

F. No. 609/46/2017-DBK  
Government of India  
Ministry of Finance, Department of Revenue  
Central Board of Excise & Customs  
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New Delhi, dated 30<sup>th</sup> June, 2017

To,  
Principal Chief Commissioners / Principal Directors General,  
Chief Commissioners / Directors General,  
Principal Commissioners / Commissioners,  
all under CBEC

Madam/Sir,

**Subject: Duty Drawback for supplies made by DTA units to Special Economic Zones in the GST scenario**

Attention is invited to Board's Circular No. 43/2007-Customs dated 5.12.2007 and Circular No. 39/2010-Customs dated 15.10.2010 which inter alia prescribe that in respect of drawback claims by a DTA supplier for supplies made to SEZ Unit or developer, when accompanied by a disclaimer, the drawback shall be disbursed by the Central Excise Commissionerate having jurisdiction over the manufacturing unit of the DTA supplier.

2. In view of implementation of GST, Board has decided to re-organise the Customs functions hitherto handled by Central Excise formations. In this context, it has been decided that in respect of supplies made by DTA unit to SEZ Unit or developer and where the SEZ Unit or developer issues a disclaimer to the DTA supplier and drawback is claimed by the DTA supplier, the drawback shall be processed and paid by the office of Principal Commissioner or Commissioner of Customs/ Customs (Preventive) in whose jurisdiction the DTA Unit falls. Further, the fixation of Brand rate in case of supplies from DTA to SEZ Unit or developer, if required, shall also be done by the office of said Principal Commissioner/ Commissioner. This shall apply to all fresh applications/ claims filed from 1.7.2017 onwards.

3. The applications/ claims which have already been filed up to 30.6.2017 and are pending with jurisdictional Central Excise formations shall be transferred to the Principal Commissioner/ Commissioner of Customs/ Customs (Preventive) having jurisdiction over the DTA supplier. For smooth transition of above cited work to Customs formations, it is essential that transfer of documents is undertaken carefully and in close coordination with Customs authorities concerned without disruption, delay etc.

4. The extant instructions regarding processing etc. of drawback claims of DTA suppliers for supplies made to SEZ Unit or developer remain unchanged except to the extent stated above. It may be noted that Central Excise officers have been designated as officers of Customs under the Customs Act, 1962. Accordingly, till the time jurisdictional Commissionerates of Customs, which will replace Central Excise Commissionerates hitherto performing Customs functions, are notified and become functional, the jurisdictional Central Excise Commissionerates shall continue to discharge Customs functions as required under the Drawback Rules, 1995.

5. Suitable Public Notice for information of the trade and Standing Order for guidance of the staff may kindly be issued. Difficulties faced, if any, in implementation of this Circular may be brought to the notice of the Board.

Yours faithfully,

(Nitish K. Sinha)  
Joint Secretary to the Government of India

**F.No.602/2/2002-DBK**  
 Government of India  
 Ministry of Finance  
 Department of Revenue  
 (Central Board of Excise and Customs)

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New Delhi, the 5<sup>th</sup> December, 2007

To,

All Chief Commissioners of Customs.  
 All Chief Commissioners of Customs and Central Excise.  
 All Commissioners of Customs/Customs (Prev.)/Customs & Central Excise/Central Excise.  
 DG, CEIB, New Delhi.  
 DG, Central Excise Intelligence/DGRI/DG (Export Promotion) DGI/ DG, NACEN/DG (Systems & Data Management).  
 All Development Commissioners of SEZs,  
 Chief Departmental Representative, Customs, Excise & Service Tax  
 Appellate Tribunal, West Block-2, R.K. Puram, New Delhi.

**Subject: Appropriate authority for sanction and disbursement of drawback claims on supplies made by Domestic Tariff Area (DTA) units to units located in Special Economic Zone (SEZ) - regarding.**

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I am directed to invite your attention to the above mentioned subject and to say that a doubt has been raised as to whether the jurisdictional Commissioners of Customs or Central Excise can sanction drawback claims against supplies made by DTA units to units in SEZ.

