

# EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

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## EPCES CIRCULAR NO. 253

Dear Members,

EPCES is receiving a number of queries from its members regarding GST. Issues which need clarification or wherein amendment are needed have been taken up with the concerned authorities. However, some of the queries received were answered by Chairman EPCES. Details of some of the common queries and the replies along with the attachment are given below for kind information of the members as under:-

S.No	Questions raised	REPLY
1	Procedure availing exemption for services like CHA, Handling charges, Ocean freight, Business support services, business auxiliary services, Chartered Accountant services, GTA, Port Services, Courier services, Banking and finance services etc	No ab-initio exemption has been notified by the government on above mentioned services given to SEZ. As discussed earlier, supplies to SEZ shall be treated as "Zero Rated Supply" for which refund of taxes can be filed as per procedure laid under Rule 96/96A of Refund Rules.
2	As per notification No. 15/2017 of integrated tax, the import of goods and services to SEZ (unit/developer) shall be exempted from payment of IGST. Subsequently notification No. 17/2017 has rescinded the notification No. 15/2017 and brought a fresh notification No. 18/2017, where by only services imported to the SEZ shall be exempted from payment of IGST. Whether SEZ can procure goods exempted from payment of IGST in case of domestic procurement & import ? and whether services rendered by any domestic service provider to SEZ shall be exempted from payment of IGST or not.	<p><b><u>Import of goods by SEZ-</u></b> No IGST shall be levied on such imports as exempted wide Notification 64/2017-Cus,dt. 05-07-2017, issued by CBEC. The same has been attached herewith.</p> <p><b><u>Imports of services by SEZ-</u></b> No IGST shall be levied on such imports as exempted wide Notification 18/2017-Integrated Tax (Rate) ,dt. 05-07-2017, issued by CBEC. The same has also been attached herewith.</p> <p><b><u>Supplies of goods/services from DTA to SEZ-</u></b> IGST shall be levied on such supplies. As discussed earlier, supplies to SEZ shall be treated as "Zero Rated Supply" for which refund of taxes can be filed as per procedure laid under Rule 96/96A of Refund Rules.</p>
3	Since SEZ is zero rated supply hence no IGST is showing in SEZ Bill of Entry and also the duty foregone value is shown as zero. In this case, do the unit not need to execute the B-LUT?	In case of supply of goods by SEZ to DTA, recipient located in DTA shall be required to file Bill of entry and discharge applicable GST on the same. However in case of supply of services by SEZ to DTA, GST shall be paid by SEZ on forward charge basis

		(as inferred instruction provided for returns)
4	Who will claim the refund for supply from DTA to SEZ (DTA unit or SEZ unit). As per the GST Act exporter will claim the refund.	DTA (registered person) making zero rated supplies to SEZ shall claim the refund.
5	Default list of services to be released.	No such list of services has been released so far. Will be informed as and when released.
6	As per GST Act, for exports, bond has to be issued, clarification is required in the case of exports from SEZ unit.	No separate clarification/procedure has been given in relation to export by SEZ units. Hence, in such a scenario the exports by SEZ units shall have to be undertaken in a manner similar to exports by DTA units.

Members are requested to kindly note the above clarifications. We also request our members to kindly inform us any problem/issue/clarification so that we can clarify the same or take up with the concerned authorities.

For kind information of the members.

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