User Instructions for SEZ Online - GST Changes

Build Version 2.63

Release Month July 2017

Functionalities made available on the SEZ Online system are reviewed and enhanced / modified from time to time. New functionalities are added in the system based on the inputs and requirements received from various user groups. These functionalities are developed based on understanding developed by NDML team from study of existing practices and procedures in this regard and efforts are made to provide features on the system those are compliant with the procedural and technical requirements. However, users are requested to refer the relevant legal and authorized documents and formations for reference on legal and authentic aspects of the transactions before filing transactions.

GST Implementation Related Changes:

As you are aware GST is going to be implemented from 1st July 2017, accordingly certain changes in SEZ Online System are also required.

This note elaborates the changes being made and provides instructions / guidance on using the system functionalities.

1. **Capturing GSTIN of SEZ Units & Developers**
    1.1. Under GST regime, all specified goods supplied and services provided will be subject to levy of IGST and IGST Cess (as notified from time to time). It is further required to exchange the data of all taxable transactions with GST Network for its reference and validations with GST Returns.
    1.2. Therefore, all eligible tax assesses are required to get registered in GSTN system where a unique GST number would be assigned to each entity. You may refer to GST Registration / Migration guidance notes, advisories, FAQ available on CBEC website www.cbec.gov.in and complete the registration.
    1.3. Accordingly, in SEZ Online System a provision has been made to capture GSTIN of all the Entities. All users i.e. Unit Admin / Unit Approver/ Unit Maker would be prompted to record the GSTIN of their entity.
        1.3.1. You must ensure to provide the correct GST Number for your entity. All transactions will be reported to GSTN and accounted on the basis of GST Number of the parties.
        1.3.2. *This is a mandatory requirement and you would be restricted from filing transactions in the system, if GST Number is not registered.*
    1.4. Below mentioned screen will appear once the user logs into the system or clicks on Home button with the message "**It is important to capture GST Number of your company in SEZ Online System and Transactions. Please Click here to submit the same.**"
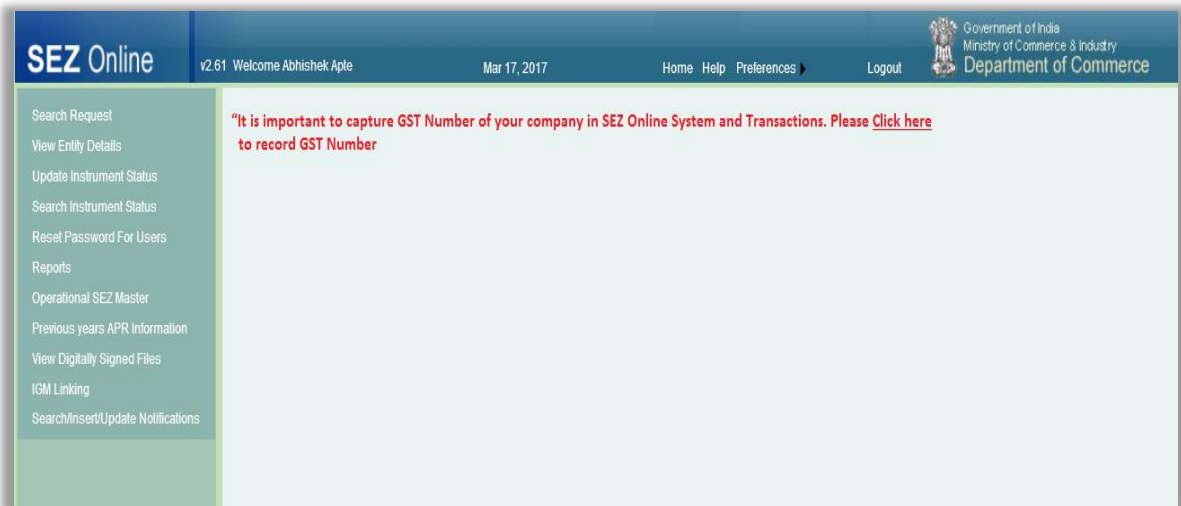
1.5. Once the user clicks on the "Click here" link below screen will appear

1.6. Here the SEZ entity name, LOA no, PAN, IEC, and State will appear as per the information already available in the system.

1.7. The next field is for providing your GST Number. In GST Number, first two parts of the number i.e. State Code and PAN will get auto populated based on Entity details already available in the system. The user has to put its last 3 digits as per its Provisional / Final GST Number received from the GSTN.

