



दि प्लास्टिक एक्सपोर्ट प्रमोशन कौन्सिल

(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)
क्रिस्टल टावर, गुंदिवाली रोड क्र. 3, ऑफ सर एम व्ही रोड, अंधेरी (पूर्व), मुंबई ४०० ०६९, भारत
दूरध्वनी : ९१-२२-२६८३ ३९९१/९२ फैक्स : ९१-२२-२६८३ ३९९३
ई-मेल : plexconcil@vsnl.com वेबसाईट : http://www.plexconcil.org

THE PLASTICS EXPORT PROMOTION COUNCIL

(Sponsored by the Ministry of Commerce & Industry, Department of Commerce, Government of India)
Crystal Tower, Gundivali Road No 3, Off Sir M V Road, Andheri (E), Mumbai 400069 - India
Ph: (+91 - 22) 26833951, Fax: (+91 - 22) 26833953 / 26834057
Email: plexconcil@vsnl.com Website: http://www.plexconcil.org

Ref. : Plexh/Cir/892

10th July 2017

To,
All Members of Plexconcil /
COA Members

Dear Sir,

Sub : Issues related to Bond/Letter of Undertaking for exports without payment of integrated tax – Reg.

Ref.: Circular No. 4/4/2017-GST dated 07.07.2017

Ministry of Finance, Department of Revenue has issued Circular no.4/4/2017-GST dated 07th July 2017 regarding 'Issues related to Bond/Letter of Undertaking for exports without payment of integrated tax – Reg.

As per rule 96A of the Central Goods and Services Tax Rules, 2017 (The CGST Rules), any registered person exporting goods or services without payment of integrated tax is required to furnish a bond or a Letter of Undertaking (LUT) in FORM GST RFD-11.

Please refer notification No. 16/2017-Central Tax dated 07-07-2017 vide (<http://www.cbec.gov.in/resources/htdocs-cbec/gst/notfctn-16-central-tax-english.pdf>) which the category of exporters who are eligible to export under LUT has been specified along with the conditions and safeguards. All exporters, not covered by the said notification 16/2017, would submit bond.

The procedure for submission and acceptance of bond has already been prescribed vide circular No. 2/2/2017-GST dated 4th July, 2017 (<http://www.cbec.gov.in/resources/htdocs-cbec/gst/circularno-2-gst.pdf>). The bond shall be furnished on non-judicial stamp paper of the value as applicable in the State in which bond is being furnished.

Exporters shall furnish a running bond, in case he is required to furnish a bond, in FORM GST RFD -11. The bond would cover the amount of tax involved in the export based on estimated tax liability as assessed by the exporter himself. The exporter shall ensure that the outstanding tax liability on exports is within the bond amount. In case the bond amount is insufficient to cover the tax liability in yet to be completed exports, the exporter shall furnish a fresh bond to cover such liability.

FORM RFD -11 under rule 96A of the CGST Rules requires furnishing a bank guarantee with bond. It is directed that the jurisdictional Commissioner may decide about the amount of bank guarantee depending upon the track record of the exporter. If Commissioner is satisfied with the track record of an exporter then furnishing of bond without bank guarantee would suffice. In any case the bank guarantee should normally not exceed 15% of the bond amount.

As regards LUT, it is clarified that it shall be valid for twelve months. If the exporter fails to comply with the conditions of the LUT he may be asked to furnish a bond. Exports may be allowed under existing LUTs/Bonds till 31st July 2017. Exporters shall submit the LUTs/bond in the revised format latest by 31st July, 2017.

It is further stated that the Bond/LUT shall be accepted by the jurisdictional Deputy/Assistant Commissioner having jurisdiction over the principal place of business of the exporter. The exporter is at liberty to furnish the bond/LUT before Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of tax payers to respective authority is implemented. However, if in a State, the Commissioner of State Tax so directs, by general instruction, to exporter, the Bond/LUT in all cases be accepted by Central tax officer till such time the said administrative mechanism is implemented.

As per circular No. 26/2017 – Customs dated 1st July 2017 (<http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2017/circ26-2017cs.pdf>) , vide which it has been clarified that the existing practice of sealing the container with a bottle seal under Central Excise supervision or otherwise would continue till 01st September, 2017. Such sealing shall be done under the supervision of the officer having physical jurisdiction over the place of business where the sealing is being done. A copy of the sealing report would be forwarded to the Deputy/Assistant Commissioner having jurisdiction over the principal place of business.

These instructions shall apply to exports on or after 1st July, 2017.

Please download circular no. 4/4/2017-GST from the link given below
<http://www.cbec.gov.in/resources//htdocs-cbec/gst/circularno-4-gst.pdf> .

Members are requested to take note of the same.

With best regards,
Yours sincerely,

Bharti Parave
(Sr. Executive)