



BMC Advisors

Corporate Laws and Intellectual Property Rights Consultants



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JULY 17TH, 2017-JULY 23RD, 2017



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SEBI UPDATES

CIRCULAR

CIR/CFD/CMD/80/2017

July 18, 2017

To
All banks which have listed specified securities
All recognized stock exchanges

Dear Sir / Madam,

Sub: Disclosure of divergence in the asset classification and provisioning by banks

1. Reserve Bank of India (RBI), vide its Notification No. RBI/2016-17/283; DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017, requires disclosures by banks in a prescribed format in certain cases of divergence in the asset classification and provisioning. The Notification requires the disclosures to be made in the Notes to Accounts in the ensuing Annual Financial Statements published immediately following communication of such divergence by RBI to the bank.

2. Accordingly, all banks which have listed specified securities shall comply with the following:

a) The banks shall disclose to the stock exchanges divergences in the asset classification and provisioning wherever:

(i) the additional provisioning requirements assessed by RBI exceed 15 percent of the published net profits after tax for the reference period; and/or

(ii) the additional Gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs for the reference period.

b) The disclosures shall be made in the format specified in the Annex to the aforesaid RBI's notification. This format is also placed as Annexure to this circular for reference.

c) The disclosures shall be placed as an Annexure to the annual financial results filed with the stock exchanges in accordance with clause (d) of sub-regulation (3) of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Such disclosures shall be made along with the annual financial results filed immediately following communication of such divergence by RBI to the bank.

3. The Stock Exchanges are advised to bring the provisions of this circular to the notice of banks which have listed specified securities and to disseminate the same on their websites.

4. This circular is issued under Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5.This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework/Circulars”.

Yours faithfully,

Pradeep Rama krishnan
Deputy General Manager
Corporate Finance Department
Compliance and Monitoring Division and Forensic Accounting Cell
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Annexure

Divergence in Asset Classification and Provisioning for NPAs

		(Rs in Thousands)
Sr.	Particulars	Amount
1.	Gross NPAs as on March 31, 20XX* as reported by the bank	
2.	Gross NPAs as on March 31, 20XX as assessed by RBI	
3.	Divergence in Gross NPAs (2-1)	
4.	Net NPAs as on March 31, 20XX as reported by the bank	
5.	Net NPAs as on March 31, 20XX as assessed by RBI	
6.	Divergence in Net NPAs (5-4)	
7.	Provisions for NPAs as on March 31, 20XX as reported by the bank	
8.	Provisions for NPAs as on March 31, 20XX as assessed by RBI	
9.	Divergence in provisioning (8-7)	
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 20XX	
11.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 20XX after taking into account the divergence in provisioning	

* March 31, 20XX is the close of the reference period in respect of which divergences were assessed

CIRCULAR

IMD/FPIC/CIR/P/2017/81
July 20, 2017

To

- 1. All Foreign Portfolio Investors (through their designated Custodians of Securities)**
- 2. The Depositories (NSDL and CDSL)**
- 3. The Exchanges (BSE and NSE)**

Dear Sir / Madam,

Sub: Investments by FPIs in Corporate Debt

1. This has reference to the SEBI circular SEBI/HO/IMD/FPIC/CIR/P/2016/67 dated August 04, 2016 whereby the Corporate debt limit of INR 244,323 cr for FPIs was redefined as the Combined Corporate Debt Limit (CCDL) for all foreign investments in Rupee denominated bonds issued both onshore and overseas by Indian corporates.

2. In partial modification to Para 4 of the said circular, the CCDL shall be available on tap for investment by foreign investors till the overall investment reaches 95%, after which, the auction mechanism shall be initiated for allocation of the remaining limits.

3. In the event the overall FPI investment in CCDL exceeds 95% (as indicated by the debt utilisation status updated daily on the websites of NSDL and CDSL), the following procedure shall be followed:

a. The depositories (NSDL and CDSL) shall direct the custodians to halt all FPI purchases in corporate debt securities.

b. The depositories shall then inform the exchanges (NSE and BSE) regarding the unutilised debt limits for conduct of auction. Upon receipt of information from the depositories, the exchange (starting with BSE) shall conduct an auction for the allocation of unutilised debt limits on the second trading day from the date of receipt of intimation from the depositories. Thereafter, the auction shall be conducted alternately on NSE and BSE.