1.8. It must be checked / rechecked that your PAN and IEC are correctly recorded in the system, if any error is found in the same, you must ensure to get that corrected before registering your GST Number. You may fill a free form for Unit Data Amendment for correcting IEC / PAN and provide the required documents.

1.9. Once the GSTIN no. is recorded in the system. GST Number would be shown on the UI and this will also be printed on documents i.e. on Bill of entry, Shipping Bill, DTA Sale, Zone to Zone , DTA Procurement with Export benefit , DTA Procurements.

1.10.   **Rectification in the GSTIN recorded in the system:** In case the entity user has erroneously captured wrong GST Number and needs to correct the same in the system, It will need to approach the DC office and request to make amendment in the GSTIN. Thus in case entity users has these changes/rectifications to be made they may request DC office for the same. However this will not impact the transactions already filed with erroneous GSTIN.

2. **Capturing GST Number of DTA Suppliers & DTA Consumers at Transaction Level**

   In case of SEZ to Domestic Transactions (Procurements and Supplies) – Details of the Domestic party are required to be provided at the transaction level.

   1. A provision has been made in the system to provide the GST Number of the Domestic party in each eligible transaction.

   2. In case of specified entities who are allotted UIN by GSTN system, SEZ Online system also has the provision to capture UIN.

   3. However, it is possible that the Domestic party is not registered on GSTN and does not have a GST Number. A provision has also been in the system for such kind of cases, Unit can provide the Aadhaar / Passport of DTA Buyer or DTA Supplier in such case.

However, it may be noted that no ITC / IGST Refund claim of such parties can be processed by GSTN. Thus SEZ Online System has provided the facility to capture either GSTIN or UIN / Aadhaar / Passport in the. SEZ to Domestic Transactions (Procurements and Supplies). One of the details GSTIN or UIN / Aadhaar / Passport would be mandatory to be provided.

2.1. DTA Sale (Bill of entry for DTA Sale):

2.1.1.   Facility to mandatorily capture either of GSTIN / UIN / Aadhaar / Passport of DTA buyer is made available in the **Invoice tab** in the DTA Sale Transaction.

2.1.2.   In case the DTA buyer is not registered under GST, (User selects "**No**" Is the DTA Unit / Buyer Registered under GST ?), the user has to capture either Aadhaar or Passport information and enter the reason for not providing GSTIN or UIN.

2.1.3.   Further there will be Data exchange between SEZ Online System & GSTN system for DTA Sale transactions. Such transactions where GSTN of the DTA Buyer (Importer) is available and duty has been paid would be reported to GSTN for ITC claim validation.

2.2. DTA Procurement & DTA Procurement with export benefit:

2.2.1.   Facility to mandatorily capture either of GSTIN / UIN / Aadhaar / Passport of DTA Supplier is made available in the **General Details** tab for both DTA Procurement and DTA Procurement with export benefit Modules.

2.2.2.   Such transactions will be reported to GSTN for validating export claims of DTA supplier after due receipt of the goods in SEZ.

2.2.3.   In case the DTA Supplier is not registered under GST, (User selects "No" Is the DTA Supplier Registered under GST ?), the user has to capture either Aadhaar or Passport information and enter the reason for not providing GSTIN or UIN.

3.   **Provision to make declaration regarding IGST duty and IGST Cess Payment**
Supplies to SEZ may be made by DTA Supplier under a claim of Zero rated supplies. As per the below provision of IGST Act 2017.
The DTA entity has the option to supply the goods upon payment of the IGST duty & IGST Cess duty (As applicable) or to supply the goods upon submission of required Bond to jurisdictional authority.

Accordingly, a provision has been made in the system to declare whether the entity is "Availing facility of Zero rated supplies to SEZ under IGST Act 2017" Or It is "Supplying to SEZ under Payment of IGST and would claim refund"

3.1.1. In case the user is supplying to SEZ under Bond, the following details are required to be submitted:

3.1.1.1. Details of the applicable Form submitted to Jurisdictional authorities in this regard

3.1.1.2. IGST Taxable Value of the supplies

3.1.1.3. IGST Duty Amount and IGST Cess Amount,

If the DTA Supplier has chosen to pay the IGST Duty and supply the goods following details would be required:

3.1.1.4. IGST Taxable Value of the supplies

3.1.1.5. IGST Duty Amount and IGST Cess Amount,

3.1.1.6. Bank Name, Challan Number & Date

3.1.1.7. Challan Amount

4. **Capturing of Taxable value, IGST Rate , IGST Cess rate and Duty amounts in DTA Procurement modules** (Both DTA Procurement and DTA Procurement with export benefit.):

