

I/74404/2023

Circular No. 24 /2023-Customs

F.No. 450/117/2017-Cus-IV
Government of India
Ministry of Finance, Department of Revenue
(Central Board of Indirect Taxes & Customs)

Room No 229-A, North Block, New Delhi
Dated, 30 September, 2023

To

All Principal Chief Commissioners/ Chief Commissioners
(Customs/Customs (Preventive) / Customs & Central Tax)
All Principal Commissioners / Commissioners (Customs / Customs
(Preventive)
All Pr. Director Generals /Director Generals under CBIC

Madam/Sir,

Subject: Implementation of Section 16(4) of IGST Act related to restriction on export of certain goods on payment of IGST and coverage under refund mechanism- reg.

Reference is invited to sub section (4) of section 16 of IGST act 2017 and Notification No. 01/2023-Integrated Tax dated 31.08.2023 (copy enclosed).

2. Vide Notification No. 27/2023-Central Tax dated 31.07.2023, Section 16(4) of IGST Act, 2017 will be effective from 01.10.2023. Further, in terms of above provision, vide Notification no. 01/2023-Integrated Tax dated 31.08.2023, it has been notified that all goods or services (except the goods specified in column (3) of the TABLE in Notification) may be exported on payment of integrated tax on which the supplier of such goods or services may claim the refund of tax so paid. In effect, Goods mentioned in the Table annexed to the above notification may be exported only under LUT.

4.1 To implement above restrictions imposed on export of goods or services on payment of IGST, DG Systems CBIC has developed a backend functionality to restrict IGST refund route for the goods as specified in the above notification. Through the said functionality, changes have been made in the system of filing of shipping bills and during amendment, with respect to the commodities mentioned in the said notification. Since IGST refund is paid at shipping bills level, the checks have been enabled at shipping bill level.

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4.2 It may be noted that, in cases where a shipping bill contains single or multiple invoices for which IGST have been paid and even if one invoice contains an item which is restricted for export on payment of IGST under section 16(4) of the IGST Act, the shipping bill containing such items will not be allowed to be filed.

5. In view of the above, it is requested that the concerned officers under your jurisdiction may be sensitized, especially for manual Shipping Bills in Non-EDI ports or even at EDI ports, or for export through posts/courier, to not allow export of such notified goods on payment of IGST so as to ensure that no undue benefits are taken by exporting such notified goods in accordance with the provisions of section 16(4) of the IGST act 2017.

6. It is also requested that suitable trade notices/ public notices may be issued in this regard to sensitise the trade for the same.

7. The difficulties, if any, in the implementation of this circular may be brought to the notice of the Board on email id- **dircus@nic.in**

Hindi version follows.

Encls: as above

Yours faithfully,

(Radhe Krishna)
Under Secretary (Cus-IV)
Signed by Radhe Krishna
Date: 30-09-2023 12:55:05
Reason: Approved

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs**

Notification No. 01/2023 – Integrated Tax

New Delhi, dated the 31st July, 2023

G.S.R....(E).— In exercise of the powers conferred by sub-section (4) of section 16 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) (hereafter referred to as the “said Act”), the Central Government on the recommendations of the Council, hereby notifies all goods or services (except the goods specified in column (3) of the TABLE below) as the class of goods or services which may be exported on payment of integrated tax and on which the supplier of such goods or services may claim the refund of tax so paid:

TABLE

S.No	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
1.	2106 90 20	Pan-masala
2.	2401	Unmanufactured tobacco (without lime tube) – bearing a brand name
3.	2401	Unmanufactured tobacco (with lime tube) – bearing a brand name
4.	2401 30 00	Tobacco refuse, bearing a brand name
5.	2403 11 10	'Hookah' or 'gudaku' tobacco bearing a brand name
6.	2403 11 10	Tobacco used for smoking 'hookah' or 'chilam' commonly known as 'hookah' tobacco or 'gudaku' not bearing a brand name
7.	2403 11 90	Other water pipe smoking tobacco not bearing a brand name.
8.	2403 19 10	Smoking mixtures for pipes and cigarettes
9.	2403 19 90	Other smoking tobacco bearing a brand name
10.	2403 19 90	Other smoking tobacco not bearing a brand name
11.	2403 91 00	“Homogenised” or “reconstituted” tobacco, bearing a brand name
12.	2403 99 10	Chewing tobacco (without lime tube)
13.	2403 99 10	Chewing tobacco (with lime tube)
14.	2403 99 10	Filter khaini
15.	2403 99 20	Preparations containing chewing tobacco
16.	2403 99 30	Jarda scented tobacco

17.	2403 99 40	Snuff
18.	2403 99 50	Preparations containing snuff
19.	2403 99 60	Tobacco extracts and essence bearing a brand name
20.	2403 99 60	Tobacco extracts and essence not bearing a brand Name
21.	2403 99 70	Cut tobacco
22.	2403 99 90	Pan masala containing tobacco 'Gutkha'
23.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name
24.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name
25.	3301 24 00, 3301 25 10, 3301 25 20, 3301 25 30, 3301 25 40, 3301 25 90	Following essential oils other than those of citrus fruit namely: - (a) Of peppermint (<i>Mentha piperita</i>); (b) Of other mints : Spearmint oil (<i>ex-mentha spicata</i>), Water mint-oil (<i>ex-mentha aquatic</i>), Horsemint oil (<i>ex-mentha sylvestries</i>), Bergament oil (<i>ex-mentha citrate</i>), <i>Mentha arvensis</i>

Explanation. -

(i) In this Table, “tariff item”, “sub-heading”, “heading” and “chapter” shall mean respectively a tariff item, sub-heading, heading and chapters as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(ii) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

(iii) For the purposes of this notification, the phrase “brand name” means brand name or trade name, whether registered or not, that is to say, a name or a mark, such as symbol, monogram, label, signature or invented word or writing which is used in relation to such specified goods for the purpose of indicating, or so as to indicate a connection in the course of trade between such specified goods and some person using such name or mark with or without any indication of the identity of that person.

2. This notification shall come into force with effect from the 1st day of October, 2023.

[F. No. CBIC-20006/20/2023-GST]

(Alok Kumar)
Director