



OFFICE OF COMMISSIONER OF CUSTOMS NS-II & 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: 27.09.2017

PUBLIC NOTICE NO. 121 /2017

Sub: Customs and Central Excise Duties Drawback Rules, 2017 and All Industry Rates (AIRs) of Drawback related changes - **reg.**

Attention of all the importers, Exporters, Customs Brokers, and other stake holders is invited to the Board Circular No. 38/2017-Customs, dated 22nd September, 2017.

2. The Central Government has notified the Customs and Central Excise Duties Drawback Rules, 2017 (hereinafter referred to as Drawback Rules 2017) vide Notification No. 88/2017-Customs (N.T.), dated 21.9.2017 to replace the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995. These Rules will take effect from 1.10.2017. The Central Government has also revised All Industry Rates (AIRs) of Drawback vide Notification No. 89/2017-Customs (N.T.), dated 21.9.2017 which will also come into force on 1.10.2017. The notifications may be downloaded from CBEC website and carefully perused for details. Some of the important changes in the Rules and AIR Schedule notification are highlighted below –

(a) Definition of Drawback has been amended to provide for drawback of Customs and Central Excise duties excluding integrated tax leviable under sub-section (7) and compensation cess leviable under sub-section (9) respectively of section 3 of the Customs Tariff Act, 1975 chargeable on any imported materials or excisable materials used in the manufacture of goods exported;

(b) As drawback is limited to incidence of duties of Customs on inputs used and remnant Central Excise Duty on specified petroleum products used for generation of captive power for manufacture or processing of export goods, only general AIRs under column (4) with caps under column (5) have been provided in the Schedule. For claiming these general AIRs, the relevant tariff item have to be suffixed with suffix 'B' e.g. for export of goods covered under tariff item 640609, the drawback serial no. should be declared as 640609B;

(c) The Composite rates of Drawback are being discontinued w.e.f. 1.10.2017. Hence, the composite rates and Notes and Conditions pertaining to CENVAT credit, rebate of Central Excise duty, etc. stand omitted. Thus, the declaration required to be given by an exporter for claiming composite rate of drawback w.e.f. 1.7.2017 as per Circular no. 32/2017-Customs dated 27.7.2017 is no longer required w.e.f. 1.10.2017;

(d) In case of AIR claim against tariff item numbers 711301, 711302 and 711401, the requirement of declaration by exporter as per Circular no. 30/2016-Customs dated 24.6.2016 is no longer required w.e.f. 1.10.2017;

(e) The notification also specifies the alternative AIRs on garment exports (items covered under Chapter 61 and 62) made against the Special Advance Authorization (para 4.04A of FTP 2015- 20) in discharge of export obligations in terms of Notification No. 45/2016-Customs dated 13.8.2016. These AIRs are provided in 'Table' in the said notification. For claiming these alternative AIRs, the relevant tariff item has to be suffixed with suffix 'D' instead of the usual suffix 'B';

(f) Para 3 of the Notification no. 89/2017-Customs (N.T.) dated 21.9.2017 specifies the amount for payment as provisional drawback by proper officer of Customs in terms of

sub-rule (3) of Rule 7 of the Drawback Rules, 2017. This is equivalent to the AIR corresponding to the export goods, if applicable, and subject to the same conditions as applicable to a claim for that component. The amount paid as provisional drawback under the above dispensation shall be taken into account by the Customs to authorize further provisional drawback, where necessary;

(g) For fixation of Brand Rate, Circular no. 23/2017-Customs dated 30.6.2017 may be referred. The brand rate facilitation would continue and there should be no delay by Customs formations in finalizing applications for fixation of brand rate;

(h) Where in respect of export product, NIL rate or no rate of drawback is provided in AIR Schedule, an application for fixation of Brand Rate under Rule 7 of the Drawback Rules, 2017 shall not be admissible. In such situation, application for fixation of Brand Rate may be filed under Rule 6 of the Drawback Rules, 2017;

(i) In terms of Rule 20 of the Drawback Rules, 2017, brand rates of drawback already fixed will not apply for exports with Let export date 1.10.2017 onwards. Thus, exporters will be required to apply fresh for fixation of Brand Rate under Rule 6 or Rule 7 for such exports.

3. Difficulty if any, may be brought to the notice of the Deputy / Assistant Commissioner of customs (Drawback) in person or through email on email ids. 'drawbackquery.jnch@gmail.com' or over phone no. 022-27244869. Issue, 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).

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. Bombay Custom Broker's Association.
7. All Other Trade Associations.