



केंद्रीय वस्तु एवं सेवाकर एवं सीमा शुल्क, आयुक्त वडोदरा-II का कार्यालय,
केंद्रीय उत्पाद शुल्क भवन, सुभानपुरा, एलोरा-पार्क, वडोदरा-390023

ट्रेड नोटिस नं : 15/2017/VAD-II

दिनांक : 27.11.2017

विषय : BOARD'S CIRCULARS/INSTRUCTIONS RELATING TO IGST, ACT 2017 -
REG.

उपरोक्त विषय पर निदेशक, भारत सरकार, वित्त मंत्रालय, राजस्व विभाग, उत्पाद एवं सीमा शुल्क केंद्रीय बोर्ड, नई दिल्ली द्वारा निम्नलिखित परिपत्र जारी किये गए हैं। इन परिपत्रों की प्रतिलिपि सूचना, मार्गदर्शन एवं कार्यवाही के लिये प्राप्त करें।

क्रमांक	परिपत्र सं. एवं दिनांक	विषय
1.	20/20/2017-IGST dtd. 22.11.2017	Issue related to classification and GST rate on Terracotta idols - reg.
2.	21/21/2017-GST dtd. 22.11.2017	Clarification on Inter-state movement of rigs, tools and spares, and all goods on wheels [like cranes] - reg.
3.	46/2017-Customs dtd. 24.09.2017	Applicability of IGST / GST on goods transferred / sold while being deposited in a warehouse. - reg.

सभी सम्बन्धित संगठनों/कार्यालयों से अनुरोध है की वे परिपत्रों की जानकारी अपने सभी सदस्य निर्माताओं एवं व्यापारियों को दें।

(आयुक्त, वडोदरा-II)
आयुक्त
वडोदरा, दि. 27.11.2017

फा.सं. IV/16-25/Vad-2/T/2016-17

संलग्न : यथोपरी।

प्रतिलिपि :

1. उपायुक्त/सहायक आयुक्त, मण्डल - हलोल-I, हलोल-II, हलोल-III, रायली-टेसर, मंजुरार, मरुचन, भरुच-II, अंकलेश्वर-I, अंकलेश्वर-II, झगडिया, पनोली केंद्रीय वस्तु एवं सेवाकर एवं सीमा शुल्क, वडोदरा-II।

F. No. 354/320/2017 –TRU (Pt)
Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit

North Block, New Delhi
Dated the 22nd of November, 2017

To,

The Principal Chief Commissioner/Chief Commissioners/ Principal Commissioner/
Commissioner of Central Tax (All) / Director General of Systems

Subject: Issue related to classification and GST rate on Terracotta idols – regarding

The GST rate on Idols made of clay is nil. (S.No. 135A of Schedule notification 2/2017 dated 28.06.2017).

2. In this connection, references have been received as to whether this entry would cover idols made of terracotta.

3. The matter has been examined. As terracotta is clay based, terracotta idols will be eligible for Nil rate under Sl. No.135A of notification 2/2017 dated 28.06.2017.

maybe, is leviable on repairs and maintenance done for such goods.

4. Difficulty if any, in the implementation of the circular should be brought to the notice of the Board. Hindi version would follow.

(Ruchi Bisht)
Under Secretary (TRU)

F. No. 354/320/2017 –TRU (Pt)
Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit

North Block, New Delhi
Dated the 22nd of November, 2017

To,

The Principal Chief Commissioner/Chief Commissioners/ Principal Commissioner/
Commissioner of Central Tax (All) / Director General of Systems

Subject: Clarification on Inter-state movement of rigs, tools and spares, and all goods on wheels [like cranes]- regarding.

The issue of IGST exemption on inter-state movement of various modes of conveyance, between distinct persons as specified in section 25(4) of the Central Goods and Services Tax Act, 2017, carrying goods or passengers or both; or for repairs and maintenance, [except in cases where such movement is for further supply of the same conveyance] was examined and a circular 1/1/2017-IGST dated 7.7.2017, was issued clarifying that such inter-state movement shall be treated “neither as a supply of goods nor supply of service” and therefore would not be leviable to IGST.

2. The issue pertaining to inter-state movement of rigs, tools and spares, and all goods on wheels [like cranes] was discussed in GST Council’s meeting held on 10th November, 2017 and the Council recommended that the circular 1/1/2017-IGST shall *mutatis mutandis* apply to inter-state movement of such goods, and except in cases where movement of such goods is for further supply of the same goods, such inter-state movement shall be treated ‘neither as a supply of goods or supply of service,’ and consequently no IGST would be applicable on such movements.

