

GOODS & SERVICES TAX UPDATE – 26

CENTRAL GOODS & SERVICES TAX

Procedure regarding procurement of supplies of goods from DTA by (EOU)/(EHTP Unit /STP Unit/BTP Unit .

The CBEC vide [Circular No. 14/14 /2017 - GST dated 6th November 2017](#) clarifies the procedure of supplies of goods by a registered person to EOUs etc. would be treated as deemed exports under Section 147 of the CGST Act, 2017 and refund of tax paid on such supplies can be claimed either by the recipient or supplier of such supplies. The following procedure and safeguards are prescribed for supplies to EOU / EHTP / STP / BTP units in terms of [Notification No. 48/2017- Central Tax dated 18.10.2017](#): -

- i. The recipient EOU / EHTP / STP / BTP unit shall give prior intimation in a prescribed proforma in "[Form-A](#)" bearing a running serial number containing the goods to be procured, as pre-approved by the Development Commissioner and the details of the supplier before such deemed export supplies are made. The said intimation shall be given to –
 - a) the registered supplier;
 - b) the jurisdictional GST officer in charge of such registered supplier; and
 - c) its jurisdictional GST officer.
- ii. The registered supplier thereafter will supply goods under tax invoice to the recipient EOU / EHTP / STP / BTP unit.
- iii. On receipt of such supplies, the EOU / EHTP / STP / BTP unit shall endorse the tax invoice and send a copy of the endorsed tax invoice to –
 - a) the registered supplier;
 - b) the jurisdictional GST officer in charge of such registered supplier; and
 - c) its jurisdictional GST officer.
- iv. The endorsed tax invoice will be considered as proof of deemed export supplies by the registered person to EOU / EHTP / STP / BTP unit.
- v. The recipient EOU / EHTP / STP / BTP unit shall maintain records of such deemed export supplies in digital form, based upon data elements contained in "[Form-B](#)". The software for maintenance of digital records shall incorporate the feature of audit trail. While the data elements contained in the Form-B are mandatory, the recipient units will be free to add or continue with any additional data fields, as per their commercial requirements. All recipient units are required to enter data accurately and immediately upon the goods being received in, utilized by or removed from the said unit. The digital records should be kept updated, accurate, complete and available at the said unit at all times for verification by the proper officer, whenever required. A digital copy of Form – B containing transactions for the month, shall be provided to the jurisdictional GST officer, each month (by the 10th of month) in a CD or Pen drive, as convenient to the said unit.

The above procedure and safeguards are in addition to the terms and conditions to be adhered to by a EOU / EHTP / STP / BTP unit in terms of the Foreign Trade Policy, 2015- 20 and the duty exemption notification being availed by such unit.

[[Circular No. 14/14 /2017 - GST dated 6th November 2017](#)]

Comment: Supplies that are regarded as 'deemed exports' will attract a low rate of GST. As such, this

will result in the supplies to attract an 'inverted tax structure' and would be eligible to claim refund under section 54(3) read with rule 89.

Due date for generation of FORM GSTR-2A and FORM GSTR-1A in accordance with the extension of due date for filing FORM GSTR-1 and FORM GSTR-2

For bringing the uniformity in the implementation of the Act, CBEC vide [Circular No. 15 /15/2017 - GST dated 6th November 2017](#) clarifies that the due date of FORM GSTR-2A is also extended in accordance with due dates for furnishing the details in FORM GSTR-1 and FORM GSTR-2 in reference with Notification No. 30/2017-Central Tax dated 11th September 2017, and Notification 54/2017-Central Tax, dated 30th October 2017.

The details furnished in FORM GSTR-1 are available to the recipient in FORM GSTR-2A from 11th October 2017. These details can be verified, validated, modified or deleted to prepare details in FORM GSTR-2 which is required to be furnished not later than the 30th November 2017. FORM GSTR-2A is a read-only document made available to the recipient electronically so that he has a record of all the invoices received from various suppliers during a given tax period.