2. In this regard, it was clarified vide Board's Circular No.6/2005-Cus, dated 3.2.2005 that with operationalisation of the provisions of Chapter X-A of the Customs Act, 1962 w.e.f. 11.5.2004, drawback is to be granted for the supplies made from the DTA to the SEZ. The Dy./Asstt. Commissioner of Customs posted on deputation at the SEZ being the Dy./Asstt. Commissioner of Customs at the Customs Station of export shall be the authority for granting these drawback claims.

3. Chapter X A of the Customs Act, 1962 and the SEZ Rules, 2003 and SEZ Regulations 2003 issued thereunder have since been made inoperative and replaced by SEZ Act, 2005 which came into effect on 10.2.2006 and the SEZ Rules, 2006 notified by the Ministry of Commerce and Industry on 10.2.2006. Section 26(d) of the SEZ Act, 2005 provides that every Developer and entrepreneur shall be entitled to drawback on

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goods brought from the DTA into an SEZ. Rule 24 of the SEZ Rules, 2006 provides that the triplicate copy of the assessed Bill of Export shall be treated as the drawback claim and processed in the Customs section of the Special Economic Zone and the Specified Officer shall be the disbursing authority for the said claims. Further, Rule 30(5) of SEZ Rules, 2006 provides that in case of procurement of goods from DTA where a Bill of Export has been filed under a claim of drawback the Unit or Developer shall claim the same from the Specified Officer and in the case the Unit or Developer does not intend to claim entitlement of drawback, a disclaimer to this effect shall be given to the DTA supplier for claiming such benefit. According to Rule 2(zd) of SEZ Rules, 2006, Specified Officer means Joint Commissioner/Deputy Commissioner/Assistant Commissioner of Customs posted in the SEZ.

4. In view of the above, it is clarified that wherever admissible, drawback claims in respect of supplies made by DTA units to units or Developers in SEZ are not to be processed or sanctioned by the Customs and Central Excise formations. The Specified Officer posted in an SEZ is the appropriate authority for granting drawback in respect of goods supplied from DTA units to Developers and units in SEZ except where the unit or Developer issues a disclaimer to the DTA supplier in which case the Commissionerate of Central Excise

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/Customs & Central Excise having jurisdiction over the DTA unit would sanction the drawback. The jurisdictional Commissioner of Customs in consultation with the Pay & Accounts Officer shall make arrangements for issue of authorization and drawback cheque books (wherever EDI facilities are not available for directly crediting the said amount to the Bank Accounts of the exporters) as clarified by the Board vide Circular No.6/2005-Cus, dated 3.2.2005.

5. As regards applications for fixation of brand rate of drawback the same may continue to be filed with the Commissioner of Central Excise or the Commissioner of Customs and Central Excise having jurisdiction over the manufacturing unit of the manufacturer or the supporting manufacturer, as the case may be. Copies of the brand rate fixation letters may be endorsed to the Development Commissioner and the Specified Officer of the SEZ.

6. Since drawback in respect of goods supplied by DTA units to Developers or units in SEZ can be claimed by either the SEZ unit or the Developer, as the case may be, or by the DTA supplier on the basis of the disclaimer issued by the SEZ unit or the Developer, necessary safeguard may be taken to ensure that drawback is not availed of twice on the same goods. It may be ensured that the disclaimer certificate issued by the SEZ unit or the Developer to the DTA supplier is supported by a certificate from the Specified Officer in the SEZ to the effect that drawback has not been claimed/availed of on the goods by the SEZ unit or the Developer, as the case may be.

7. A suitable Public Notice for information of the trade and Standing Order for guidance of the staff may be issued. Difficulties faced, if any, in implementation of this Circular may be brought to the notice of the Board.

Receipt of this Circular may kindly be acknowledged.

Yours faithfully,

(P.K. MOHANTY)  
JOINT SECRETARY (DRAWBACK)