

Summary of Notifications, Circulars from 16th April 2017 to 15th May, 2017

SERVICE TAX

1. Exemption of Life Insurance services under 'Pradhan Mantri Vaya Vandana Yojana'

The Central Government vide *Notification No. 17/2017-ST dated 4th May, 2017* has amended the Notification No. 25/2012 to provide exemption to the services of life insurance business provided under the scheme of **Pradhan Mantri Vaya Vandana Yojana**.

[Notification No. 17/2017 -Service Tax dated: May 4, 2017]

CENTRAL EXCISE

2. Quantum of Mandatory Deposit required for filing appeal before the CESTAT

The Central Government vide *Circular No. F.No.390/Misc./37/2017-JC, dated: May 9, 2017* directed attention to the CESTAT's Larger Bench Order dated 20.04.2017 in respect of quantum of mandatory deposit. The Larger Bench resolved the issue as to whether an appellant has to pay 10% mandatory deposit for preferring an appeal before the Tribunal over and above the mandatory deposit of 7.5% of the duty liability/ penalties already paid for an appeal to the first appellate authority.

It clarified that in order to prefer an appeal before the Tribunal, an assessee/ appellant need to deposit 10% of the amount of duty confirmed or the penalty imposed as the case may be irrespective of the amounts equivalent to 7.5% deposited by them for preferring an appeal to the first appellate authority.

[Circular No. F.No.390/Misc./37/2017-JC, Dated: May 9, 2017]

CUSTOMS

3. Monitoring of export obligation fulfilment under EPCG and Advance Authorization Schemes

The Central Government vide *Circular No. F. No. 16/2017 dated: May 2, 2017* provides to safeguard revenue in case of non-submission of proof of discharge of export obligation within the time period stipulated by the custom notifications.

Earlier, the government vide Circular No. 5/2010-Cus dated 16.03.2010 mandates the issue of notice to the exporters for furnishing the Bond/ Bank Guarantee but due to the reason that the same been submitted to DGFT for issuance of EODC, the adjudication process of their show cause notice gets finalised and the demand confirmed. In order to mitigate such issue, the government now decided that a simple notice after following the principal of natural justice will suffice to the licence/authorization holder who does not submit the EODC/Redemption letter within the prescribed period.

In view of the above, the field formations may issue simple notice to the licence/authorization holders for submission of proof of discharge of export obligation. In case where the licence/authorization holder submits proof of their application having been submitted to DGFT, the

matter may be kept in abeyance till the same is decided by DGFT. However, in cases where the licence/authorization holder fails to submit proof of their application for EODC/Redemption Certificate, extension/clubbing etc., action for recovery may be initiated by enforcement of Bond/Bank Guarantee. In cases of fraud, outright evasion, etc., field formations shall continue to take necessary action in terms of the relevant provisions.

[Circular No. 16/2017-Cus, Dated: May 2, 2017]