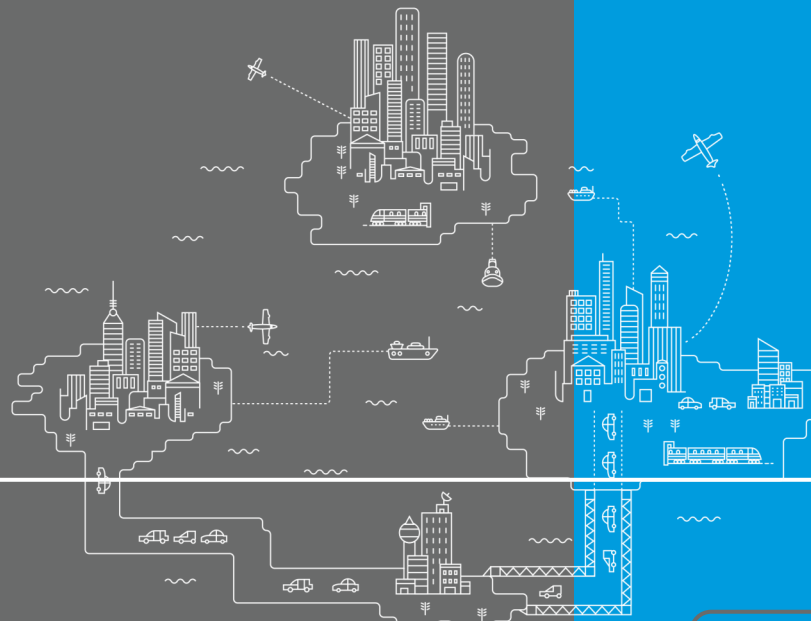


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Newsflash: Export Procedure and Sealing of Containerized Cargo

Post implementation of GST from 1 July 2017, Government of India has prescribed the procedure for export and sealing of containerized cargo by way of circular no. 26 / 2017 - Customs dated 1 July 2017.

1.0 Procedure of Export

1.1 The governing provisions related to exports are contained in section 16 of IGST Act, 2017. Supplies of goods and services for exports have been categorized as 'Zero Rated Supply' implying that goods could be exported under two options :

Option I	Option II
<p>Under bond or letter of undertaking without payment of IGST followed by claim of unutilized input tax credit.</p> <p>a. The exporter claiming Input Tax credit shall file an application electronically through the common portal. The application shall be accompanied by documents as prescribed in the rules.</p> <p>b. Application for refund shall be filed only after export manifest or an export report, as the case may be as per Section 41 of Customs Act, 1962.</p> <p>c. Format of furnishing bond or LUT for export of goods have been attached separately in Annexure -1.</p>	<p>Payment of IGST with provision for refund of tax paid</p> <p>a. Registered person shall not have to file any application for refund of IGST paid on supply of goods for exports.</p> <p>b. The Shipping bill, having GST invoice details shall be deemed to be an application for refund of IGST paid on goods exported out of India.</p>

1.2 "Input tax" in relation to a registered person, means the central tax, State tax, integrated tax or Union territory tax charged on any supply of goods or services or both made to him and includes

- a. the integrated goods and services tax charged on import of goods;
- b. the tax payable under the reverse charge mechanism.

but does not include tax paid under the composition levy.

1.3 To claim refund under option II, following are the prerequisites

- a. Person in charge of the conveyance carrying export goods should duly file an export manifest or an export report which should cover number and date of shipping details or bills of export.
- b. Applicant should furnish a valid return in Form GSTR- 3 within the grace period allowed by the Government.
- c. Details of the export invoices contained in return GSTR-1 should be transmitted electronically by the common portal to the Customs System and the said System shall in turn electronically transmit back to the common portal a confirmation that the goods covered by the said invoices have been exported out of India.

1.4 Upon receipt of information regarding furnishing of a valid return in GSTR-3 on the common portal, Customs system shall process the claim for refund and an amount equal to IGST paid in respect of each shipping bill or bill of export will be credited to the bank account of the applicant mentioned in the registration particulars.

1.5 ARE-1 procedure which was being followed is dispensed with expect in respect of commodities to which provisions of Central Excise Act ,1944 would continue to be applicable.

2.0 Procedure for Self Sealing of Containers in respect of export

2.1 At present there are 3 categories of containers which arrive at the port/ICD :

- a. Containers stuffed at factory premises or warehouse under self-sealing procedure;
- b. Containers stuffed/sealed at factory premises or warehouse under supervision of central excise officer; or
- c. Containers stuffed and sealed at container freight stations/Inland Container Depot.

2.2 Board has decided to lay down a simplified procedure for stuffing and sealing of export goods in containers. It has been decided to do away with the sealing of containers with export goods by CBEC officials. **Instead , self-sealing procedure shall be followed subject to the following:**

Sr No	Particulars
1.	Exporter shall be under an obligation to inform the details of the premises of a factory or warehouse or any other place where container stuffing is to be carried out to the jurisdictional customs officer.
2.	<p>Exporter should be registered under the GST and should be filing GSTR1 and GSTR 2 & where exporter is not registered, he shall bring the export goods to a Container freight station/ICD for stuffing and sealing of container.</p> <p>However in case of an Status holders recognized by DGFT under a valid status holder certificate issued in this regard, an exporter may follow the self-sealing procedure even if he is not required to be registered.</p>
3.	Any exporter desirous of availing the Self Sealing procedure shall inform the jurisdictional custom officer of the rank of superintendent or appraiser of customs atleast 15 days before the first planned movement of a consignment from factory premises or warehouse.
4.	The Concerned officer will visit and inspect with regard to viability the premises from where export goods will be stuffed & sealed for export. Permission will be granted based on the viability of premises and after such permission, exporter shall furnish only intimation to the jurisdictional superintendent or customs each time self-sealing is carried out at approved premises. The Intimation, in this regard shall clearly mention the place and address of approved premises, description of export goods and whether any incentive is claimed or not.
5.	Where the permission is not granted based on the viability of premises, exporter shall bring the goods to Container Freight Station/Inland Container Depot/Port for sealing purposes.
6.	Self- Sealing permission given to the exporter will be applicable at all the customs stations.
7.	Transportation documents for movement of goods from factory or warehouse shall be same as specified in GST laws. In case of unregistered person, way bill or transport challan or lorry receipt shall be the transport document.
8.	The exporter shall seal the container with the tamper proof electronic –seal of standard specification. It should have a unique number which should be declared in the shipping bill.
9.	<p>Before sealing the container , exporter shall feed the data such as :</p> <ul style="list-style-type: none"> i. Name of the exporter, ii. IEC code, iii. GSTIN number , iv. Description of the goods, v. Tax invoice number, vi. Name of the authorized signatory and shipping bill number in the electronic seal.
10.	For self-clearance of export goods the exporter shall file an shipping bill under digital signature.

2.3 The existing practice of sealing the container with bottle seal under Central Excise supervision would continue, since board has decided that the above procedure **shall be effective from 1 September 2017.**

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This newsflash is general in nature. In this newsflash, we have summarized the key aspects of the procedure prescribed the procedure for export and sealing of containerized cargo. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said notification and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

4 July 2017