c. The auction shall be held only if the free limit is greater than or equal to INR 100 cr. However, if the free limit remains less than 100 cr for 15 consecutive trading days, then an auction shall be conducted on the sixteenth trading day to allocate the free limits.

d. The auction shall be conducted in the following manner:

Particulars	Details
Duration of bidding:	2 hours (15:30 to 17:30 hrs)
Access to platform	Trading members or custodians
Minimum bid	INR 1 core
Maximum bid	One-tenth of free limit being auctioned
Tick Size	INR 1 crore
Allocation Methodology	Price time priority
Pricing of bid	Minimum flat fee of INR 1000 or bid price whichever is higher
Time period for utilization of the limits	10 trading days from the date of allocation

- e. Once the limits have been auctioned, the FPIs will have a utilisation period of 10 trading days within which they have to make the investments. The limits not utilised within this period shall come back to the pool of free limits.
- f. Upon sale/redemption of debt securities, the FPI will have a re-investment period of 2 trading days. If the reinvestment is not made within 2 trading days, then the limits shall come back to the pool of free limits.
- g. A single FPI/ FPI Group cannot bid for more than 10% of the limits being auctioned.
4. The subsequent auction would be held 12 trading days after the previous auction, subject to the fulfillment of the condition mentioned at Point (3c) above.
5. As Rupee denominated bonds issued by Indian corporates overseas are covered under CCDL, issuance of such bonds overseas shall temporarily cease, until the limit utilisation falls back to below 92%.
6. The auction mechanism shall be discontinued and the limits shall be once again available for investment on tap when the debt limit utilisation falls below 92%. It is clarified that in such a scenario, the reinvestment facility mentioned at Point (3f) shall be terminated and cannot be availed for the same limits when the utilisation crosses 95% again. The custodians shall monitor and report the reinvestment facility availed by the FPIs to the depositories.
7. In partial modification to Para (2a) of the SEBI circular SEBI/HO/IMD/FPIC/CIR/P/2017/16 dated February 28, 2017, FPI investments in unlisted corporate debt securities shall compulsorily be in dematerialized form and subject to a minimum residual maturity of three years.
8. All other terms and conditions for FPI investments in listed and unlisted corporate debt securities shall remain the same.
9. The depositories shall put in place the necessary systems for the daily reporting by the custodians of the FPIs. The exchanges shall disseminate the auction summary on their respective websites.

This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circulars" on our website www.sebi.gov.in. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in

RBI UPDATES

RBI/2017-18/26
DCM (FNVD) G - 4/16.01.05/2017-18

July 20, 2017

The Chairman/ Managing Director /Chief Executive Officer
All Banks and
Director of Treasuries of all States

Dear Sir / Madam,

Master Circular - Detection and Impounding of Counterfeit Notes

Please refer to the Master Circular DCM (FNVD) G-6/16.01.05/2016-17 dated July 20, 2016 consolidating the instructions issued till July 20, 2016, relating to Detection and Impounding of Counterfeit Notes. The Master Circular has since been updated by incorporating the instructions issued till date and has been placed on the RBI website www.rbi.org.in.

The Master Circular is a compilation of the instructions contained in the circulars issued by RBI on the above subject which are operational as on the date of this Circular.

Yours faithfully,

(P Vijaya Kumar)
Chief General Manager

For master circular please find below link:
<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11059&Mode=0>

INCOME TAX UPDATES

CIRCULAR No. 23 /2017

F. No. 275/59/2012-IT (B)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

North Block, New Delhi
19th July, 2017

Subject: Modification of Circular No.1 of 2014 in view of substitution of Service Tax by Goods and Services Tax (GST).

The Central Board of Direct Taxes (the Board) had earlier issued Circular No. 1/2014 dated 13.01.2014 clarifying that wherever in terms of the agreement or contract between the payer and the payee, the Service Tax component comprised in the amount payable to a resident is indicated separately, tax shall be deducted at source under Chapter XVII-B of the Income tax Act, 1961 (the Act) on the amount paid or payable without including such Service Tax component.

2. References have been received in the Board seeking clarification as to what treatment would be required to be given to the component of Goods and Services Tax (GST) on services, which has been introduced by the Government with effect from 1st of July, 2017 and into which the erstwhile Service Tax has been subsumed.

3. The matter has been examined. It is noted that the Government has brought in force a new Goods and Services Tax regime with effect from 01.07.2017 replacing, amongst others, the Service Tax which was being charged prior to this date as per the provisions of Finance Act, 1994. Therefore, there is a need to harmonize the contents of Circular No. 1/ 2014 of the Board with the new system for taxation of services under the GST regime.

