

GOVERNMENT OF NAGALAND
OFFICE OF THE COMMISSIONER OF STATE TAXES
NAGALAND: DIMAPUR

Dated Dimapur, the 14th October, 2017

CIRCULAR-06/8/2017-GST

Ref-CBIC Circular No.8/8/2017-GST dated 14-10-2017

Subject: Clarification on issues related to furnishing of Bond/Letter of Undertaking for exports

In view of the difficulties being faced by the exporters in submission of bonds/Letter of Undertaking (LUT for short) for exporting goods or services or both without payment of integrated tax, Notification F.NO.FIN/REV-3/GST/1/08(Pt-1)/38 dated 26th October, 2017 has been issued which extends the facility of LUT to all exporters under rule 96A of the Nagaland Goods and Services Tax Rules, 2017 (hereafter referred to as "the NGST Rules") subject to certain conditions and safeguards. This notification has been issued in supersession of Notification F.NO.FIN/REV-3/GST/1/08(Pt-1)/453 dated 13th September, 2017 except as respects things done or omitted to be done before such supersession.

2. In the light of the new notification, three circulars in this matter, namely Circular - 01/2/2017- GST dated 15th September, 2017, Circular-02/4/2017- GST dated 16th September, 2017 and Circular-03/5/2017- GST dated 18th September, 2017, which were issued for providing clarity on the procedure to be followed for export under bond/LUT, now require revision and a consolidated circular on this matter is warranted. Accordingly, to ensure uniformity in the procedure in this regard, the Commissioner, in exercise of its powers conferred under section 168 of the Nagaland Goods and Services Tax Act, 2017 clarifies the following issues:

a) Eligibility to export under LUT: The facility of export under LUT has been now extended to all registered persons who intend to supply goods or services for export without payment of integrated tax except those who have been prosecuted for any offence under the CGST Act or the Integrated Goods and Services Tax Act, 2017 or any of the existing laws and the amount of tax evaded in such cases exceeds two hundred and fifty lakh rupees unlike Notification F.NO.FIN/REV-3/GST/1/08(Pt-1)/453 dated 13-09-2017 which extended the facility of export under LUT to status holder as specified in

paragraph 5 of the Foreign Trade Policy 2015-2020 and to persons receiving a minimum foreign inward remittance of 10% of the export turnover in the preceding financial year which was not less than Rs. one crore.

b) Validity of LUT: The LUT shall be valid for the whole financial year in which it is tendered. However, in case the goods are not exported within the time specified in sub-rule (1) of rule 96A of the NGST Rules and the registered person fails to pay the amount mentioned in the said sub-rule, the facility of export under LUT will be deemed to have been withdrawn. If the amount mentioned in the said sub-rule is paid subsequently, the facility of export under LUT shall be restored. As a result, exports, during the period from when the facility to export under LUT is withdrawn till the time the same is restored, shall be either on payment of the applicable integrated tax or under bond with bank guarantee.

c) Form for bond/LUT: Till the time **FORM GST RFD-11** is available on the common portal, the registered person (exporters) may download the **FORM GST RFD-11** from the website of the Central Board of Excise and Customs (www.cbec.gov.in) and furnish the duly filled form to the jurisdictional Deputy/Assistant Commissioner having jurisdiction over their principal place of business. The LUT shall be furnished on the letter head of the registered person, in duplicate, and it shall be executed by the working partner, the Managing Director or the Company Secretary or the proprietor or by a person duly authorised by such working partner or Board of Directors of such company or proprietor. The bond, wherever required, shall be furnished on non-judicial stamp paper of the value as applicable in the State in which the bond is being furnished.

d) Documents for LUT: Self-declaration to the effect that the conditions of LUT have been fulfilled shall be accepted unless there is specific information otherwise. That is, self-declaration by the exporter to the effect that he has not been prosecuted should suffice for the purposes of Notification F.NO.FIN/REV-3/GST/1/08(Pt-1)/38 dated 26th October, 2017. Verification, if any, may be done on post-facto basis.

e) Time for acceptance of LUT/Bond: As LUT/Bond is a priori requirement for export, including exports to a SEZ developer or a SEZ unit, the LUT/bond should be processed on top most priority. It is clarified that LUT/bond should be accepted within a period of three working days of its receipt along with the self-declaration as stated in para 2(d)

