM/Export report within prescribed time. Cases which remain in EGM error due to any reason should be followed up to ensure that records are updated at the gateway port,

especially for ICDs. Exporters may be advised that they should follow up with their carriers to ensure that correct EGM/export reports are filed in a timely manner.

#### **Details of export supplies in Table 6A of GSTR-1**

4. The details of zero rated supplies declared in Table 6A of return in Form GSTR-1 are matched electronically with the corresponding details available in Customs Systems as per details provided in shipping bills/ bill of export. Thus exporters must file their GSTR-1 very carefully to ensure that all relevant details match. For their convenience, the details available in the Customs System have been made available for viewing in their ICEGATE login.

4.1 Exporters who have not filed their GSTR-1 for month of July 2017 may be advised to do so immediately.

4.2 For month of August 2017 and subsequent months, facility of filing GSTR-1 has not been made available by GSTN at present. In order to facilitate processing of refunds, GSTN is making available a separate utility for filing details in Table 6A of GSTR-1 on the GSTN Web portal. Exporters may be advised to submit the requisite details once GSTN develops the utility.

#### **Valid return in Form GSTR-3 or Form GSTR-3B**

5. Filing of valid return in GSTR-3 or GSTR-3B is another pre-condition for considering shipping bill/Bill of export as claim for refund. Exporters may be advised that they must file these returns expeditiously without waiting for the last date, to ensure that their refund is processed in a timely manner.

#### **Bank account details**

6. As per Rule 96 of CGST Rules 2017, the refund is to be credited in the bank account of the applicant mentioned in his registration particulars. As a practice, exporters have been declaring details of bank account to Customs for the purpose of drawback etc. There is a possibility that bank account details available with Customs do not match with those declared in the GST registration form. In order to ensure smooth processing and payment of refund of IGST paid on exported goods, it has been decided that said refund amount shall be credited to the bank account of the exporter registered with Customs even if it is different from the bank account of the applicant mentioned in his registration particulars. However, exporters may be advised to either change the bank account declared to Customs to align it with their GST registration particulars or add the account declared with Customs in their GST registration details.

6.1 Further, as the refund payments are being routed through the PFMS portal, the bank account details need to be verified and validated by PFMS. The status of validation of bank account with PFMS is available in ICES. Exporters may be advised that if the account has not been validated by PFMS, they must get their details corrected in the Customs system so that their bank account gets validated by PFMS. Exporters are also advised not to change their bank account details frequently to avoid delay in refund payment.

#### **Processing of refund claims**



7. Proper officer of each jurisdiction shall generate a payment scroll of eligible IGST refunds in the same manner as RoSL scrolls are generated. The scroll shall be transmitted electronically to PFMS system for onward payment into their bank accounts. Unlike RoSL where paper scrolls are to be sent by field formations, in this case, electronic verification will be done centrally by a DDO appointed in this regard. Detailed EDI procedure for processing of claims and generation of refund scrolls is being circulated by Directorate of Systems, CBEC. DG-Systems is also laying down the procedure for payment and accounting in consultation with Pr. CCA CBEC and CGA of India. Proper officers may be designated in each Commissionerate, who should be in readiness to start generating refund scrolls from 10.10.2017 onwards.

**Handling of cases under Rule 96(4)(a)**

8. Sub rule 4a of aforesaid Rule 96 provides that refund is to be withheld if a request has been received from the jurisdictional Commissioner of central tax, State tax or Union territory tax to withhold the payment of refund in accordance with the provisions of sub-section (10) or sub-section (11) of section 54. In such cases, the proper officer of integrated tax at the Customs station has to intimate withholding of refund to the applicant and the jurisdictional Commissioner of central tax, State tax or Union territory tax, as the case may be, and a copy of such intimation has to be transmitted to the common portal.

8.1 The Commissioners should put in place a mechanism for keeping record of such intimations received from jurisdictional Commissioner of central tax, State tax or Union territory tax and ensuring that refunds are not processed and sanctioned in such cases. Necessary communication to the applicant and the jurisdictional Commissioner of central tax, State tax or Union territory tax, in respect of claims withheld should be promptly sent. Mechanism to communicate the same to Common portal is being worked out and shall be communicated separately.


**Exports in violation of the provisions of the Customs Act, 1962**

9. In case where proper officer determines that the goods were exported in violation of the provisions of the Customs Act, 1962, IGST refund has to be withheld in terms sub rule 94(4)(b) of aforesaid Rule 96. Accordingly, necessary action in such cases to ensure that IGST refund is withheld should be taken.

10. Guidelines and procedures for filing and processing of refunds of IGST paid on export goods for exports made under manual (non-EDI) shipping bills shall be communicated separately.

11. Suitable trade notices and standing orders should be issued for guidance of trade and officers respectively. Difficulties, if any, may be brought to the notice of the Board.

Yours faithfully,

  
(Maninder Kumar)  
OSD (Cus-IV)