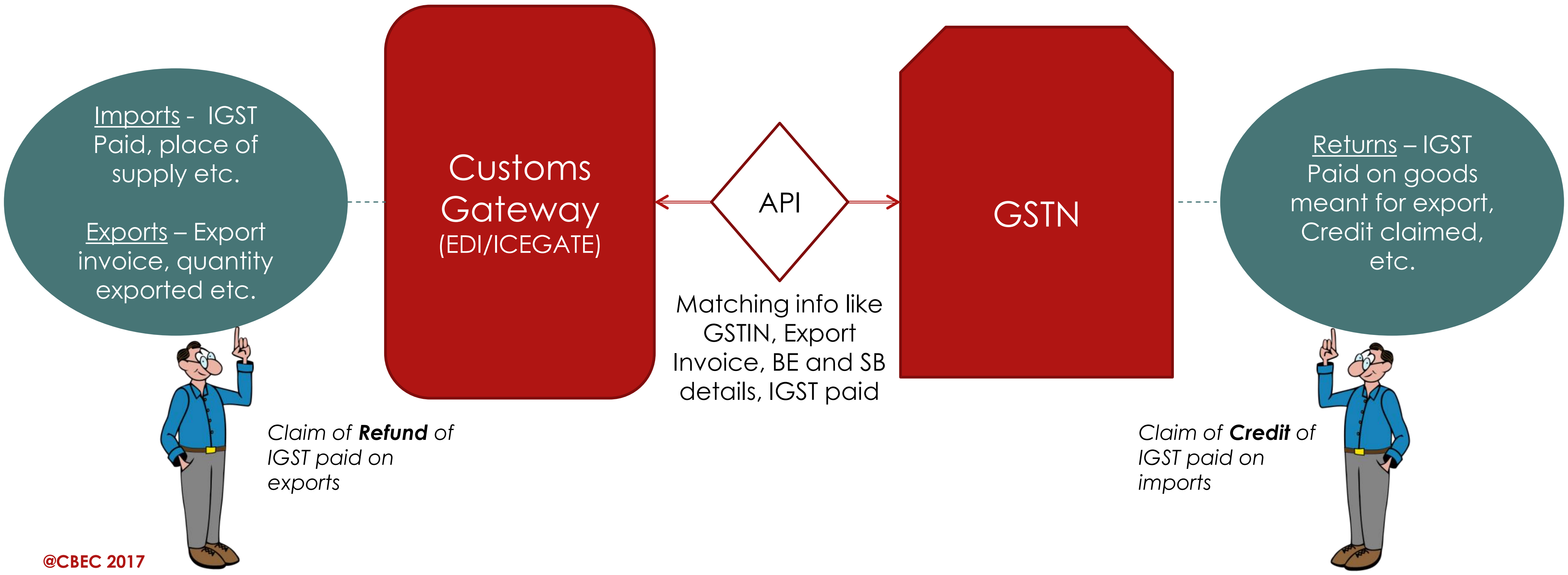
Indian Customs

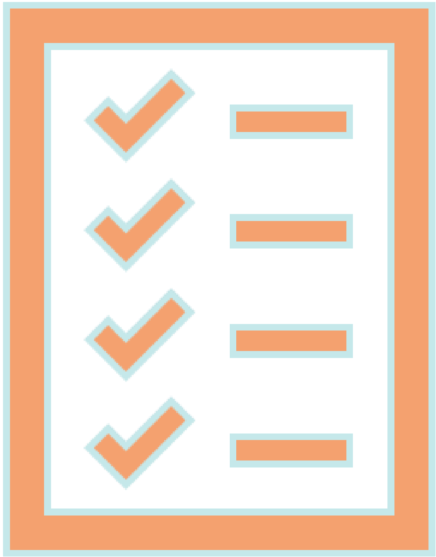
GST READINESS IN IMPORT & EXPORT DECLARATION

Role of Customs in GST chain



Essential Changes

- Unique Number for BE/SB in return to be filed
- IDENTIFICATION OF GSTIN
  - Normal IEC
  - GOVT
  - Diplomats
  - Non GSTIN
- IGST CALCULATION
- NO EXEMPTION – ON CVD, EP SCHEMES
- Zero Rating Concept of Exports



Shipping Bill --Changes

- GSTIN Entity Identification
- IGST Payment
- Single Window Changes
- Re- Export
- AEO of Destination Country
- Other Requirements

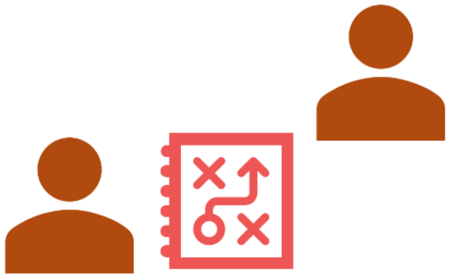
Identify GSTIN in BE/SB

- State Code
- GSTIN Type
- GSTIN Number

- Type of GSTIN/ normal – Mandatory
  - G/GSN - GSTIN of Normal Persons – Individual IEC
  - O/GSG – GSTIN of Govt. Entities
  - D/GSD - GSTIN of Diplomats

