

Circular No. 23/2019-Customs

F. No. 450/35/2018-Cus-IV
Government of India
Ministry of Finance
Department of Revenue
(Central Board of Indirect Taxes & Customs)

Room No. 227-B, North Block, New Delhi.

Dated the 1st August, 2019

To

All Principal Chief Commissioners/Chief Commissioners of Customs/ Customs (Preventive)

All Principal Chief Commissioners/Chief Commissioners of Customs & Central Excise

All Principal Commissioners/Commissioners of Customs/Customs (Preventive)

All Principal Commissioners/Commissioners of Customs & Central Excise

Subject:– Clarifications regarding Refunds of IGST paid on import in case of specialized agencies - reg.

Board has received various representations wherein specialized agencies have raised the matter of refund of IGST paid on imported goods. It has been informed that the specialized agencies are paying IGST on import of goods but the refund of same is not being processed by Customs formations.

2. The matter has been deliberated among various wings of the Board like TRU, GST Policy Wing and Customs Policy Wing. It has been decided to operationalise a refund mechanism of IGST paid on imports by the specialized agencies as under:

- (i) Section 55 of the CGST Act provides refund of taxes paid on the notified supplies of goods or services or both received by them. In pursuance of this provision, Notification No.16/2017-Central Tax (Rate) dated 28.6.2017 has been issued which inter-alia provides that United Nations or a specified international organisation shall be entitled to claim refund of central tax paid on the supplies of goods or services or both received by them subject to a certificate from United Nations or that specified international organisation that the goods and services have been used or are intended to be used for official use of the United Nations or the specified international

organisation. A similar refund mechanism has been provided in respect of integrated tax vide notification No.13/2017-Central Tax (Rate) and Union Territory tax vide Notification No.16/2017-Union Territory Tax (Rate) respectively.

- (ii) Section 3 (7) of Customs Tariff Act, 1975 (CTA), provides for a parity between the integrated tax rate attracted on imported goods and the integrated tax applicable on the domestic supplies of goods. In the case of UN and specialised agencies, the above referred to notifications envisage payment and then refund of taxes paid. Therefore, on this principle of parity, specialised agencies ought to get the refund of the IGST paid on imported goods.
3. In view of the above, Board has decided that respective customs field formations shall provide refund of IGST paid on import of goods by the specialized agencies notified by Central Government under Section 55 of CGST, Act, 2017.
4. Difficulties, if any, shall be brought to the knowledge of Board.

Yours sincerely,

(Zubair Riaz)
Director (Customs)