

F. No. CBIC-20001/4/2024-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

New Delhi, Dated the 11th July, 2024

To,

The Principal Chief Commissioners / Chief Commissioners / Principal Commissioners /
Commissioners of Central Tax (All)
The Principal Directors General / Directors General (All)

Madam/Sir,

Subject: Mechanism for refund of additional Integrated Tax (IGST) paid on account of upward revision in price of the goods subsequent to exports– reg.

Representations have been received from trade/ industry requesting for prescribing a mechanism for seeking refund of additional IGST paid on account of upward revision in price of goods subsequent to export. It has been represented that there are cases where the price of export goods needs to be revised, subsequent to their exports, due to various reasons such as linking of the prices of the export commodities to some international index or as per the terms of contract between the two parties etc. In such cases, where there is upward revision in price of goods subsequent to exports, the exporter is required to pay additional IGST on account of upward price revision along with applicable interest but there exists no mechanism for allowing them to claim refund of such additional IGST paid.

2. In order to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by section 168(1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”), hereby lays down the following procedure for claim and processing of refunds of additional integrated tax paid on account of upward revision in prices of goods subsequent to their exports.

3. Filing of refund claim for additional IGST paid on account of upward revision of prices of export goods, subsequent to export:

3.1 The refund of IGST paid on account of export of goods is processed by the proper officer of Customs in an automated manner without manual intervention in terms of provision of rule 96 of Central Goods and Services Tax Rules, 2017 (hereinafter referred to as “CGST Rules”). However, there exists no mechanism for processing of refunds of any additional integrated tax paid on account of upward revision in price of goods, subsequent to exports, by the proper officer

of customs. Therefore, it has been decided that such exporter may file an application for refund of such additional IGST paid in **FORM GST RFD-01** electronically on the common portal and such application for refunds would be processed by the jurisdictional GST officer of the concerned exporter. Accordingly, CGST Rules have been amended vide Notification No. 12/2024-CT dated 10.07.2024 to provide for filing of such refund application in **FORM GST RFD-01**, which shall be dealt with in accordance with provisions of rule 89 of CGST Rules.

3.2 GSTN is in the process of development of a separate category of refund in **FORM GST RFD-01**, for filing an application of refund of such additional IGST paid. However, till the time such separate category for claiming refund of additional amount of IGST paid is developed on the common portal, such exporter(s) may claim refund of the additional IGST paid on account of upward revision in price of goods subsequent to exports, by filing an application of refund in **FORM GST RFD-01** under the category “**Any other**” with remarks “*Refund of additional IGST paid on account of increase in price subsequent to export of goods*” along with the relevant documents as prescribed in clause (bb) of sub-rule (2) of rule 89 of the CGST Rules. The exporter shall also upload the statements 9A & 9B as prescribed in clause (bb) & clause (bc) of sub-rule (2) of rule 89 of the CGST Rules along with the said refund claim. The exporter may also upload any other document to establish that the refund is admissible to him.

3.3 The said refund application shall be processed based on the documentary proof submitted by the refund applicant. Further, the validated details of shipping bills, amount of IGST involved in such shipping bills, as well as the amount of IGST refund sanctioned by the customs under rule 96(3) of CGST Rules will also be made available to jurisdictional GST officers by GSTN to enable them to process such refund claims of additional IGST paid.

4. Minimum Refund Amount: Sub-section (14) of section 54 of the CGST Act provides that no refund under sub-section (5) or sub-section (6) shall be paid to an applicant, if amount is less than one thousand rupees. Therefore, no such refund shall be paid if the amount claimed is less than one thousand rupees.

5. Time limit for filing refund: Sub-rule (1B) of rule 89 of CGST Rules, inserted vide Notification No. 12/2024-CT dated 10.07.2024, provides that the application for refund of additional IGST paid can be filed before the expiry of two years from the relevant date as per clause (a) of Explanation (2) of section 54 of the CGST Act. However, in cases, where the relevant date as per clause (a) of Explanation (2) of section 54 of the CGST Act was before the date on which sub-rule (1B) of rule 89 of CGST Rules has come into force, such refund application can be filed before the expiry of a period of two years from the date on which the said sub-rule has come into force.

6. The following documents are required to be accompanied with the refund claim in order to establish that refund is due to such exporter:

- (a) Copy of shipping bill or bill of exports;
- (b) Copy of original invoices;

- (c) Copy of contract/ other document(s), as applicable, indicating requirement for the revision in price of such goods subsequent to exports;
- (d) Copy of the original invoices as well as relevant debit note(s)/ supplementary invoices;
- (e) Proof of payment of additional IGST and applicable interest and details of the relevant FORM GSTR-1/ FORM GSTR-3B furnished by the applicant in which the said debit note(s)/ supplementary invoice(s) were declared and tax and interest thereon had been paid by the applicant;
- (f) Proof of receipt of remittance of additional foreign exchange (FIRC) issued by Authorised Dealer-I banks;
- (g) A certificate of a practising chartered accountant or a cost accountant certifying therein that the said additional foreign exchange remittance is on account of such upward revision in price of the goods subsequent to export;
- (h) Statement 9A of FORM GST RFD 01; and
- (i) Statement 9B of FORM GST RFD 01.

7. The proper officer while processing such refund claim shall verify that the exporter has duly reported the details of the export invoice and the debit note in his statement of outward supplies in **FORM GSTR-1** and has duly paid such additional amount of IGST along with applicable interest for which refund is being sought in their **FORM GSTR-3B** return. The proper officer while ascertaining the eligibility of the refund to the exporter shall verify the revised value declared by the exporter in his **FORM GSTR-1/ FORM GSTR-3B** and details of foreign exchange remittances received thereof.

8. The proper officer shall scrutinize the application with respect to its completeness and eligibility and only if the proper officer is satisfied that the whole or any part of the amount claimed is payable as refund, he shall proceed to issue the refund sanction order in **FORM GST RFD-06** and the payment order in **FORM GST RFD-05**. The proper officer shall also upload a detailed speaking order along with the refund sanction order in **FORM GST RFD-06** in terms of Instruction No. 03/2022-GST dated 14.06.2022.

9. Further, there may be certain cases where there is downward revision in price of goods subsequent to exports, when the export has been made with payment of IGST. In all such cases, the supplier of goods/exporter is required to deposit the refund of the IGST received in proportion to the reduction in price of exported goods, along with applicable interest. The proper officer while granting the refund as per para 8 above, shall also verify whether the exporter has deposited the excess refund amount in the cases where there is a downward revision in price of goods subsequent to exports, during the relevant tax period, if any.

10. It is requested that suitable trade notices may be issued to publicize the contents of this Circular. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board. Hindi version will follow.

(Sanjay Mangal)
Principal Commissioner (GST)