4. In the light of the fact that even under the new GST regime, the rationale of excluding the tax component from the purview of TDS remains valid, the Board hereby clarifies that wherever in terms of the agreement or contract between the payer and the payee, the component of GST on services' comprised in the amount payable to a resident is indicated separately, tax shall be deducted at source under Chapter XV II-B of the Act on the amount paid or payable without including such 'GST on services' component. GST for these purposes shall include Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax and Union Territory Goods and Services Tax.

5. For the purposes of this Circular, any reference to 'service tax' in an existing agreement or contract which was entered prior to 01. 07 .2017 shall be treated as 'GST on services' with respect to the period from 01.07.20 17 onward till the expiry of such agreement or contract.

6. Hindi version shall follow.

(Sandeep Singh)
Under Secretary to the Government of India
Tele: 23094182
Email: Sandeep.singh68@nic.in

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF DIRECT TAXES)
NOTIFICATION
New Delhi, the 18th July, 2017
INCOME-TAX

G.S.R. 891(E). – In exercise of the powers conferred by section 295 read with sub-section (2) of section 92CB of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely: ___

1. (1) These rules may be called the Income-tax (21st Amendment) Rules, 2017.
 (2) They shall come into force and shall be deemed to have come into force from the 1st day of April, 2017.

2. In the Income-tax Rules, 1962, in Appendix II, in Form No. 3CEFA, in paragraph 2, under the heading “Eligible International Transaction” ___

- (I) in Sl. No. 3,
 (i) after item (d), following item shall be inserted, namely:-
 “(e) Employee cost in relation to operating expense declared

“;

- (ii) the existing items (e), (f) and (g) shall be renumbered as (f), (g) and (h) respectively;

- (II) in Sl. No. 4, -
 (i) after item (d), the following items shall be inserted, namely:-
 “(e) Currency of denomination of the amount of loan for each loan transaction

- (f) Whether credit rating of AE has been done? If yes, the credit rating rank and the name of the credit rating agency

“;

- (ii) the existing items (e) and (f) shall be renumbered as (g) and (h) respectively;

(III) after Sl. No. 9, the following Sl. No. 10 and entities relating thereto shall be inserted, namely:

Sl. No.	Particulars in respect of eligible international transaction	Remarks				
“10.	Has the eligible assessee entered into any international transaction in respect of receipt of low value-adding intra-group services as referred to in item (x) of rule 10TC? If yes, provide the following details:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 50%;">Yes</td> <td style="text-align: center; width: 50%;">No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	No	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No					
<input type="checkbox"/>	<input type="checkbox"/>					

	<p>(a) Name and address of the associated enterprises (AE) with whom the eligible international transaction has been entered into.</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div>	
	<p>(b) Name of the country or territory in which AE (s) is located.</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div>	
	<p>(c) Whether country or territory is a no tax or low tax country or territory as defined in rule 10TA.</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div>	
	<p>(d) Description of the eligible international transaction.</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div>	
	<p>(e) Amount paid or payable in relation to such transaction.</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div>	
	<p>(f) Mark-up charged in per cent.</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div>	
	<p>(g) Whether transfer price is in accordance with the circumstances specified under rule 10TD.</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div>	“;

[Notification No. 62 /2017/ F. No. 370142/ 20/2017-TPL]
RAJESH KUMAR KEDIA, Director (Tax Policy and Legislation)

Note: The principal rules were published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii) vide number S.O. 969(E) dated the 26th March, 1962 and were last amended vide notification number G.S.R. 865(E), dated the 12th July, 2017.

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 19th July, 2017

(INCOME TAX)

S.O. 2259(E).—In exercise of the powers conferred under section 118 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes being satisfied that it is necessary in the Public interest to do so hereby rescinds the following Notifications of the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes *vide* numbers as specified below, except as respects things done or omitted to be done before such rescission namely:-

- (i) S.O. 1614(E), dated the 26th September, 2006, published in the Gazette of India Extraordinary, Part II, Section 3, sub-section (ii), dated the 26th September, 2006;
- (ii) S.O. 2024(E), dated the 30th November, 2007, published in the Gazette of India Extraordinary, Part II, Section 3, sub-section (ii), dated the 30th November, 2007; and
- (iii) S.O. 3250(E), dated the 25th October, 2013, published in the Gazette of India Extraordinary, Part II, Section 3, sub-section (ii), dated the 25th October, 2013.

