

Refunds – GST Regime

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GST – concept

- Ease of doing business
- Is it so?

Refunds – types

A. Exports

- (i) Goods
- (ii) Services
- (iii) Deemed Exports
 - (a) Goods
 - (b) Services

B. Refunds of tax

- (i) deposited as pre deposit on account of appellate order
- (ii) Excess payment due to mistake
- (iii) Finalization of provisional assessment
- (iv) Amount deposited during investigation
- (v) Purchase by UN Bodies, supplies to CSD – Para Military Canteens
- (vi) Carry forward input tax credit
- (vii) Yearend volume bases incentives – through CN
- (viii) International Tourists
- (ix) SEZ Units

Refunds – procedure - concern

Para – 2(iv) - *It is further recommended that other two options may be made available to the exporter in the proposed GST regime. It is recommended that GST **Law drafting Committee** may provide for the provision of rebate and the legality of the same will be examined at the time of vetting of the GST law by the Law Ministry.*

Refund – system requirements

- Online verification
 - (i) capture IEC Registration
 - (ii) interlinking of web sites of DGFT, ICEGATE and GSTN
 - (iii) why not ACES
 - (iii) matching of documents
 - (iv) establishing export

Refunds – export of goods

Documents

- (i) Shipping Bill (Export Promotion copy)
- ii) Mate's Receipt / Transporter's Challan -
in case of export by road
- iii) Export invoice
- iv) Packing list
- v) Bill of Lading/ Airway Bill
- vi) Bank Realization Certificate (BRC)

Refunds – export of services

Para – B (iii) *It is suggested that since exports of services cannot be verified online through ICEGATE, there should be a separate application for refund of service exported*

Refunds – documents - BRC

Para – B(g) it is recommended that submission of BRC may not be insisted upon at the time of filing of refund application and post facto verification can be carried out by the tax authorities. The refund in such cases should be subject to submission of BRC details within a period of maximum one year or such period as extended by RBI from the date of the export

Refunds – deemed exports

- EOUs / SEZs / Projects under International Competitive Bidding (ICB) / Mega Power Plants / World Bank Funded Projects
- Deemed Export – at par with export attracting provisions of Exports
- Exception – IGST unless not recovered from Buyer
- Simple refund application supported by certificate issued by CA– burden not passed

Refunds – deemed exports

- Unregistered dealers – to provide invoices

Refund – procedure

- Automatic sanction of 90% of refund claimed
- Balance 10% on verification of documents within 3 months from close of the year
- Almost akin to existing system

Refunds - recommendations

- Entire refund be processed within time frame
- BRC goods & services a post facto verification
- Exports - treat as inter-state supplies pay IGST taxpayer in cases GST is paid at the time of export
 - How n why – when Exports are Zero rated
- IGST - by the Centre
- CGST/SGST - by respective State
- CGST - Service tax
- Certification – Self – threshold limit

Refunds - concerns

- Multiple claims
 - (i) Centralized registration dispensed
 - (ii) State wise registrations
 - (ii) Multiple returns – multiple claims
 - (iii) Multi-code payments

THANKS

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