

Circular No.22/2019-Customs

F. No. 450/96/2019-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 24th July, 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 risky exporters - reg.

Board has received representations wherein various exporters and organisations have raised the issue of repeated opening of export containers for 100% examination related to risky exporters, under the new procedure laid down in [Circular 16/2019-Customs dated 17.06.2019](#). Exporters have taken the plea that their cargo is getting delayed and they have to incur additional costs for carrying out re-packing.

2. The matter has been examined. Board has issued the aforesaid circular as a preventive measure against fraudulent refund of IGST on the basis of ineligible or fraudulently availed input tax credit (ITC). While addressing the aforesaid issue and consequent risk to revenue, Board would not like to dilute the emphasis it laid on reduction in time and cost related with EXIM clearances. It is pertinent to mention that only a miniscule percentage of export consignments are being selected for examination on account of risk associated with fraudulent availment of IGST refunds. However, keeping in view the issues raised by trade, Board has decided that the requirement of 100% physical examination of each export consignment shall be gradually relaxed provided no irregularity was noticed in

earlier examinations of export consignments of export entities in terms of [Circular No. 16/2019-Customs dated 17.06.2019](#).

3. In order to bring down the level of examination, Board has decided that RMCC shall take into consideration the feedback received from field formations with regard to the 100% examination conducted on exports of risk based identified entities and wherever the examination has validated the declaration made in the shipping bill, RMCC may review the risk assessment and gradually taper down the percentage of physical examination. Suitable alerts based on re-evaluated risk may accordingly be inserted in the system by RMCC in such cases.

4. Difficulties, if any, shall be brought to the notice of the Board.

Yours sincerely,

(Zubair Riaz)
Director (Customs)