2. This notification shall come into force with effect from the date of its publication in the Official Gazette.

[Notification No. 63/2017/ F. No. 189/1/2017-ITA.]
DEEPSHIKHA SHARMA, Director

NOTIFICATION

New Delhi, the 19th July, 2017

(INCOME TAX)

S.O. 2260(E). – In exercise of the powers conferred by sub-section (1) and (2) of section 120 of the Income-tax Act, 1961 (43 of 1961), and in supersession of the notifications of the Government of India, Central Board of Direct Taxes numbers S.O.1612(E), dated the 26th September, 2006 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 26th September, 2006, S.O. 2023(E) dated the 30th November, 2007 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 30th November, 2007, S.O. 3251(E) dated the 25th October, 2013 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 25th October, 2013 respectively, except as respects things done or omitted to be done before such supersession, the Central Board of Direct Taxes hereby makes the following amendments in the Notification of the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes, *vide* number S.O. 2753(E), dated the 22nd October, 2014, published in the Gazette of India Extraordinary, Part II, Section 3, Sub-section (ii), dated the 22nd October, 2014 namely :-

In the said notification, in the Schedule, for serial numbers 8,9, 10 and 38 and the entries relating thereto the following serial numbers and the entries shall be substituted, namely:-

S.No.	Designation of the Income-tax Authorities	Headquarters	Jurisdiction
(1)	(2)	(3)	(4)
8	Principal Chief Commissioner of Income-tax, Karnataka and Goa	Bengaluru	(i) Chief Commissioner of Income-tax, Bengaluru -1 (ii) Chief Commissioner of Income-tax, Bengaluru -2 (iii) Chief Commissioner of Income-tax, Panaji (iv) Chief Commissioner of Income-tax (TDS), Bengaluru
9	Chief Commissioner of Income-tax, Bengaluru -1	Bengaluru	(i) Principal Commissioner/ Commissioner of Income tax, Bengaluru-1 (ii) Principal Commissioner/ Commissioner of Income tax, Bengaluru-2 (iii) Principal Commissioner/ Commissioner of Income-tax, Bengaluru-3 (iv) Principal Commissioner/ Commissioner of Income tax, Bengaluru-4 (v) Principal Commissioner/ Commissioner of Income tax, Mysuru
10	Chief Commissioner of Income-tax Bengaluru -2	Bengaluru	(i) Principal Commissioner/Commissioner of Income-tax, Bengaluru-5 (ii) Principal Commissioner/Commissioner of Income-tax, Bengaluru-6 (iii) Principal Commissioner/Commissioner of Income-tax, Bengaluru-7

			(iv) Principal Commissioner/Commissioner of Income-tax, Davanagere (v) Principal Commissioner/Commissioner of Income-tax, Gulbarga. (vi) Commissioner of Income-tax (LTU), Bengaluru
38	Chief Commissioner of Income-tax, Kolkata-1	Kolkata	(i) Principal Commissioner/Commissioner of Income-tax, Kolkata-1 (ii) Principal Commissioner/Commissioner of Income-tax, Kolkata-10 (iii) Principal Commissioner/Commissioner of Income-tax, Asansol (iv) Commissioner of Income-tax (LTU), Kolkata

2. This notification shall come into force with effect from the date of publication in the Official Gazette.

[Notification No. 64/2017/ F. No. 189/1/2017 (ITA.I)]

DEEPSHIKHA SHARMA, Director

Note: Notification of Ministry of Finance, Department of Revenue, Central Board of Direct Taxes vide S.O. 2753(E) dated the 22nd October, 2014, Published in the Gazette of India Extraordinary, Part II, Section 3, Sub-section (ii), dated the 22nd October, 2014.

EXCISE UPDATES

[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)
Notification No. 21/2017-Central Excise

New Delhi, the 18th July, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), sub-section (3) of section 3 of the Additional Duties of Excise(Goods of Special Importance) Act, 1957 (58 of 1957) and sub-section (3) of section 3 of the Additional duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby rescinds the notifications of the Government of India in the Ministry of Finance (Department of Revenue) as specified in column (2) of the table below, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide corresponding number G.S.R. as specified in column(3) of the Table below, except as respects things done or omitted to be done before such rescission.