In this regard, it is hereby clarified that as the dates for furnishing the details in FORM GSTR-1 and FORM GSTR-2 have been extended, the due date for furnishing of FORM GSTR-1A for July 2017 is also extended. Therefore, the details in FORM GSTR- 1A shall be made available to the supplier from the 1st of December to the 6th of December 2017 for the month of July 2017.

[[Circular No. 15 /15/2017 - GST dated 6th November 2017](#)]

Customs

Electronic Sealing of Export Containers

CBEC Vide para 5 of [Circular 37/2017-Customs dated 20th September 2017](#) provided the implementation of mandatory e-sealing through RFID e-seals (Radio Frequency Identification) with effect from 1st November 2017. In this regard, CBEC Vide [Circular No. 41 / 2017-Customs dated 30th October 2017](#) clarifies that with the introduction of self-sealing using RFID e-seals, it has enhanced export facilitation by dispensing the need for exporters seeking the presence of jurisdictional officer for the purposes of supervising stuffing of the cargo at approved premises. This measure is expected to reduce transaction costs of exporters since they exporter would not have to incur MoT charges in respect of such supervision as well it will improve timeliness of their exports. By using RFID technology, it will also enhance cargo security during transportation to Ports & ICDs as well as during holding time.

[Circulars 26/2017-Customs dated 1st 2017](#) and [Circular 36/2017 dated 28th August 2017](#) have provided that following classes of exporters to adopt RFID e-sealing:

- a) exporters already enjoying the facility of self-sealing as approved by jurisdictional formations under the erstwhile procedures;
- b) exporters who have hitherto been availing of supervised sealing and have been automatically entitled to avail of self-sealing using RFID e-seals, without having to expressly seek any permission/approval of the jurisdictional commissioner for this purpose;
- c) AEOs, regardless of whether they were self-sealing or undertaking supervised sealing, have also been entitled to avail of the new procedure;
- d) Lastly, all exporters have been extended this facility subject to their filing GST returns but after seeking permission for self-sealing from the jurisdictional Commissioner as per procedure prescribed under para 9(iii) of [Circulars 26/2017-Customs dated 1st 2017](#).

All exporters who have been permitted self-sealing facilities under erstwhile procedures and exporters who are AEOs, it would be mandatory to seal their export containers with prescribed RFID e-seal w.e.f. 8th November 2017. Any non-compliance will subject the containers to usual RMS parameters.

In respect of the category of exporters who are availing supervised stuffing at their premises, they shall have to switch to RFID e-sealing procedures, w.e.f. from 20th November 2017.

The procedures in respect of customs stations where RFID readers have not been provided by any vendor so far, shall continue as per existing practice, till 31st December 2017. Board shall take necessary steps to make sure that the readers are made available at such customs stations by 1st January 2018. The detailed discussion on above clarification are available on cbec.gov.in

[[Circular No. 41 / 2017-Customs dated 30th October 2017](#)]

Anti Dumping Duty

Seeks to impose definitive anti-dumping duty on the imports of " Sodium Chlorate " originating in or exported from Canada, China PR and European Union.

The Central Government vide [Notification No. 53/2017-Customs \(ADD\) dated 2nd November, 2017](#) notified that "Sodium Chlorate" (subject goods) falling under tariff item 2829 11 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) originating in, or exported from Canada, China PR and EU (subject countries) and imported into India, the designated authority in its final findings has come to the conclusion that :-

- I. There is dumping of product concerned from the subject countries;
- II. Imports from subject countries are suppressing the prices of the domestic industry;
- III. The price injury to domestic industry has been caused by dumped imports, with a significant positive injury margin due to price suppression;

The designated authority has recommended the imposition of definitive anti-dumping duty on the imports of subject goods, originating in or exported from the subject countries and imported into India, in order to remove injury to the domestic industry.

The anti-dumping duty imposed shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be payable in Indian currency.

[[Notification No. 53/2017-Customs \(ADD\) dated 2nd November, 2017](#)]

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