INDIRECT TAXES UPDATE - 56

CUSTOMS

<u>Time Period for claiming drawback on Goods Exported other than by post prescribed</u> under Drawback Rules aligned with the period prescribed under section 75A

Section 75A of the Customs Act, 1962 provides for payment of interest if the drawback is not paid to the claimant within one month from the date of filing a claim for drawback at the rate prescribed from the date of expiry of one month till the date of payment of such drawback. This period of 'one month' was amended w.e.f 14.05.2003 from 'two months' prior to 14.05.2003.

However, corresponding amendment was not made in rule 13(4) of the Customs and Central Excise Duties and Service Tax Drawback Rules, 1995, which provides for manner and time limit for claiming drawback. The rule continued to mention that 'two months' period prescribed under section 75A shall exclude the time taken in testing of the export goods subject to maximum of one month. CBEC has therefore, now amended this period under Rule 13(4) from 'two months' to 'one month' to bring it in line with time limit prescribed under section 75A.

Drawback allowed on Cotton Yarn

Drawback was not allowed earlier on Cotton Yarn falling under heading 5205, 5206 and 5207. Now this restriction is removed.

[Notification No. 69 /2011- CUS(NT) dated 22.09.2011]

CENTRAL EXCISE

<u>Constitution of Single Zonal Level Regional Advisory Committee for Organized Sector</u> & Small Scale Industries under the chairmanship of Chief Commissioner

In every Commissionerate a Regional Advisory Committees provides advisory services for solution of procedural difficulties of general nature. There are separate RAC for organized sector & small scale sector. These RAC are presently being chaired by the Commissioner. The circular issued provides that from now onwards a single RAC may be constituted for the organized sector and the small scale industries by the Zonal Chief Commissioner at zonal level instead of a separate RAC for each Commissionerate in his Zone. In addition, following are the other decisions of the Board in this respect:

1. The number of members in each RAC raised to 16 from 12 so as to include

representatives from the State Government, manufacturers, SSI, PSU etc.

- 2. Three more members to be co-opted by the Chief Commissioner. Meetings of RAC to be convened on a quarterly basis.
- 3. The Chief Commissioner shall be the Chairperson of RAC.

[Circular No.953/14/2011 Dated 12.09.2011]

Source: www.cbec.gov.in

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Feedback

The Indirect Taxes Update is an endeavour of the Indirect Taxes Committee to apprise the readers about the amendments made in various central indirect tax laws vide significant notifications, circulars etc. We welcome your feedback on the Update and its contents.

Please email idtc@icai.org for feedback.

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