

Circular No. 21/2019 -Customs

F. No. 450/131/2017-CusIV
Government of India
Ministry of Finance
Department of Revenue
(Central Board of Indirect Taxes & Customs)

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

Dated the 24th July, 2019

To,

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

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

All Principal Commissioners/ Commissioners of Customs/ Customs (Prev.)

All Principal Commissioners/ Commissioners of Customs and Central Tax

Madam/ Sir,

SUB: Clarification regarding applicability of Notification No. 45/2017-Customs dated 30.06.2017 on goods which were exported earlier for exhibition purpose/consignment basis - reg.

Representations have been received for clarifying the issue of applicability of Notification no. 45/2017-Customs on the re-import of goods which had been earlier exported either for participation in exhibition or on consignment basis.

2. Matter has been examined. [Circular No. 108/27/2019-GST dated 18.07.2019](#) has clarified that the activity of sending / taking the specified goods (i.e. goods sent / taken out of India for exhibition or on consignment basis for export promotion except the activities satisfying the tests laid down in Schedule I of the CGST Act, 2017) out of India do not constitute supply within the scope of Section 7 of the CGST Act as there is no consideration at that point in time. Since such activity is not a supply, the same cannot be considered as 'Zero rated supply' as per the provisions contained in Section 16 of the IGST Act, 2017. Also that there is no requirement of filing any LUT/bond as required under section 16 of IGST Act, 2017 for such activity of taking specified goods out of India.

3. Situation mentioned at Sl. No. 1(d) of the Notification no. 45/2017-Customs dated 30.06.2017 require payment at the time of re-import of integrated tax not paid initially at the time of export, for availing exemption under the said notification. As in the case of re-import of specified goods, no integrated tax was required to be paid for specified goods at the time of

taking these out of India, the activity being not a supply, hence the said condition requiring payment of integrated tax at the time of re-import of specified goods in such cases is not applicable. It is clarified that such re-import cannot be taken to be falling under situation at Sl. No. 1(d) of the said Notification. Such cases will fall more appropriately under residuary entry at Sl. No. 5 of the said Notification even though those specified goods were exported under LUT, in view of the fact that the activity of sending / taking specified goods out of India is neither a supply nor a zero rated supply.

4. It is also clarified that, even in cases where exports have been made to related or distinct persons or to principals or agents, as the case may be, for participation in exhibition or on consignment basis, but, such goods exported are returned after participation in exhibition or the goods are returned by such consignees without approval or acceptance, as the case may be, the basic requirement of 'supply' as defined cannot be said to be met as there has been no acceptance of the goods by the consignees. Hence, re import of such goods after return from such exhibition or from such consignees will be covered by entry at Serial no. 5 of the Notification No. 45/2017 dated 30.06.2017, provided re-import happens before six months from the date of delivery challan.

5. The above clarification shall apply to all pending matters involving similarly placed exporters and importers, as the case may be.

6. Difficulties, if any, may be brought to the notice of the Board.

Yours faithfully



(Zubair Riaz)
Director (Customs)