



दि प्लास्टिक्स एक्सपोर्ट प्रमोशन कौन्सिल

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THE PLASTICS EXPORT PROMOTION COUNCIL

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18.09.2019

To,
All Members/All Members of the COA

Dear Sir/Madam,

Sub : Revised Norms for Execution of Bank Guarantee under Advance Authorisation, DFIA and EPCG Schemes - reg.

We wish to inform you that the Central Board of Indirect Taxes and Customs (CBIC) has issued Circular No 31/2019 -Customs dated 13/09/2019 in order to review the norms for execution of Bank Guarantee under Advance Authorisation (AA), Duty Free Import Authorisation(s) (DFIA) and Export Promotion Capital Goods (EPCG) schemes and have also made clarifications regarding the basis for waiver of Bank Guarantee to be executed with Customs in the Goods and Services Tax (GST) regime under such schemes in respect of manufacturers exporters/service providers.

As you are aware, GST has come into force from 01.07.2017 whereby Service Tax as well as major portion of Central Excise have been subsumed in the GST. Board's Circular No. 58/2004-Cus dated 21.10.2004 (hereinafter referred to as 'the said Circular') and as amended from time to time with different circulars prescribes the norms for execution of Bond/ Bank Guarantee in respect of imports made under the AA, DFIA and EPCG Schemes. The said Circular and amending Circular No. 17/2009-Cus dated 25.05.2009 extend exemption from execution of Bank Guarantee based on export turnover, quantum of duty, tax paid etc.

In the view of GST regime, the norms for execution of Bank Guarantee under AA, DFIA and EPCG schemes have been reviewed and the following clarification is given by CBIC:-

(i) Manufacturer exporters/Service Providers registered with the GST authorities (Centre/State/Union Territory) who have been exporting during the previous two financial years and have minimum export of Rs. 1 crore or more during the preceding financial year shall also be eligible to claim exemption from furnishing Bank Guarantee under category (d) of importers specified in Table given in para 3.1 of the said Circular.

(ii) Manufacturer exporters/ Service Providers registered with the GST authorities (Centre/ State/ Union Territory) who have paid GST of Rs.1 crore or more during the preceding financial year shall also be eligible to claim exemption from furnishing Bank Guarantee under category (e) of importers specified in Table given in para 3.1 of the said Circular.

iii) Further, in order to avoid difficulties in the GST regime regarding furnishing of proof of export performance or payment of duty required to be certified by the jurisdictional Superintendent of Central Excise (para 3.2(b) of the said Circular), it has been decided to discontinue the requirement for procurement of such certificate from Central Excise authorities.

Therefore, in cases where the AA/ DFIA/ EPCG authorisation holder is a registered member of an Export Promotion Council, he shall produce a certificate of export performance or payment of duty/ GST for the purpose of availing Bank Guarantee exemption from the concerned Export Promotion Council on the lines of similar facility available earlier.

iv) In cases where the AA/ DFIA/ EPCG authorisation holder is not a registered member of an Export Promotion Council, he may produce such certificate duly authenticated by a practicing Chartered Accountant who is registered with the GST Department (Centre/ State/ Union Territory) for payment of GST. This is also on the lines of similar facility available earlier. The Chartered Accountant will mention his GSTIN and other registration details in the certificate on the lines stipulated earlier.

Members are requested to take note of this clarification and do the needful, if applicable. The Circular No 31/2019 -Customs dated 13/09/2019 is available for reference using below link:

<http://cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2019/Circular-No-31-2019.pdf>

This is for your information.

With best regards,
Yours sincerely,

Bharti Parave
(Sr. Executive)