

Office of the Special Commissioner (GST)
Export/KCS Branch, Department of Trade & Taxes
Govt. of NCT of Delhi
8th Floor, Vyapar Bhawan, I.P.Estate, New Delhi-110002

F. No.AC/Export Cell/W-208/2017-18/566-57/ Dated: 10-10-2017

Circular

Subject:-Issues related to Bond/Letter of Undertaking (LUT) FOR Export without payment of Integrated Goods & Service Tax (IGST).

Ref :- Notification No. 37/2017 Central Tax dated 04-10-2017, Circular No. 08-08-2017-GST dated 04-10-2017 issued by CBEC, Ministry of Finance, Govt. of India.

In supersession of earlier circular No.AC/Export Cell/W-208/2017-18 dated 02-08-2017 and circular No. AC/Export Cell/W-208/2017-18/848-877 dated 07-09-2017 except as respects things done or omitted to be done before such supersession.

- 1 All registered persons who intend to supply goods or services for export without payment of integrated tax shall be eligible to furnish a Letter of Undertaking in place of a bond EXCEPT those who have been prosecuted for any offence under the Central Goods and Services Tax Act, 2017 (12 of 2017) or Delhi GST Act, 2017 or the Integrated Goods and Services Tax Act, 2017 (13 of 2017) or any of the existing laws in force in a case where the amount of tax evaded exceeds two hundred and fifty lakh rupees. unlike Notification No. 16/2017-Central Tax dated 7th July, 2017 which extended the facility of export under LUT to status holder as specified in paragraph-5 of the Foreign Trade Policy-2015-2020 and to persons receiving a minimum foreign inward remittance of 10% of the export turnover in



Contd-2-

the preceding financial year which was not less than Rs. one crore.

Further where the registered person fails to pay the tax due along with interest, as specified under Sub-rule (I) of rule 96A of Delhi Goods and Services Tax Rules, 2017, within the period mentioned in clause (a) or Clause (b) of the said Sub-rule, the facility of export without payment of integrated tax will be deemed to have been withdrawn and if the amount mentioned in the said sub-rule is paid, the facility of export without payment of integrated tax shall be restored.

2 **Validity of LUT:** The LUT shall be valid for the whole financial year in which it is tendered.

3 **Bank Guarantee:** Since the facility of export under LUT has been extended to all registered persons, bond will be required to be furnished by those persons who have been prosecuted for cases involving an amount exceeding Rupees Two hundred and fifty lakhs. A bond, in all cases, shall be accompanied by a bank guarantee of 15% of the bond amount.

4 **Clarification regarding running bond:** The exporters shall furnish a running bond where the bond amount would cover the amount of self-assessed estimated tax liability on the export. The exporter shall ensure that the outstanding integrated tax liability on exports is within the bond amount. In case the bond amount is insufficient to cover the said liability in yet to be completed exports, the exporter shall furnish a fresh bond to cover such liability. The onus of maintaining the debit/credit entries of integrated tax in the running bond will lie with the exporter. The record of such entries shall be furnished to the state tax officer as and when required.

5 The FORM GST RFD-11 will be required to be submitted on the common portal but the functionality has not been made

ksj

Contd.-3-

operational as yet. Therefore, the Bond/Letter of Undertaking required to be furnished under rule 96A of the said rules may be furnished manually to the concerned Assistant Commissioner along with FORM GST RFD-11 till the module for furnish of FORM GST RFD-11 is available on the common portal.

6 The concerned Assistant Commissioner will process the request and after scrutiny of the documents, will issue the acceptance letter in the prescribed format within three working days excluding the dated of receipt of application, if the documents are found in order.

In view of above, a fresh list of documents to be submitted for acceptance of FORM GST RFD-11 with Letter of Undertaking (LUT) at Export Cell Window, 1st Floor, Vypar Bhawan, Deptt. of Trade & Taxes, I.P.Estate, New Delhi as under:-

- 1 The registered person/exporter will submit request letter on its letter head for acceptance of GST RFD-11 signed by the proprietor/partner/director/authorised signatory as the case maybe.
- 2 Form GST RFD-11 duly filled and signed with seal on company/firm's letter head.
- 3 Letter of Undertaking (prescribed format available on www.cbec.gov.in) on company/firm's letter head (in duplicate) duly signed by the competent person.
- 4 Undertaking/declaration on letter head that he has not prosecuted for any offence under the Central Goods and Services Tax Act, 2017 (12 of 2017) or Delhi GST Act, 2017 or under any of the existing laws in case where the amount of tax evaded exceeds two hundred and fifty lakh rupees.
- 5 Copy of GST Registration Certificate (Provisional/Permanent).

- 6 Copy of certificate of Importer-Exporter Code (IEC) issued by Ministry of Commerce, Govt. of India.
- 7 Export bill/invoice/Performa invoice.

This issue with prior approval of the competent authority.


10/10/2017
(KAPIL SINGH)

SPL. COMMISSIONER (KCS)/
Nodal Officer (Export Cell)

F. No.AC/Export Cell/W-208/2017-18/ 566-71 Dated: 10-10-2017

Copy for information and necessary action please:-

- 1 P.S. to Commissioner(GST), Trade & Taxes Deptt., Delhi
- 2 All Special Commissioner/Additional Commissioner/Joint Commissioner, Trade & Taxes Deptt., Delhi
- 3 All Assistant Commissioner (GST), Export Cell/KCS Branch, Trade & Taxes Deptt., Delhi.
- 4 Sh. Harbir Singh, EDP Cell to upload the circular on the official website of the Deptt.
- 5 All officials of Export Cell/KCS Branch, Trade & Taxes Deptt., Delhi
- 6 Guard File.


10/10/2017
(KAPIL SINGH)

SPL. COMMISSIONER (KCS)/
Nodal Officer (Export Cell)