



**OFFICE OF COMMISSIONER OF CUSTOMS NS- IV**  
**JAWAHAR LAL NEHRU CUSTOM HOUSE, NHAVA SHEVA**  
**TAL: URAN, DIST. RAIGAD, MAHARASHTRA-400707**

F.No. S/12-Gen-82/2015-16 AM(X)

Date: 10.07.2017

**Public Notice No. 91/2017**

**Sub:** Issues related to Bond/Letter of Undertaking for exports without payment of “Integrated Tax” – Reg.

Attention of all the importers, Exporters, Customs Brokers, and other stake holders is invited to the subject ‘Issues related to Bond/Letter of Undertaking for exports without payment of integrated tax, as communicated by Board Circular No. 4/4/2017-GST dated 7<sup>th</sup> July, 2017.

2. Various communications were received from the field formations and exporters that difficulties were being faced in complying with the procedure prescribed for making exports of goods and services without payment of integrated tax with respect to furnishing of bonds/Letter of Undertaking.

3. For the purpose of uniformity in the implementation of GST, the Board has clarified these issues as under:-

- a) As per rule 96A of the Central Goods and Services Tax Rules, 2017 (CGST Rules), any registered person exporting goods or services without payment of integrated tax is required to furnish a bond or a Letter of Undertaking (LUT) in **FORM GST RFD-11**.
- b) As per Notification No. 16/2017-Central Tax, dated 01-07-2017 in which the category of exporters who are eligible to export under LUT has been specified along with the conditions and safeguards. All exporters, not covered by the said notification, would submit bond. The procedure for submission and acceptance of bond has been prescribed vide circular No. 2/2/2017-GST dated 04.07.2017. The bond shall be furnished on non-judicial stamp paper of the value as applicable in the State in which bond is being furnished.

*As per Notification No. 16/2017-Central Tax, dated 01-07-2017, following registered person are eligible for submission of Letter of Undertaking in place of a bond:-*

*(a) a status holder as specified in paragraph 5 of the Foreign Trade Policy 2015-2020; or*

*(b) who has received the due foreign inward remittances amounting to a minimum of 10% of the export turnover, which should not be less than one crore rupees, in the preceding financial year,*

*and he has not been prosecuted for any offence under the Central Goods and Services Tax Act, 2017 (12 of 2017) or under any of the existing laws in case where the amount of tax evaded exceeds two hundred and fifty lakh rupees.*

- c) It has been decided that the exporters shall furnish a **running bond**, in case, he is required to furnish a bond, in FORM GST RFD -11. The bond would cover the amount of tax involved in the export based on estimated tax liability as assessed by the exporter himself. The exporter shall ensure that the outstanding tax liability on exports is within the bond amount. In case the bond amount is insufficient to cover the tax liability in yet to be completed exports, the exporter shall furnish a fresh bond to cover such liability.

- d) FORM RFD -11 under rule 96A of the CGST Rules requires furnishing a bank guarantee with bond. In this regard, it is decided that the **jurisdictional Commissioner may decide about the amount of bank guarantee** depending upon the track record of the exporter. If Commissioner is satisfied with the track record of an exporter then furnishing of bond without bank guarantee would suffice. **In any case the bank guarantee should normally not exceed 15% of the bond amount.**
- e) As regards **LUT**, it is clarified that it **shall be valid for twelve months**. If the exporter fails to comply with the conditions of the LUT he may be asked to furnish a bond. **Exports may be allowed under existing LUTs/Bonds till 31st July 2017**. Exporters shall submit the LUTs/bond in the revised format latest by 31st July, 2017.
- f) It is further stated that the Bond/LUT shall be accepted by the jurisdictional Deputy/Assistant Commissioner having **jurisdiction over the principal place of business of the exporter**. The exporter is at **liberty to furnish the bond/LUT before Central Tax Authority or State Tax Authority** till the administrative mechanism for assigning of tax payers to respective authority is implemented. However, if in a State, the Commissioner of State Tax so directs, by general instruction, to exporter, the Bond/LUT in all cases be accepted by Central tax officer till such time the said administrative mechanism is implemented. Central Tax officers have been directed to take every step to facilitate the exporters.
- g) Attention is further invited to **Circular No. 26/2017 – Customs dated 1st July 2017**, in which it has been clarified that the existing practice of **sealing the container with a bottle seal under Central Excise supervision or otherwise would continue till 01st September, 2017**. Such sealing shall be done under the supervision of the officer having physical jurisdiction over the place of business where the sealing is being done. A copy of the sealing report would be forwarded to the Deputy/Assistant Commissioner having jurisdiction over the principal place of business.

4. Difficulty, if any may also be brought to the notice of Deputy / Assistant Commissioner in charge of Appraising Main (Export) through email / phones (email address: apmainexp@jawaharcustoms.gov.in, Phone No : 022-27244959,).

5. Action to be taken in terms of decisions taken in this Public Notice should be considered as standing order for the purpose of officers and staff.

**Sd/-**

**(SUBHASH AGRAWAL)**  
Commissioner of Customs (NS-IV).

**Copy to:**

1. The Chief Commissioner of Customs, Mumbai Zone- II.
2. All the Commissioner of Customs, Mumbai Zone- II.
3. All Addl./Joint Commissioners of Customs, Mumbai Zone- II.
4. All Deputy/Asstt. Commissioners of Customs, Mumbai Zone- II.
5. The DC/EDI for uploading on the JNCH website.
6. Representative of BCBA / FIEO for information and circulation among their members for information.
7. All other Trade Associations.