

## **SIGNIFICANT NOTIFICATIONS / CIRCULARS ISSUED DURING THE PERIOD 16<sup>TH</sup> JUNE, 2013 TO 15<sup>TH</sup> JULY, 2013**

### **A. SERVICE TAX**

#### **New Service tax refund procedure in case of services provided to SEZ unit/Developer**

CBEC has issued a *Notification No. 12/2013-ST dated 01.07.2013* with a view to simplify the procedure of exemption of service tax, by way of refund, paid on the specified services received by the SEZ unit or the Developer, used for the authorised operation.

In case the specified services received by the SEZ Unit or the Developer are used exclusively for the authorised operations, the person liable to pay service tax has the option not to pay the service tax ab initio, subject to the conditions and procedure mentioned in the notification.

In the previous *Notification No.40/2012 ST dated 20.06.2012*, the ab-initio exemption was admissible only to the specified services which were “wholly consumed” within the SEZ. However, the exemption would be allowed if the specified services are ‘used exclusively’ for the authorised operations, whether or not they are wholly consumed within the SEZ.

The notification also provides a refund mechanism in cases where specified services are used for authorised operations as well as for other operations. It also mentions that in case the specified services are common to the authorised operations in an SEZ and domestic tariff area [DTA], then service tax paid shall be distributed amongst the SEZ Unit and the DTA Unit in the manner prescribed in Rule 7 of CCR, 2004 i.e, on pro rata basis.

It further mentions that in case SEZ unit / developer is not a registered assessee under Central Excise / Service Tax, then unit should get itself registered, before filing of refund claim. The claim for refund is to be filed within one year from the end of month in which actual service tax payment is made by SEZ Unit / Developer. Only one refund claim can be filed in each quarter.

Forms A-1 to A-4 have been prescribed to claim the exemption benefit under this Notification. The detailed procedures and conditions have been mentioned in the Notification.

*[Notification No. 12/2013 - ST., dated: 01.07.2013]*

### **B. CUSTOMS**

#### **Introduction of Risk Management Systems in Exports**

With a view to enhance the level of facilitation and speed up the cargo clearance process, CBEC has introduced Risk Management Systems (RMS) in exports at Customs locations where the Indian Customs EDI Systems (ICES) is operational. RMS will enable clearance of low risk consignments on self assessment of the declarations by exporters.

With the introduction of the RMS in exports, the present practice of routine verification of self-assessment and examination of Shipping Bills will be discontinued and the focus will be on quality assessment, examination and post clearance audit (PCA) of Shipping Bills selected by the Risk Management System.

Initially, RMS in Exports has been introduced w.e.f. 15.7.2013 at ICD Mulund and ICD Patparganj. The detail instruction has been mentioned in the circular.

*[Circular No. 23/2013 - Cus., Dated: 24.06.2013]*

*The text of the above notification/ circulars is available at [www.cbec.gov.in](http://www.cbec.gov.in)*