  Others :
  - I/PAN – PAN Number (AAAPL1234C)
  - T/TAN – TAN Number (AAAP12345C)
  - P/PSP - Passport Number (Max 9 Characters - AN)
  - A/ADH – Aadhaar Number (12 Numeric)

Address on Record - State



GSTIN Validation

- Validation Rules
  - If **Normal GSTIN** (GSN) is declared -
    - PAN of IEC & PAN of GSTIN should match
    - State Code match with First two digit of GSTIN
  - If **GSTIN of Government** is declared (GSG)-
    - Generic IEC of Govt only be used | No PAN Match
  - If **GSTIN of Diplomats** is declared (GSD) –
    - Generic IEC of Diplomats only be used | No PAN Match
    - UIN of the embassy etc. can be quoted in case issued by GSTN
  - Others – **Non GSTIN Cases** – No payment of IGST (on exports), no claim of IGST paid on imports
- Benefits of Credit to flow only when **GSTIN is quoted correctly** and is matched with GSTN; Valid and active Provisional ID can be quoted in lieu of GSTIN. However, credit would flow only when the same PID is used to file returns

SB – GSTIN Identification

Description	GSTIN Type-E	GSTIN-Imp.	Regn_Type	IEC	PAN/State Code viz a viz GSTIN	GST Benefit
GSTIN Normal	GSN	G	TP,CMP,CAS,ISD,NR,TDS,	Individual	Yes/Yes	Yes
GSTIN Govt	GSG	O	GOV	Generic IEC of Govt.	No/Yes	Yes
GSTIN UN	GSD	D	UN	Generic IEC of Diplomats	No/Yes	Yes
Aadhaar	ADH	A		Indivi./Generic	No/No	No
Passport	PSP	P		Indivi./Generic	No/No	No
PAN	PAN	I		Indivi./Generic	Yes(in.)/No	No
TAN	TAN	T		Indivi./Generic	No/	No

Shipping Bill – Invoice & Item

- Alphanumeric or "/" or "- " ; No other characters allowed - in 2-3 days ;
- Other Changes
  - Invoice
    - Third party details
    - AEO of Destination country (no need to declare now)
    - Terms Place
  - Item
    - End use – as per code in Imports – Mandatory
    - Other Details – implemented module wise
- Export Invoice as per GST Invoice Rules – " Export of On Payment/…LUT " – to be checked

IGST Payment

- IGST Payment Status – P/LUT/NA
- GSTIN – only PAY or LUT
- Non GSTIN – only NA
- Taxable Value & IGST Payable - item wise to be declared.
- Will be used for validation with GSTN

Taxable Value

- Actual quantity and value of the goods **finally exported** may sometimes **be at variance** with those indicated on export invoice
- But **refund or proof of export** to be given as per actual exports
- **Taxable Value** is the value of the item actually being exported on which IGST has been paid
- Will be **matched with the export invoice particulars** declared in the GST return – Can be equal to or less than item invoice value
- No other invoice like Commercial Invoice etc. to be used for computation of Taxable Value and IGST paid

Taxable Value - Illustration

- An exporter raises an export invoice as:

Item	Quantity (units)	Unit Price (Rs)	Total Price	IGST (Rs)
A	1000	200	2,00,000	24,000
B	2000	100	2,00,000	24,000
		Total	4,00,000	48,000

- Due to some reasons, he finally exports only 900 units of Item A and 1900 units of Item B

For Item A
Taxable Value = (900/1000) X 2,00,000 = Rs 1,80,000
IGST Paid = (900/1000) X 24,000 = Rs 21,600

For Item B
Taxable Value = (1900/2000) X 2,00,000 = Rs 1,90,000
IGST Paid = (1900/2000) X 24,000 = Rs 22,800

So, the refund of IGST is restricted to Rs 44,400

Statement

Item Sl.No	Statement Type	Statement Code	Statement Text
1	DEC	DBK001	<BLANK>

- For Every Item where DBK claimed is suffix as A or C , DBK001 or DBK002 and DBK003 should be Mandatory

- The declaration text to be displayed before acceptance – need not be given in statement text - Statement Text should be Blank ;

DBK Statement

DBK001 - "I declare that no input tax credit of the central goods and services tax or of the integrated goods and services tax has been availed on the export product or on any of the inputs or input services used in the manufacture of the export product;."

