

कार्यालय आयुक्त, सीमा शुल्क (निवारक) आयुक्तालय
हाल न 3, पंचम तल, केन्द्रीय भवन, अलीगंज लखनऊ।

Public Notice No.:-01 /2017

Dated :- 30.06.2017

Subject: Implementation of GST in Customs – Changes in BE/SB Declaration – Reg.

Attention of Importers/Exporters, Custom Brokers & Trade is invited to Implementation of GST from 1st July, 2017. Reference is also invited to Taxation Law (Amendments) Act, 2017 (18 of 2017), bringing out amendments in Customs and Central Excise legislations in alignment with GST implementation. Further reference is invited to various decisions in GST Council meeting , documentation of the same in CBEC Website and also the advisory issued by Member (Customs) vide D.O. letter dated 20.6.2017 on Customs related matters on introduction of Goods and Service Tax regime.

2. The legislations referred to above have necessitated changes in Bill of Entry and Shipping Bill declarations. The revised electronic format for both BE/SB has already been published in ICEGATE Website (https://www.icegate.gov.in/msg_guideline.html). The salient features of these changes in the format of the declarations are enumerated below for easy reference and compliance.

Changes in Bill of Entry :

3. The Changes in Bill of Entry can be broadly listed as follows:

- a) Levy and Collection of IGST
- b) Declaration of CETH
- c) Identification of GST Beneficiary
- d) Seamless credit flow based on online reconciliation of IGST with GST return.

4. Levy and Collection of IGST :

- (i) The Taxable Value for calculation of IGST value is laid out as per Section 3(8) of the Customs Tariff Act. The IGST and GST Compensation Cess would be collected as Additional Duty of Customs under section 3(7) and 3(9) of the Customs Tariff Act.
- (ii) The IGST rates are notified by Central Government through a Notification under Section 5 of IGST Act, 2017. The percentage rate of integrated tax in respect of goods specified are in respective schedules. Similar is the case for GST Compensation Cess Schedule under Section 8(2) of GST (Compensation to States) Act, 2017. The importer shall have to quote the notification number and serial number in the format <SCH><SL.NO>(Schedule suffixed by

serial No of the schedule) for levy of IGST rate. For instance, under Schedule II and for an item under Serial Number 3, the serial number in the declaration **should be "II3"**.

- (iii) The IGST Exemption can also be availed if applicable, by quoting notification issued under section 6 of IGST Act or Customs Act as applicable. Similar is the case for Compensation Cess under Section 8(2) of GST (Compensation to States) Act, 2017.

To effect the above changes, the fields have been used/added in BE Declaration (SBE Table)- other Additional duties in Section 3(CTA): Fields in Bill of Entry	For IGST	For GST C.Cess
Notification Number	IGST Levy Notfn No	GST Comp. Cess Notfn.No
Notification Sl.No	Sl.No in format explained below	Sl.No in format explained below
Duty Flag	G	G
Addl. Duty Flag	G	P
Exmp. Notification Number	Notfn. No, if applicable	Notfn. No, if applicable
Exmp. Sl.No	Sl.No in format explained below	Sl.No in format explained below
Exmp. Notfn. Type	G- by Default; C – Customs Notfn.	G – by default; C – Customs Notn.

The Illustration for different scenario is as follows:

Description	Inputs
Levy of IGST	Duty Flag as G; Addl. Duty Flag as I
Levy of GST Compensation Cess	Duty Flag as G; Addl Duty Flag as P
Levy & Exemption of IGST (IGST Notification)	Duty Flag as G; Addl Duty Flag as I; Ex.Flag as G
Levy & Exemption of GST Cess (GST Cess Notfn.)	Duty Flag as G; Addl Duty Flag as P; Ex.Flag as G
Levy & Exemption of IGST (Customs Notification)*	Duty Flag as G; Addl Duty Flag as I; Ex.Flag as C
Levy & Exemption of GST Cess (Customs Notfn.)*	Duty Flag as G; Addl Duty Flag as P; Ex.Flag as C

* In this case, Customs Exemption Notification should be referred.

5. Declaration of CETH:

The Central Excise Tariff shall get stand amended w.e.f. the day the Taxation Law (Amendments) Act, 2017 comes into force. In such a scenario, the Central Excise levy is applicable on certain goods, while it is not applicable on certain goods. Wherever the additional customs duty (CVD) is levied, CETH as applicable may be declared. **In case of Non- Applicability of CETH, "NOEXCISE" should be quoted.**

6. Identification of GST Beneficiary:

To avail IGST Benefits on Imports, declaration of State Code and GSTIN in Bill of Entry is mandatory. The same needs to be added in CTX Table of the BE Declaration. In any case of non

availment of IGST, State Code along with one of the other Identity proof listed below needs to be provided, so as to enable apportionment to the respective states.

Description (1)	GSTIN-Imp. (2)	Regn_Type (3)	Type of IEC to be declared (4)	GST Benefit (6)
GSTIN Normal	G	TP,CMP,CAS,IS D,NR,TDS,	Individual	Yes
GSTIN Govt	O	GOV	Generic IEC of Govt.	Yes
GSTIN UN	D	UN	Generic IEC of Diplomats	Yes
Aadhaar	A		Indivi./Generic	No
Passport	P		Indivi./Generic	No
PAN	I		Indivi./Generic	No
TAN	T		Indivi./Generic	No

To summarize, Every Importer needs to declare their State of Destination as State Code, GST Type as in Column (2) and GSTIN/Identification Code in their Bill of Entry.

It may be noted that benefits of Credit flow can happen only when GSTIN is quoted correctly and is matched with GSTN; Valid or active Provisional ID can be quoted in lieu of GSTIN. However, credit would flow only when the same Provisional ID is used to file returns.

7. Seamless Credit flow based on Online Reconciliation of IGST with GST Return:

In the Pre-GST Era, physical copy of Bill of Entry needs to be submitted to avail the input tax credit of Additional Duty of Customs. Similarly, Physical application along with supporting documents needs to be submitted as per laid out procedure for refund of Special Additional Duty of Customs. With the implementation of GST, there would be seamless credit flow of IGST to the GSTIN Beneficiary mentioned in the Bill of Entry on filing of Returns. However to avail the IGST credit, the importer needs to mention the Port Code, Bill of Entry Number, Bill of Entry Date, aggregate IGST Taxable value, Total IGST Amount, Total GST Compensation Cess in the GST Return which would be validated online with ICEGATE.

For the benefit of the Importers, the above details would be made available in the Final copy of the Bill of Entry.

8. IGST Availment in case of Manual Bill of Entry :

Since all the validation related to IGST refund or flow of IGST credit would happen electronically between Customs EDI and GSTN, it is imperative here that the required data is captured electronically without fail for all the imports and exports whether or not they are made through EDI locations. In case of EDI locations, Board has issued instructions vide F.No. 401/81/2011-Cus III dated 2nd June 2017 wherein it is envisaged that any **manual** bill of entry or shipping bill in EDI locations need to be filed following the procedure laid out in the above instructions.