IGST details needs to be declared for the Items which are supplied to SEZ at each item level. For this purpose duty section has been developed:

4.1.1. In each DTA Procurement transaction, the supplier is required to provide the details of IGST Duty applicable and the IGST Assessable value of the goods supplied. This information will be provided to GSTN for validating the export to SEZ returns of the DTA Supplier. The data will be shared with GSTN after the goods are received at the SEZ. The user has to capture the Taxable value, IGST Levy Notification

details, IGST duty Rate, IGST Cess Rate, IGST Amount, IGST Cess Amount. Here user should capture IGST duty net rate and IGST Cess net rate (IGST net rate as per notifications claimed)

As mentioned in the UI Please fill the following section as per your GST Return Details *(This data should match with return to be filed in by DTA entity.)*

Once the IGST Duty and IGST Cess duty details declared at the Item level, the same will be consolidated in the invoice section.

5. Identification of IGST CTH in BOE/DTAS/ZTZ in the Item Duty details section:

All imports will attract IGST duty and IGST Cess duty for the CTHs for which IGST is applicable. Most of the CTHs attract IGST duty; however there would be certain CTHs which are not coming under the purview of GST. and such CTH would continue to attract duties as per pre-GST provisions.
Further there would be Commodities which will attract both CVD&SAD as well as IGST e.g.

Tobacco and tobacco products.

SEZ Online System is being developed to identify and populate duty rates in all the below scenarios.

- To identify and populate duty rates for the CTH which is attracting only CVD+SAD along with BCD and other customs duties.
  To identify and populate duty rates for the CTH which is attracting only IGST Duty+ IGST Cess duty along with BCD and other customs duties.
- To identify and populate duty rates for the CTH which is attracting IGST Duty + IGST Cess duty and also CVD+SAD long with BCD and other customs duties.

For IGST duty, IGST Cess Duty population, new section in Item duty details tab has been introduced in Bill of entry, DTA Sale as well as Zone to Zone.

6. Important change in population of IGST Duty and IGST Cess duty:

It may be noted that the IGST duty and IGST Cess Duty rates would be populated on the basis of CTH+ **Levy notification**+ **levy notification sr.no.** Further that also means one CTH may be attracting multiple rates.
E.g.
CTH no. 12011000 will have one Levy notification and multiple Sr. no. under that Levy notification.

CTH no	Notification no	Notification Sr. No.	Rate
12011000	107/2017	1	5
12011000	107/2017	2	12
12011000	107/2017	3	18

Accordingly when the user captured CTH which attracts IGST duty the IGST Duty section shown above would be enabled and user can select the applicable Notification no. and Notification Sr. no.. Further according to the selected notification no. and notification sr. no. the IGST duty rate would be populated.

> *User Notes:*
>
> Please familiarise yourself with IGST Notifications and upgrade your systems to provide notification details along with CTH details.
>
> Please ensure to validate the rates provided by the system with the notifications issued and in case any discrepancy is observed the same needs to be brought to the attention of SEZ Online team for review and correction.
>
> In case there are any exemption Notifications for IGST / Cess, the Users can directly select the exemption Notification details for the concerned CTH and the net duty rate (original rate as amended by the exemption notification) will appear in the system.
>
> It is expected that many of the existing Customs Notifications and Excise Notifications will be rescinded / modified to give effect to the revised taxation. As the notifications are still not issued (as on June 27th, 2017), such revisions may not be available in the system. Users should refer to the Notifications and make their system declaration accordingly.

When for any CTH, IGST duty is not applicable the above mentioned IGST Duty Section will not be available.

7. Invoice Validations

Invoice Number should be maximum 16 Digits

Invoice Number should not contain special characters other than "-" and "/"

Invoice Number should be Unique across all transactions

8. Changes in Print Formats

Few changes have been made in print formats for Shipping Bill, Bill of Entry, DTA Procurement and Bill of Exports to accommodate important declarations and information about IGST.

9.   **Changes in RES Upload Format**

RES Format for Bill of Entry and DTA Sale have been revised to include GSTIN and IGST related details. Please refer to revised RES Formats. Old formats would not be supported.

10. **Changes in Item Details Upload Format**

Item Details Upload Format for Bill of Entry, DTA Sale and Zone to Zone declarations have been revised to include GSTIN and IGST related details. Please refer to revised Item Details Upload Formats. Old formats would not be supported.