TABLE

S.NO.	Notification No.	GSR No.
(1)	(2)	(3)
1.	56/2002- Central Excise, dated 14-11-2002	764(E) dated 14-11-2002
2.	57/2002- Central Excise, dated 14-11-2002	765(E) dated 14-11-2002
3.	49/2003- Central Excise, dated 10-6-2003	471(E) dated 10-6-2003
4.	50/2003- Central Excise, dated 10-6-2003	472(E) dated 10-6-2003
5.	20/2007- Central Excise, dated 25-4-2007	307(E) dated 25-4-2007
6.	1/2010- Central Excise, dated 6-2-2010	62(E) dated 6-2-2010

[F.No.354/119/2017-TRU]

(Mohit Tewari)
Under Secretary to the Government of India

**[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)**

Notification No. 22/2017-Central Excise (N.T.)

New Delhi, the 18th July, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-sections (1), (2) and (3) of section 3A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby rescinds the notifications of the Government of India in the Ministry of Finance (Department of Revenue) as specified in column (2) of the table below, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide corresponding number G.S.R. as specified in column (3) of the Table below, except as respects things done or omitted to be done before such rescission.

TABLE

S.NO.	Notification No.	GSR No.
(1)	(2)	(3)
1.	29/2008- Central Excise (NT), dated 1-7- 2008	490(E) dated 1-7-2008
2.	30/2008- Central Excise (NT), dated 1-7- 2008	491(E) dated 1-7-2008
3.	10/2010- Central Excise (NT), dated 27-2- 2010	126(E) dated 27-2-2010
4.	11/2010- Central Excise (NT), dated 27-2- 2010	127(E) dated 27-2-2010
5.	17/2010- Central Excise (NT), dated 13-4- 2010	319(E) dated 13-4-2010

[F.No.354/119/2017-TRU]

**(Mohit Tewari)
Under Secretary to the Government of India**

CUSTOM UPDATES

Circular No. 29/2017-Customs

F. No. DGEP/EOU/GST/16/2017
Government of India
Department of Revenue
Central Board of Excise & Customs
Directorate General of Export Promotion

New Delhi, 17th July, 2017

To

Principal Chief Commissioners/Principal Directors General,
Chief Commissioners/Directors General,
Principal Commissioners/Commissioners,
All under CBEC

Madam/Sir,

Sub: Operational problems being faced by EOU in GST regime consequent to amendment in Notification no. 52/2003-Customs dated 31-3-2003- reg.

EOUs are allowed duty free import of goods under notification No.52/2003-Custom dated 31-3-2003. However, in view of GST the said notification has been consequently amended by notification No. 59/2017- Customs dated 30-6-2017.

2. Trade has brought out problems faced by them in following certain procedures.

- a) It has been represented, that field formations are insisting upon submission of a continuity bond, in view of rule 5 of the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, despite units having executed B-17 bond which is a general purpose running bond.
- b) EOUs have also expressed apprehension that information about estimated quantity and value of goods to be imported is required to be submitted for a period of one year, in view of rule 5 of said IGCR, rules. They apprehend that the requirements may increase or change during this period of one year.
- c) Trade has also sought a clarification regarding inter unit transfer of goods from one EOU to another, which was supported by procurement certificate (PC) in view of Circular no. 35/2016 -Custom dated 29-7-2016 .
- d) Trade has also requested to continue the procedure of procurement certificates for transitional period for import of goods by EOUs.

3. Matter has been examined. It has been decided by Board, that -

(i) The B-17 bond, being a general purpose running bond will serve the requirement of continuity bond to be submitted under Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, and therefore EOU/STP/EHTP units are not required to submit separate continuity bond.

(ii) It is to clarify that the requirements of information about estimated quantity and value of goods to be imported are to be provided under Rule 5(1)(a) of the (Import of Goods at Concessional Rate of Duty) Rules, 2017 for a period not exceeding one year. This means that units may submit the requirements for any shorter period than one year and then can give requirements for the subsequent period. Also there is no bar in the said rules to amend/give additional information. Therefore, the units can amend/modify/add such information from time to time as per the requirement of import of goods.

(iii) For the transitional period upto 31-7-2017, the EOU/EHTP/STP units would have option to follow the procedure of Rule (5) of IGCR, rules or use procurement certificate for import of goods.

