

Office of the
Commissioner of State Tax (GST)
8th floor, GST Bhavan,
Mazgaon, Mumbai-400010.

TRADE CIRCULAR

To,

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No. JC/HQ-I/GST/LUT/BOND/2017-18

Mumbai, Date 10/07/2017.

Trade Cir. No. 29 T of 2017

Subject : Submission of Bond/Letter of Undertaking by the Exporter in respect of Exports without payment of Integrated Tax under IGST Act.

Ref. : (1) Maharashtra Goods and Services Tax Act, 2017.
(2) The Integrated Goods and Services Tax Act, 2017.
(3) The Maharashtra Goods and Services Tax Rules 2017.
(4) Notification No. 16/2017 dated 7th July 2017 issued by Government of India, Ministry of Finance, Department of Revenue (Central Board of Excise and Customs).
(5) Circular bearing No. 4/4/2017-GST dated 7th July 2017 issued Commissioner of GST (Central Board of Excise and Customs).

Sir/Gentlemen/Madam,

The Maharashtra Goods and Services Tax Act, 2017, (hereinafter referred to as the "MGST Act"), the Central Goods and Services Tax Act, 2017, (hereinafter referred to as the "CGST Act") and Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the "IGST Act") have come in to force with effect from 1st July 2017.

2. Section 16(3) of the IGST Act provides that a registered person making zero rated supply shall be eligible to claim refund under either of the following options,-

- (a) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilised input tax credit; or
- (b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder.

3. The rule 96A of the Maharashtra Goods and Services Tax Rules, 2017 provides that refund of integrated tax paid on export of goods or services can be availed by submission of bond or Letter of Undertaking in FORM GST RFD-011.

4. Any registered person availing the option to supply goods or services for export without payment of integrated tax is required to furnish, prior to export, a bond or a Letter of Undertaking in FORM GST RFD-11 to the jurisdictional Commissioner, binding himself to pay the tax due along with the interest specified under sub-section (1) of section 50 within a period of,-

- (a) fifteen days after the expiry of three months from the date of issue of the invoice for export, if the goods are not exported out of India; or
- (b) fifteen days after the expiry of one year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange.

5. As per the provisions of sub-rule (5) of aforesaid rules the State Government is empowered to issue notification and provide certain conditions and safeguards under which an exporter may furnish Letter of Undertaking in place of a bond.

6. On this background various queries have been received from the Trade and Associations stating the difficulties faced with regards to the procedure prescribed in respect of export of goods and services vis-à-vis payment of integrated tax or submission of Bond or letter of undertaking in place of Bond. The issues are examined. It is seen that the Central Board of Excise and Customs has issued a notification as also circular explaining the modalities and requirement that should be fulfilled by an exporter where the export is sought without payment of integrated tax.

7. The attention of the Trade and Association is invited towards notification and circular cited at Ref. (4) and (5) above issued by the Central Board of Excise and Customs. In view of this, it is hereby requested to follow the instructions and guidelines issued vide aforesaid communications more particularly in the Para-7 of the aforesaid circular. For better understanding the said para is reproduced below:

“7. 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 taxpayers 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** Central Tax officers are directed to take every step to facilitate the exporters”.

8. On this backdrop, in order to mitigate the issues involved in relation to fulfill the mandate of section 16 of the IGST Act and rule 96A of the

MGST Rules, it is hereby informed to the exporters in the State that the Bond or the letter of undertaking in place of Bond in all the cases (irrespective of the fact that the provisional ID for the GST is issued by the State GST Department), will be accepted by the jurisdictional Central Tax officer till the administrative mechanism for assigning of Taxpayers to respective authority is implemented. It would be worth to mention that the Central Tax Administration have assured that all necessary steps are being taken to facilitate the exporters.

9. This circular is clarificatory in nature and cannot be made use of for interpretation of provisions of law. If any member of trade has any doubt, he may refer the matter to this office for further clarification.



(Rajiv Jalota)
Commissioner of State Tax (GST)
Maharashtra State

No. JC/HQ-1/GST/LUT/BOND/2017-18

Mumbai, Date 10/07/2017.

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Copy forwarded for information to,

- (1) The Joint Commissioner of State Tax, (MAHAVIKAS) with a request to upload this Trade circular on MSTD web-site.
- (2) Officer on Special Duty, Finance Department, Mantralaya, Mumbai.
- (3) Under Secretary, Finance Department, Mantralaya, Mumbai.
- (4) Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.



(C. M. Kamble)
Additional Commissioner of State Tax (GST)
Kolhapur Zone, Kolhapur.