

**OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT-II)
NEW CUSTOM HOUSE, BALLARD ESTATE, MUMBAI – 400001.**

F. No. S/26-Misc-54 /2017 DBK

Date: 05.07.2017

PUBLIC NOTICE No. - 83/2017

Sub: Drawback of Integrated Tax and Compensation Cess paid on imported goods upon re-export under Section 74 of the Customs Act, 1962.

Attention of the Trade is invited to Board's Circular No. 21/2017- Customs issued vide F. No. 609/54/2017-DBK dated 30.06.2017.

2. As you are aware, Section 74 of the Customs Act, 1962 provides for drawback of duties paid at time of importation when the imported goods are re-exported. Hitherto this drawback inter alia comprised refund of basic customs duty and additional duties under Section 3 of the Customs Tariff Act (CTA), 1975. In this regard, Re-export of Imported Goods (Drawback of Customs Duties) Rules, 1995 refer.
3. Under the GST regime, goods upon import shall be subject to integrated tax and compensation cess in terms of Sections 3(7) and 3(9) respectively of the CTA, 1975. Further, in terms of Section 3(12) of the CTA, 1975, the provisions of the Customs Act, 1962 and rules and regulations made thereunder relating inter alia to drawback shall apply to integrated tax and compensation cess also. Accordingly, drawback under Section 74 would include refund of integrated tax and compensation cess along with basic customs duty, etc.
4. In this regard, the definition of "drawback" under Rule 2 (a) of the Re-export Rules, 1995 has been suitably amended to include refund of duty or tax or cess as referred in the CTA, 1975. Notification No. 57/2017-Customs (N.T.) dated 29.6.2017 may be referred in this regard.
5. In order to prevent dual benefit while sanctioning drawback under Section 74 of the Customs Act, 1962, it may be ensured that a certificate duly signed by the Central/State/UT GST officer, having jurisdiction over the exporter is obtained, that no credit of integrated tax /compensation cess paid on imported goods has been availed or no refund of such credit or integrated tax paid on reexported goods has been claimed. All other extant instructions in respect of drawback claims under Section 74 remain unchanged.

6. Difficulties faced, if any, may be brought to the notice of the undersigned.

Sd/-

(Prachi Saroop)

Commissioner of Customs (Export-II)

Copy to:-

1. The Chief Commissioner of Customs, Zone-1.
2. All the Principal Commissioners/Commissioners of Customs, NCH.
3. All the Additional/Joint Commissioners of Customs, NCH.
4. All the Deputy/Assistant Commissioners of Customs, NCH.
5. Notice Board.
6. EDI for uploading on website.