(iv) The inter unit transfer would be on invoice on payment of applicable GST taxes. However, such transfer would be without payment of custom duty. The supplier unit will endorse on such documents the amount of custom duty, availed as exemption, if any, on the goods intended to be transferred. The recipient unit would be responsible for paying such basic customs duty, as is obligated under Notification no. 52/2003-Cus dated 31-3-2003 (as amended), when the finished goods made out of such goods or such goods are cleared in DTA. The circular no. 35/2016 –Custom dated 29-7-2016 would stand amended to the extent that no procurement certificates would be required for inter- unit transfer.

4. This may be brought to the notice of all the field formations and also the trade.

Yours faithfully,

(Saroj Kumar Behera)
Joint Director

F.No. 450/15/2017-Cus IV
Government of India
Ministry of Finance
Department of Revenue
(Central Board of Excise & Custom)

New Delhi, dated 18th July, 2017

To

All Principal Chief Commissioners/Chief Commissioners of Customs / Customs (Preventive),
All Principal Chief Commissioners/Chief Commissioners of Customs and Central Excise,
All Directors General,
All Principal Commissioners/Commissioners of Customs / Customs (Preventive),
All Principal Commissioners/ Commissioners of Customs and Central Excise.

Sir/Madam,

Sub: Detailed guidelines for re-testing of samples- reg

World Trade Organization (WTO) negotiated Trade Facilitation Agreement (TFA), which aims at simplifying the trade processes and bringing down barriers to trade has come into force w.e.f 22nd February, 2017. India is a signatory to this agreement.

2) India has placed a number of trade related measures negotiated under the TFA in Category A. Article 5.3.1 envisages granting an opportunity for a second test in case the first test result of a sample taken upon arrival of goods declared for importation shows an adverse finding. Further Article 5.3.3 makes it obligatory to consider the result of the second test, if any, for the release and clearance of goods, and, if appropriate, may accept the results of such test. The aforementioned Articles have been placed in category A. In order to have uniformity in approach among the field formations with regard to re-testing of samples, the following procedure is prescribed:

- a. Customs officers may draw the samples from import consignments for testing in case of consignments wherever needed. The results of all test reports, adverse or otherwise, shall be communicated to the importer or his authorized representative/ Customs Broker immediately on its receipt.
- b. In case the importer or his agent intends to request the Additional/ Joint Commissioner of Customs for a re-rest, then the same shall be made in writing to the said officer within a period of ten days from the receipt of the communication of the test results of the first test. Customs officers may take a reasoned view in case the importer or his authorized representative Customs Broker is unable to do so for reasons beyond his control.
- c. Where the Additional/Joint Commissioner of Customs grants an opportunity for a second test, he must clearly indicate in writing the name and address of the laboratory/ institution where the second test can be carried out. Such referral for re-testing may be made only after being reasonably sure that the desired re-testing facilities exist at the laboratory/ institution.

d. Re-test should be made only on the remnants of the samples originally tested or on duplicate representative sealed samples in the custody of the Customs. Further, to avoid delays, samples for second tests shall be marked as "immediate" before sending to the laboratory. In a case it may so happen that fresh samples have to be drawn, then such sampling should be done in the presence of the importer or his representative/customs broker.

e. The requests for re-test of samples on the ground that the original sample was not representative should be entertained only if the consignment is still in Customs control. At the time of drawing the samples, the importer or his representative shall be present and certify that the samples drawn are representative.

f. The competent authority shall consider the results of the re-test without prejudice to the results of the first test. In case there is a variation in the results of the first test and the re-test, the competent authority shall take the decision relying upon either of the tests specifying the grounds in writing for the decision so taken. In case the competent authority is unable to decide whether to rely upon the first or the re-test results, then it may order a second re-test provided the consignment is still within the customs control. However, this option should not be resorted to in every case of variation between the first test and re-test results.

g. The facility of re-testing, is a trade facilitation measure, which should generally not be denied in the ordinary course. However, there might arise circumstances where the customs officer is constrained to deny the re-testing facility. Board expects that such denial would be occasional and on reasonable grounds to be recorded in writing.

h. Where the re-testing procedure is done at the instance of the department instead of the importer, the above procedure shall be followed mutatis mutandis.

3) Difficulties, if any, in implementation of this circular, should be brought to the notice of the Board.

4) Hindi version of the circular will follow.

Yours faithfully,

(Zubair Riaz)
Director (Customs)

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
(CENTRAL BOARD OF EXCISE AND CUSTOMS)
Notification No.72/2017 - Customs (N.T.)

