

CUSTOMS TO RECOVER EXPORT BENEFITS CLAIMED ON REIMPORTED GOODS

As for new cases of reimports, exporters have to provide a ‘no incentive certificate’ from the regional authority (RA) of the Directorate General of Foreign Trade at the time of reimports.

Tax authorities will soon start recovery of exports benefits claimed on goods that were reimported in the past under some incentive schemes, a decision that will impact some exporters.

The Central Board of Indirect Taxes & Customs (CBIC) has sent out a directive to tax officials following observations by Comptroller and Auditor General (CAG) that there was no provision in earlier customs notifications to recover the duty benefit claimed on exports on reimport of the merchandise.

As for new cases of reimports, exporters have to provide a ‘no incentive certificate’ from the regional authority (RA) of the Directorate General of Foreign Trade at the time of reimports.

“...before allowing clearance in cases of reimport of exported goods, a ‘no-incentive certificate’ from the respective RA of DGFT shall be ensured by customs field formations,” the CBIC directive said.

This certificate will be provided only when the duty benefits claimed have been surrendered.

Source: The Economics Times