



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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Ref No. ICAI/TRD/CBIC_Export

Date: 21/01/2019

Sri Pranab K. Das, IRS
Chairman – Central Board of Indirect Taxes and Customs,
Department of Revenue,
Ministry of Finance
Government of India
North Block,
New Delhi – 110 001

Subject: Inclusion of Cost Accountants for authorizing the certificate of claiming ITC in case of exports have already been made after availing ITC on inputs used in manufacture of such exports, shall be used in manufacture and supply of taxable goods.

Respected Sir,

Please refer to the Notification No.01/2019 – Central Tax dated 15th January, 2019 (amendment to Notification No. 48/2017-Central Tax) on the subject cited above. It is to bring to your kind notice that Cost Accountants have been excluded for providing certification.

Summary of Notification No. 01/2019 – Central Tax

As per the advance authorization scheme, an exporter can avail full duty exemption on import of raw-materials and related inputs under authorization (to be taken in advance) from a proper authority. DGFT is the licensing authority for this purpose and importers have to approach them. If you fulfill the required export obligation with this licensing authority, the goods manufactured by you can be sold in the domestic market. Govt has amended its notification no 48/2017-Central Tax and said that goods that are supplied, when exports have already been made after availing ITC on inputs used in manufacture of such exports, shall be used in manufacture and supply of taxable goods and a certificate to this effect from a chartered accountant must be submitted to the jurisdictional commissioner of GST within 6 months of such supply. Such certificate shall not be required if ITC has not been availed on inputs used in manufacture of export goods.

Contd...2



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=2=

We would like to bring to your kind notice that Cost Accountants are recognized for GST – Procedural Compliance.

“Special audit by the Chartered Accountant/Cost Accountant may be undertaken for units selected based on the risk parameters identified by CBEC in order to verify correctness of declared production capacity and production or overvaluation of supplies. Such special audit shall be undertaken only with the approval of the Commissioner, CGST.”

We hereby again request you to consider Cost Accountants for such certification and submit the following for your kind perusal and consideration.

1. **Cost Accountants** are recognized for providing various professional services at par with Chartered Accountants under the following Sections of Central Goods & Services Tax Act, 2017.
 - **Section 35 (5):** “Every registered person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a **cost accountant** and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed”
 - **Section 66(1)** :“If at any stage of scrutiny, inquiry, investigation or any other proceedings before him, any officer not below the rank of Assistant Commissioner, having regard to the nature and complexity of the case and the interest of revenue, is of the opinion that the value has not been correctly declared or the credit availed is not within the normal limits, he may, with the prior approval of the Commissioner, direct such registered person by a communication in writing to get his records including books of account examined and audited by a chartered accountant or a **cost accountant** as may be nominated by the Commissioner”
 - **Section 116:** Cost Accountants are recognized as Authorized Representative to appear before an officer appointed under the Act, or the Appellate Authority or the Appellate Tribunal in connection with any proceedings under the Act.
 - **Section 48** of the CGST Act, read with Rule 24 of the Return Rules, authorize **Cost Accountant** as an eligible person to act as approved Goods and Services Tax Practitioner.

Contd...3



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=3=

Further, **Cost Accountants** are also authorized to provide similar professional services under **Integrated Goods and Services Tax Act, 2017 and State Goods and Services Tax Act, 2017**.

Railway Board has also included **Cost Accountants** to certify the work sheet of tax liability before GST and after GST to be submitted by contractors.

From time to time, Institute has submitted to GST Council and other Ministries, issues and challenges in GST implementation and suggestions to overcome such barriers.

Further, Institute has also represented the meeting called by GoM constituted by the GSTN, in simplifying the GST returns and also submitted valuable inputs.

The Institute also, conducts seminars, workshops and webinars on GST and other tax related issues on a regular basis for brushing up the knowledge of Members and other stake holders.

Further, the Institute also conducts webinars and release fortnightly Tax Bulletin to increase the Competency of the Members and GST practitioners in the field of GST. Institute has also completed its first two batches of the Certificate Course on GST in both offline and online mode on PAN India basis and the third batch is running successfully. Institute has also launched an advanced level online course on GST for the professionals.

The Institute has published several guidance notes and handbooks on GST to guide the members of the Institute and all other stakeholders on the subject in order to protect the interest of consumers.

- Guidance Note on Anti Profiteering
- Guidance Note on GST Audit
- Guidance Note on GST Annual Return
- Handbook on Works Contract under GST
- Handbook on E-way Bill
- Handbook on Export under GST
- Compilation of GST Notifications & Circulars

2. To add on, many Government Departments, Public Sector Undertakings are taking the professional services of Cost Accountants in the area of GST.

Contd...4



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=4=

3. **Cost Accountants** are recognized for providing various professional services at par with Chartered Accountants under **Handbook of Procedures (2015-20) notified by the Director General of Foreign Trade.**
4. Earlier, on 30th May 2018 Institute had given a representation against Circular No. 12/2018 – Customs dated 29th May, 2018 on the subject “**Inclusion of Cost Accountants for undertakings/submission of Certificates to the exporters to overcome the problem of refund blockage and post audit scrutiny**” and against which a revised Circular, Circular No. - 33/2018 – Customs dated 19th September, 2018, has been issued by Customs after including Cost Accountants on the subject cited above.

In view of the above submission and in the light of **natural justice, fair play, equity and ensuring compliance** in accordance with the GST Act, we request you to include **Cost Accountants** for providing the certificate as above.

Thanking you,

Yours Sincerely,

CMA Niranjan Mishra
Chairman-Taxation Committee