DBK002 - "I declare that no refund of integrated goods and services tax paid on export product shall be claimed;

DBK003 - "I declare that CENVAT credit on the export product or on inputs or input services used in the manufacture of the export product has not been carried forward in terms of the Central Goods and Services Tax Act, 2017..“

- <u>For Every Item where DBK claimed is suffix as A or C , DBK001 or DBK002 and DBK003 should be Mandatory</u>

CONTAINER DETAILS

- Container Size – As per ISO Directory
- Seal Type Indicator – BTSL, ESEAL, RFID (Mandatory)
- Other optional Fields – Notified Later
- Will be useful for compliance of International Obligations, E-Way Bill Structure etc.

Single Window Changes & Re-Export

INFO_TYPE | SW_CONST | SW_PROD | SW_CTRL | STATEMENT | SUPP_DOC | RE-EXPORT

BE - Changes

- Identification of GSTIN
- IGST Calculation
- IGST Levy
- IGST Exemption
- Total IGST Paid – would be printed – to declare in GST Return and online validation

IGST Calculation

Assessable Value	AV	= AV
BCD Amount	B1	= AV * BCD Rate/100
NCCD Amount	NC	= (AV +B1) * NC Rate /100
Landed component of Customs duties	B	=B1 + NC
Landed Value	LV	=AV+B
Addl. Duty of Customs (3(1))	AD1	= AD1*ADC Rate/100
Addl. Duty of Customs	AD	= AD1
Customs Education Cess	EC	= (B+AD)*EC Rate/100
Customs SHE Cess	SHE	= (B+AD)*SHE Rate/100
Addl. Duty of Customs (3(5))	SAD	= (AV+B+AD+EC+SHE)*SAD Rate/100
Anti Dumping Duty on AV	ADD	=ADDV-(LV or AV) or (AV or LV)*ADD Rate/100
Safeguard Duty	SG	= (AV or LV) * SG Rate/100
Countervailing Duty	CD	= CDV-(LV or AV) or (AV or LV)*CD Rate/100
Safeguard Measure	SM	=ADD + SG + CD
IGST Value	IV	=AV+B+AD+EC+SHE+SAD+SM
IGST Amount	IG1	=IV * IG1 Rate/100
Compensation Cess	IG2	=IV * IG2 Rate/100
Total Duty	D	= B+AD+EC+SHE+SAD+IG1+IG2+SM

** For illustration purposes only ; Incase of mismatch, computation as per legislations would prevail*

IGST Levy

Notification No.	Sl.No	CTH	Description	Rate	Conditions

- No Tariff – Only Levy Notification – Mandatory except certain CTH
- CTH in Notification should match with BCD CTH
- CETH not compulsory – but Compulsory for 24,27 chapters – others **NOEXCISE**
- Sl.No would be A1, B1 – A indicating one rate, B indicating another rate
- Exemption Notification to be applied
- Certain Exemption – to exempt all four big levies

How to declare -Levy and Exemption of IGST

Message ID	CACHI01 (Part 14/24)
Message Description	Duty
From	Customs House Agent/ Importer
To	Customs
Segment Tag	<TABLE>SBEDUTY

Sr. No.	Field Description	Field Type	Length	Final	Ex-Bond Be
1.	Message type	C	1	F	F
2.	Custom House Code	C	6	K	K
3.	User Job No.	N	7	K	K
4.	User Job Date	Date		K	K
5.	BE Number	N	7	X	X
6.	BE Date	Date		X	X
7.	Invoice Serial Number	N	5	K	K
8.	Item Sr. No. in invoice	N	4	K	K
9.	Notification No.	C	10	M	M
10.	Notification Sr. No.	C	10	M	M
11.	Duty Type	C	1	M	M
12.	Addl. Duty Flag	C	1	M	M
13.	Exmp Notification No	C	10	O	O
14.	Exmp Notification Sr. No.	C	10	O	O
15.	*Customs Notn exempting IGST flag(G/C)*	*C*	*1*	*O*	*O*
16.	*Item Slno@@*	*C*	*10*	*O*	*O*
17.	*Supplier Slno@@*	*C*	*10*	*O*	*O*
18.	*Nou@@*	*N*	*16,6*	*O*	*O*

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

IGST Settlement

- When the importer is **GST registered** and he declares his GSTIN on BE
- Credit flows to his IGST Credit Ledger, when he files the return and details are validated by Customs

- When the importer is **not GST registered** or has not quoted his GSTIN on BE
- The IGST collected shall be apportioned by GSTN between Centre and State (of the importer) as per State code declared on BE

Importer's state = Place of Supply

Therefore, both the GSTIN as well as State code need to be captured

Manual BE/SB Module

- Mandatory to use the module to generate BE/SB Number
- IGM gets closed
- E-Payment possible
- Record & Monitoring
- IGST Credit/Refund available – to be linked to RBI, DGFT in future course
- MANBE -> ACL -> APR-> ACL -> Bank-> OOC -> MANBE
- MANSB -> AC -> LEO -> EGM

Q & A

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