New Delhi, dated the 20th July, 2017
29 Ashadha, 1939 (SAKA)

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Central Board of Excise and Customs No.70/2017-CUSTOMS (N.T.), dated 6th July, 2017, except as respects things done or omitted to be done before such supersession, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed hereto, into Indian currency or vice versa, shall, with effect from 21st July, 2017, be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section n, relating to imported and export goods.

SCHEDULE-I

S.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	52.00	50.15
2.	Bahrain Dinar	176.50	164.90
3.	Canadian Dollar	51.85	50.20
4.	Chinese Yuan	9.65	9.35
5.	Danish Kroner	10.15	9.75
6.	EURO	75.45	72.85
7.	Hong Kong Dollar	8.35	8.15
8.	Kuwait Dinar	220.05	204.80
9.	New Zealand Dollar	48.05	46.35
10.	Norwegian Kroner	8.15	7.85
11.	Pound Sterling	85.20	82.40
12.	Qatari Riyal	18.10	16.85
13.	Saudi Arabian Riyal	17.75	16.60
14.	Singapore Dollar	47.75	46.25
15.	South African Rand	5.15	4.80
16.	Swedish Kroner	7.90	7.60
17.	Swiss Franc	68.45	66.15
18.	UAE Dirham	18.10	16.95
19.	US Dollar	65.20	63.50

SCHEDULE-II

S.NO.	FOREIGN CURRENCY	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	58.40	56.40
2.	Kenya Shilling	64.15	59.95

[F.No. 468/01/2017-Cus.V]

(Satyajit Mohanty)

Director (ICD)

TELE: 011-2309 3380

GST UPDATES

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

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Revenue)
Notification No. 3/2017-Compensation Cess (Rate)

New Delhi, the 18th July, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (2) of section 8 of the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 1/2017-Compensation Cess (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 720 (E), dated the 28th June, 2017, namely

In the said notification, in the SCHEDULE,-

- (i) against S. No. 10, for the entry in column (4), the entry "5% + Rs. 2076 per thousand" shall be substituted;
- (ii) against S. No. 11, for the entry in column (4), the entry "5%+ Rs. 3668 per thousand " shall be substituted;
- (iii) against S. No. 12, for the entry in column (4), the entry "5% + Rs. 2076 per thousand" shall be substituted.
- (iv) against S. No. 13, for the entry in column (4), the entry "5% + Rs. 2747 per thousand" shall be substituted;
- (v) against S. No. 14, for the entry in column (4), the entry "5% + Rs. 3668 per thousand" shall be substituted;
- (vi) against S. No. 15, for the entry in column (4), the entry "36% + Rs. 4170 per thousand" shall be substituted.

2. This notification shall come into force with effect from the 18th day of July, 2017.

[F.No. 354/221/2016-TRU (Pt.)]

(MohitTewari)

Under Secretary to the Government of India

Note: The principal notification No. 1/2017-Compensation Cess (Rate), dated the 28th June, 2017 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 720(E).

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

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Revenue)**

Notification No. 04/2017- Compensation Cess (Rate)

New Delhi, the 20th July, 2017

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017), read with subsection (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts intra-State supplies of second hand goods received by a registered person, dealing in buying and selling of second hand goods and who pays the goods and services tax compensation cess on the value of outward supply of such second hand goods as determined under sub-rule (5) of rule 32 of the Central Goods and Services Tax Rules, 2017, from any supplier, who is not registered, from the whole of the goods and services tax compensation cess leviable thereon under section 8 of the Goods and Services Tax (Compensation to States) Act, read with sub-section (4) of Section 9 of the Central Goods and Services Tax Act.

[F.No.354/136/2017-TRU]

(Ruchi Bisht)

Under Secretary to the Government of India

F. No. 345/114/2017-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
GST Policy Wing

New Delhi, the 21st July, 2017

Order No. 01/2017-GST

Subject: Extension of time limit for filing intimation for composition levy under sub-rule (1) of rule 3 of the CGST Rules, 2017

In exercise of the powers conferred by section 168 of the Central Goods and Services Tax Act, 2017, the Board hereby extends the period for filing an intimation in **FORM GST CMP-01** under sub-rule (1) of rule 3 of the Central Goods and Services Tax Rules, 2017 upto 16th August, 2017.

-sd-
(Upender Gupta)
Commissioner (GST)



BMC ADVISORS

DESTINATION FOR PERFECTION

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