

Office of the
Principal Chief Controller of Accounts
Central Board of Indirect Taxes & Customs
Ministry of Finance, Deptt.of Revenue
DGACR Building, 1st Floor
I.P Estate, New Delhi

Dated: 19th July, 2018

OFFICE MEMORANDUM

Subject: GST Refunds: Advisory No. 2 – reg.

Ref: GST Refunds Advisory issued vide OM No. Pr.CCA/CCA/CBEC GST-IT/e-PAO Refund/33/2017-18 dated 4.06.2018.

The Advisory No. 1 was issued vide OM dated 4.6.2018 in respect of GST Refunds which are sanctioned by the field CGST Commissionerates and are processed manually for payment by the field Pay & accounts Offices through PFMS Portal. Certain practical difficulties have been reported to be faced by the field Commissionerates in respect of GST Refunds **especially in the matter of sanctions issued by the State Tax Authorities.**

2. A decision has been taken by the Government to observe 3rd GST Refund fortnight from 16th July, 2018 to 31st July, 2018 to liquidate the pendency of the GST refund claims by establishing dedicated refund cell and helpdesk in each Commissionerates.
(A Press Release dated 16th July 2018 in this regard is enclosed.)

3. In a special meeting convened by Chairman CBIC, various issues relating to processing of refund bills in the field Pay & Accounts Offices of CBIC were discussed. In the light of the decision taken in this meeting, the following Advisory No.2 is issued to all concerned (*Nodal Officers, Refund Sanctioning Authorities, DDOs, Zonal Heads of Accounting Organisation and Pay & Accounts Offices of CBIC*) to ensure smooth and timely processing of the GST Refunds **especially during the Refund fortnight, from 16.7.2018 to 31.7.2018:**

I. Submission of Refund Bills for sanctions issued by the State Tax Authorities:

In the Advisory No.1 issued vide O.M. dated 4.6.2018, it was mentioned that the Nodal Officer declared by the CGST Commissionerates shall authenticate the sanction order for GST Refund (issued by the State Tax Authorities) with his signatures and stamp. It was pointed out by the CBIC Authorities that since there is one Nodal Officer in each of the CGST Zones; it is time consuming for him to authenticate the sanctions of the State Tax Authorities with his signature and send it across to different sanctioning authorities in the Divisions. It has been therefore, decided that the Refund sanctions issued by the State Tax Authority shall be communicated through the Nodal Officer to the sanctioning Authority of the concerned Division/ Commissionerates in terms of Para 6 of the Circular No. 24/24/2017-GST dated 21.12.2017 issued by the GST Policy Wing of CBIC. However, after getting such sanctions (RFD 04/06) through the Nodal Officer, the concerned Sanctioning Authority will sign on it with the remarks "RFD-05 dated----- issued against this sanction".

RFD -05 (Payment advise) along with the duly signed and remarked sanction (RFD 04/06 issued by State Authority) will be sent in original to the concerned Pay & Accounts Office through DDO.

II. Review of Sanctions:

As mentioned in the Advisory No.1 issued vide OM dated 4.6.2018 that all Refund sanctioned above Rs. 50 lakhs should be sent for review by the competent authority in terms of policy of Sanction Review issued by the Controller General of Accounts, Department of Expenditure vide OM dated 22.1.2018 & 15.2.2018. However, it has been noticed that the un-reasonable time is being taken in sending the sanctions for review and also in communication of the duly reviewed sanctions back to the Pay & Accounts Office. **It is therefore, advised that the process of review of sanction should be completed on the same day or at the most by next day.** For this purpose, the proposal should be communicated through exchange of dedicated e-mail from Zonal Offices to Headquarter and vice versa. The Zonal Officers of the Accounting organization will ensure the completion of the sanction review process in respect of the Pay & Accounts Office of their zone.

III. Submission of Refund Bills by DDO to PAO immediately after generating of Bill in PFMS:

It has been noticed that after the bill is generated by the DDO on PFMS System, the physical copies of sanctions (RFD 04/06) and payment advices (RFD 05) along with the print-out of the PFMS generated bill are not sent to PAO for a considerable period of time. Sometimes, the delay in providing the physical copies of sanctions and bill etc. to PAO is due to distance between the Commissionerate Office and the PAO. **It is therefore, advised that the DDO should send these documents preferably on the same day or at the most by next day to the PAO so that the delay on account of this can be avoided.** Similarly, in case of any error is detected in the Refund bills by the PAOs, it should be communicated by the PAO to the DDO immediately and the bill should be collected on the same day for re-submission to the PAO after corrections.

All field Pay & Accounts Offices are therefore advised to give utmost priority to the GST Refund Bills especially during the Third Refund Fortnight from 16th July, 2017 to 30th July, 2018 to clear all pending as well as those bills received during this period. **All Pay & Accounts Offices are directed to submit the clearance/pendency report on 1st August, 2018 to the Office of Pr. CCA, CBIC.**

This issues with the approval of Pr.CCA, CBIC.


(Manoj Sethi) 19/7/18

Chief Controller of Accounts, CBIC.
(manoj.sethi@nic.in)

Encl: Press Release

Dated 16.7.18

To

1. All Pr.Chief Commissioners/Chief Commissioners of CGST
2. All Commissioners of CGST
3. Chief Controller of Accounts(WZ), Controller of Accounts(EZ), Dy.CA(SZ), Dy.CA(NZ)
4. All Pay & Accounts Offices (CGST)

Copy for Information to:

1. Chairman, CBIC, North Block, New Delhi.
2. Special Secretary (Rev.), DoR, New Delhi.
3. Member (GST)/Member(Customs)/Member(IT), CBIC
4. Addl. CGA, O/o CGA, New Delhi.
5. JS (Revenue), DoR, New Delhi.
6. Commissioner(GST Policy), CBIC
7. OSD to Finance Secretary/Revenue Secretary

PRESS RELEASE

16th July, 2018

CBIC to observe Third Refund Fortnight to clear pending refunds

Refunds of GST have been a concern for the Government and Trade for the past several months. In this regard, the CBIC has observed two special drives cum refund fortnights in the Month of March, 2018 (15th to 31st March, 2018) and June, 2018 (31st May to 16th June, 2018) respectively. These refund fortnights have provided a lot of relief to the trade. In the 1st refund fortnight, Rs. 4265 Crore IGST refunds and Rs. 1136 Crore ITC refunds were sanctioned by field formations of CBIC. Similarly, during the 2nd refund fortnight, Rs. 6087 Crore IGST refunds and Rs. 1548 Crore ITC refunds were sanctioned by CBIC. In case of IGST refunds for goods exported out of India, the percentage of amount of refund claims disposed by CBIC is already more than 90%.

However, in order to liquidate pendency further, and to handhold/guide the trade for applying for the refund claims in a proper manner, it has been decided to observe another refund fortnight from 16th July, 2018 to 30th July, 2018. Dedicated refund cells and helpdesks would be provided for exporters to get their refund claims processed, in each Commissionerate.

The exporters and export organizations are requested to take benefit of this opportunity to get their pending refund claims processed. The facility to view reasons for pending IGST refunds have been provided on ICEGATE. As the IGST refund procedure is designed for seamless electronic processing if sufficient and correct details are filed by the exporter, so Export organisations and Export Promotion Councils must come forward to assist exporters in observing the correct procedure to file refund claims and in rectification efforts in the case of errors.
