

CIRCULARS- CGST

Circular No. 106/2019

Date – 28.06.2019

Refund of taxes paid on inward supply of indigenous goods by retail outlets established at departure area of the international airport beyond immigration counters when supplied to outgoing international tourist against foreign exchange – reg

CBIC has notified that the retail outlets established at departure area of the international airport beyond immigration counters shall be entitled to claim refund of all applicable Central tax, Integrated tax, Union territory tax and Compensation cess paid by them on inward supplies of indigenous goods received by them for the purposes of subsequent supply of goods to outgoing international tourists i.e. to a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes against foreign exchange .

With a view to ensuring expeditious processing of refund claims, the Board has specified the conditions, manner and procedure for filing and processing of such refund claims in succeeding paras.

Duty Free Shops and Duty Paid Shops: -It has been recognized that international airports, house retail shops of two types - „Duty Free Shops“ (hereinafter referred to as “DFS”) which are point of sale for goods sourced from a warehoused licensed under Section 58A of the Customs Act, 1962 (hereinafter referred to as the “Customs Act”) and duty paid indigenous goods and „Duty Paid Shops“ (hereinafter referred to as “DPS”) retailing duty paid indigenous goods.

Procurement and supply of imported / warehoused goods: - The procedure for procurement of imported / warehoused goods is governed by the provisions contained in Customs Act. The procedure and applicable rules as specified under the Customs Act are required to be followed for procurement and supply of such goods.

Procurement of indigenous goods: - Under GST regime there is no special procedure for procurement of indigenous goods for sale by DFS or DPS. Therefore, all indigenous goods would have to be procured by DFS or DPS on payment of applicable tax when procured from the domestic market.

Supply of indigenous goods by DFS or DPS established at departure area of the international airport beyond immigration counters to eligible passengers: The sale of indigenous goods procured from domestic market by retail outlets to an eligible passenger is a “supply” under GST law and is subject to levy of Integrated tax but the same has been exempted vide notification No. 11/2019-Integrated Tax (Rate) and 01/2019-Compensation Cess (Rate) both dated 29.06.2019. Therefore, retail outlets will supply such indigenous goods without collecting any taxes from the eligible passenger and may apply for refund as per procedure explained in succeeding paragraphs.

In this circular , eligibility to claim refund and procedure for applying for refunds, Processing and sanction of the refund claim have been elaborated also.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-106.pdf;jsessionid=EFE1A277D985935B37B5EC9A3361CDD5>