3. In this context, it is also reiterated that applicable CGST/SGST/IGST, as the case maybe, is leviable on repairs and maintenance done for such goods.

4. Difficulty if any, in the implementation of the circular should be brought to the notice of the Board. Hindi version would follow.

(Ruchi Bisht)
Under Secretary (TRU)

F.No: 473/10/2017-LC
Govt. of India
Ministry of Finance
Dept. of Revenue
Central Board of Excise & Customs

North Block, New Delhi
Dated 24th November 2017

To,

All Principal Chief Commissioners / Chief Commissioners / Principal Commissioners / Commissioners of Customs

Subject: Applicability of IGST / GST on goods transferred / sold while being deposited in a warehouse. -reg.

References have been received from the trade regarding levy of IGST/GST on sales of goods deposited in a customs bonded warehouse.

2. Ch IX of the Customs Act provides for deposit of goods into a customs bonded warehouse licensed under section 57 or 58 or 58A without payment of duty and the procedures to be followed with respect to the warehoused goods. Sub-section (5) of section 59 provides that the importer is at liberty to transfer the ownership of such goods to another person while the goods remain deposited in the warehouse.

3. It is to be noted that the value of imported goods, for purposes of charging customs duty, is determined as per section 14 of the Customs Act, 1962 at the time of import i.e. at the time of filing of the into-bond Bill of Entry. Any costs incurred after the import of goods, such as, port charges / port demurrage charges or costs for customs clearing or transporting the goods from the port to the customs bonded warehouse or costs of storage at the customs bonded warehouse, cannot be added to the value of the goods, for the purpose of levy of duties of customs at the stage of ex-bonding. Further, clause (b) of sub-section (1) of Section 15 of the Customs Act provides that the rate of duty or tariff valuation for an ex-bond Bill of Entry shall be the date on which it is filed. There is no provision to vary the assessable value of the goods at the ex-bond stage unless they are such goods on which tariff valuation applies. Therefore, duties of customs (BCD + IGST) shall be paid on the imported goods at the stage of ex-bonding on the value determined under section 14 of the Customs Act.

4. However, the transaction of sale / transfer etc. of the warehoused goods between the importer and any other person may be at a price higher than the assessable value of such goods. Such a transaction squarely falls within the definition of "supply" as per section 7 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as, "CGST Act") and shall be taxable in terms of section 9 of the CGST Act read with section 20 of the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as, "IGST Act"). It may be noted that as per sub-section (2) of section 7 of the IGST Act, any supply of imported goods which takes place before they cross the customs frontiers of India, shall be treated as an inter-State supply. Thus, such a transaction of sale/transfer will be subject to IGST under

the IGST Act. The value of such supply shall be determined in terms of section 15 of the CGST Act read with section 20 of the IGST Act and the rules made thereunder, without prejudice to the fact that customs duty (which includes BCD and applicable IGST payable under the Customs Tariff Act) will be levied and collected at the ex-bond stage.

5. Thus, in respect of goods stored in a customs bonded warehouse, there is a possibility that certain cases may involve an additional taxable event, if a transfer of ownership of warehoused goods takes place between the importer and another person, before clearance of the goods, whether for home consumption or for export.

5.1 In other words, when goods remain deposited in a customs bonded warehouse and are transferred by the importer to another person, the transaction will be subject to payment of IGST at the value determined as per section 20 of the IGST Act read with section 15 of the CGST Act, 2017 and the rules made thereunder and the tax liability shall be reckoned as per section 9 of the CGST Act, 2017.

5.2 However, it may be noted that so long as such goods remain deposited in the warehouse the customs duty to be collected shall remain deferred. Further, it is only when such goods are ex-bonded under section 68, shall the deferred duty be collected, at the value as had been determined under section 14 of the Customs Act, 1962 in addition to IGST leviable, as indicated at Para 5.1 above. An illustrative chart on in bond sales and clearance thereof is attached as Annexure.

6. Difficulties in implementation, if any, may be brought to the notice of the Board

7. Hindi version follows.

(Temsunaro Jamir)
Officer On Special Duty (ICD)

Sale of goods in a Bonded Warehouse and clearance thereof:

ILLUSTRATION

