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C.No. IV/16/03 /2017 - Tech	TRADE NOTICE NO. 18 /2017 -GST	Dated: 22/08/2017
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Sub: GST - Clarification on issues related to furnishing of Bond LUT for Exports - Board's Circular No.5/ 5/ 2017-GST dated 11.08.2017 - Communication thereof - Reg.

Reference is invited to CBEC Circular No.2/2/2017-GST dated 05.07.2017 and Circular No.4/4/2017-GST dated 07.07.2017 related to furnishing of Bond / LUT, Bank Guarantee etc.

2. The CBEC has issued further clarifications on the aforementioned issues vide Circular No.5/5/2017-GST dated 11.08.2017. A brief note on the clarifications issued is furnished hereunder:

Sl. No.	Subject	Gist of clarifications
a)	Letter of Undertaking / Bond	<p>[i] Eligibility to export under LUT - Only such exporters are eligible for LUT facilities who have received minimum foreign inward remittance of Rs. One Crore or 10% of export turnover in the preceding financial year, whichever is higher. Illustrations have been furnished therein for sake of clarity.</p> <p>However, status holder as specified in paras 3.20 and 3.21 of FTP 2015-2020 is eligible for LUT facility regardless of whether he satisfies the above conditions.</p> <p>[i] Form for LUT - LUT to be submitted on letterhead containing signature and seal of the person / authorized person. Bonds are furnished in non-judicial stamp paper</p> <p>[iii] Documents for LUT - Documents submitted and self-declaration shall be accepted as proof of fulfilling conditions etc, unless there is any evidence to the contrary or specific information otherwise. As regards status holder exporters, a self-attested copy of proof of status should be sufficient.</p> <p>[iv] Jurisdictional Officer - The Bond / LUT shall be accepted by the jurisdictional Deputy /Assistant Commissioner having jurisdiction over the principal place of business of the exporter. Further, the exporter is at liberty to furnish the Bond/LUT before Central Tax or State Tax Authorities, till administrative mechanism is implemented. It is reiterated that the Central Tax Officer shall facilitate all exporters whether or not the exporter was registered with the Central Government in the earlier regime.</p> <p>[v] Time for acceptance of LUT/Bond - A time limit of 3 working days has been stipulated for acceptance of LUT/Bond from the date of submission, along with complete documents by the Exporter.</p> <p>[vi] Foreign Inward Remittance in Indian Rupee:</p> <ul style="list-style-type: none"> ➤ Supply of Goods to Nepal, Bhutan, SEZ Developer or SEZ unit - Acceptance of LUT instead of a bond will be permissible irrespective of whether the payments are made in Indian currency also, as long as they are in accordance to applicable RBI guidelines. ➤ Supply of Services to SEZ Developer or SEZ unit - Acceptance of LUT is permissible on the above lines. ➤ Supply of Services to Nepal and Bhutan - Will be deemed to be export of services only if the payment is received by the supplier in convertible foreign exchange. <p>[vii] Bank Guarantee:</p> <ul style="list-style-type: none"> ➤ An exporter registered with recognized Export Promotion Council [EPC] can be allowed to submit bond without, bank guarantee on submission of a self-attested copy of proof of registration with recognized EPC.