

Government of India
Ministry of Finance, Department of Revenue
Office of the Pr. Chief Controller of Accounts
Central Board of Excise & Customs
1st Floor, 'B' Wing AGCR Building,
I.P. Estate New Delhi-110002

Date: 9th October 2017

OFFICE MEMORANDUM

Sub: Refund of IGST on Exports - Reg.

Undersigned has been directed to convey that a decision has been taken by the Department of Revenue, Ministry of Finance to make the payments of refunds of IGST on Exports to the entitled exporters on the PFMS portal through e-PAO (GST-Refunds). However, due to the migration of PFMS portal to the new hardware and software architecture, the development and testing of the refund payments through PFMS will not be possible to start from 10th October 2017. In order to commence the process of refund on immediate basis, it has been decided that the existing system of refund payment by the departmental officers of the Jurisdictional Custom Commissionerates will be followed. **The arrangement of payment of refunds by the Departmental officer by issue of cheque will be there upto 14th October 2017.** The refund payment through PFMS portal by the e-PAO (GST Refunds) will start from 16th October 2017.

2. During the interim period, the stake holders will follow the following procedure as mentioned below:

A. Jurisdictional Commissionerate:

1. The Department officers (Dy. Commissioner/Asstt. Commissioner) in the Jurisdictional Commissionerate who are authorised for sanctioning and payments of Refunds in the existing system will also sanction the payment of IGST refunds as per the extant Rules.
2. Refunds on IGST exports will be sanctioned from the following IGST Head of Account which should be clearly mentioned in the Sanction cum Bill and the List of Payments.

Major Head 0008 -Integrated Goods and Services Tax

02- Domestic supply of Goods and Services

101- Tax Collections

02- Refund of Tax collection

02- Exports.

3. The Refund of IGST on Exports should be paid separately and should not be clubbed with other refund payments under 0037 -Customs Duties or with any other Head.
4. The payment should be made as per the existing procedure by a single cheque to the Bank along with a list of exporters (Shipping Bill-wise) with details of their bank account and the amount to be refunded. The existing cheque book issued for refund may be used. In case of insufficient cheque leaves, the Departmental officer may request the concerned PAO to issue a cheque book.

5. The List of Payment of IGST Refunds along with the vouchers should be sent to the Jurisdiction PAO on the next day of sanction. A soft copy of the bill with the list of exporters and their details shall also be sent to PAO (as an exception).
6. The Departmental officer should also ensure from the Banks that the all payments made have been successful. In case of failures, it is to be ensured that the amount is returned by the bank as per the existing procedure.

B. Role of Authorized Banks:

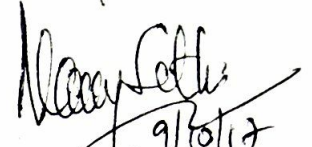
1. On receipt of the Cheque of consolidated amount and the list of exporters with the bank details and Refund amount payable to each of the exporter, the dealing branch of the bank authorized for refund payments, will honour the cheque issued by the departmental officer and make payments to the exporters through NEFT/RTGS on the same day.
2. After making the payment to the beneficiaries, the branch will scroll the amount of all payments made on T+1 day and put through the same to RBI
3. The Payment Scroll for IGST Refund payment will be issued separately with Major Head 0008 and shall not be clubbed with the Payment Scroll for Customs/Central Excise Refunds. Necessary provisions are required to be made in their system.
4. The Payment scroll will be forwarded to the PAO along with the list of payments made.
5. The details of failed transactions (if any) shall be given to the Departmental officer(s) along with a cheque for failed transactions. Copy of the same will be forwarded to the PAO concerned.
6. The Banks should note that both the Payment Scroll and the reimbursement claim from RBI should be distinctly under separate Major Head of Account 0008.

C. Role of Pay & Accounts Officer.

1. On request of the Departmental Officer of the Jurisdictional Commissionerate, the PAO will issue Cheque Book for IGST Refunds wherever required. No separate Cheque book is required for IGST Refunds. The existing Cheque book used for refund/drawback payments used by the Commissionerate should be used.
2. On receipt of the List of Payment and Voucher for the IGST on Exports, from the Commissionerate, the accounting will be done on COMPACT REVACT. As only a consolidated amount of the bill (and not the beneficiary-wise details) can be entered in the COMPACT REVACT, the details of the bill given in soft copy will be forwarded by the PAO to Pr.AO for reference and later incorporation in PFMS database.
3. On receipt of the payment scroll from FPB, the same will be accounted in COMPACT REVACT. It should be ensured that the same is reconciled with Bank.
4. The PAO shall ensure from the bank that all payments have been successful and in case of failures, the same has been returned by the bank with the details of the beneficiary.
5. The List of failed transactions will also be shared by the PAO to the Headquarters.

D. Role of Reserve Bank of India

1. The Banks making refund payments of IGST will scroll it under a distinct Major Head 0008 IGST. Reimbursement claims by the Bank from RBI will hence be under the head of Accounts of IGST.
2. The RBI will report the put through statement in respect of IGST Refunds (M.H. 0008) and will show it separately from the Customs Refunds (M.H. 0037).


(Manoj Sethi)

Chief Controller of Accounts

Ph. 011-23702430

Email manoj.sethi@nic.in

To

1. Chief Commissioners (Customs)
2. Commissioners (Customs)
3. All authorised Banks (for Refund Payment)
4. All PAO (Customs)
5. CGM, Reserve Bank of India, DGBA, Mumbai
6. CGM, Reserve Bank of India, CAS, Nagpur

Copy to:

1. Member (Customs), CBEC
2. Member (IT), CBEC
3. JS (Customs)
4. DG (Drawback)
5. DG (Exports Promotion)
6. OSD to Revenue Secretary
7. PS TO Chairman, CBEC
8. PS to CGA