

This column is compiled by Consultant [EXIM Policy] of EPCH. It contains recent Public Notices, Notifications and Circulars of DGFT, CBEC and Department of Revenue. If a handicraft exporter has question[s] to ask on Foreign Trade Policy, he/she may please write / e-mail to EPCH at policy@epch.com

Impex # 1 Announcement of five year new Foreign Trade Policy (FTP) deferred once again

DGFT issues notification by which the existing Foreign Trade Policy 2015-20 valid up to 31.03.2021 extended up to 30.09.2021.

It was widely believed by importers and exporters that a new FTP for 2021-26 would be announced on 31.03.2021. This was particularly so because the announcement due last year for a five year new FTP was not made and instead the FTP of 2015-20 was extended by a year up to 31.03.2021.

Now DGFT has issued a Notification No. 60/2015-20 dt 31.03.2021 extending the present policy by six months up to 30.09.2021. No other important announcement is there in the above notification (copy reproduced below):

(Copy)

DGFT Notification No.60/2015-2020-DGFT,Dated:31st March,2021

S.O.(E). In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 read with paragraph 1.02 of the Foreign Trade Policy (FTP) 2015-2020, as amended, the Central Government hereby makes, with immediate effect, the following amendments in the FTP 2015-2020:

1. In para 1.01, the phrase 'shall remain in force upto 31st March, 2021 unless otherwise specified' is substituted by the phrase 'shall remain in force upto 30th September, 2021 unless otherwise specified.'
2. In para 4.14, the date '31.03.2021' as appearing in the last line is substituted by '30.09.2021'.
3. In para 5.01(a), the date '31.03.2021' as appearing in the second sentence is substituted by '30.09.2021'.
4. In para 6.01(d) (ii), the date '31.03.2021' as appearing in the last line is substituted by '30.09.2021'.

Effect of this Notification: The existing Foreign Trade Policy 2015-2020 which is valid upto 31.03.2021 is extended up to 30.09.2021.

Impex # 2 The present Handbook of Procedure (HBP), 2015-20 extended upto 30.09.2021

DGFT issues Public Notice by which the validity of the existing Handbook of Procedures, 2015-20 has been extended up to 30.09.2021.

At S.No. 1 of this column it has been stated that a new Foreign Trade Policy for the year 2021-26 due to be announced on 31.03.2021 was not announced but in its place the FTP valid upto 31.03.2021 was extended by six months up to 31.03.2021. Consequently no new Handbook of Procedures was released. In its place DGFT has issued a Public Notice No. 48/2015-20 dt 31.03.2021 by which the validity of the existing Handbook of Procedure, 2015-20 has been extended (copy given below):

(Copy)

DGFT Public Notice No.48/2015-2020-DGFT,Dated:31st March,2021

In exercise of powers conferred under paragraph 2.04 of the Foreign Trade Policy (FTP) 2015-2020, the Director General of Foreign Trade hereby makes, with immediate effect, the following amendments:

In the Handbook of Procedures (HBP), 2015-20:

1. In para 1.01, the phrase 'shall remain in force until 31st March, 2021' is substituted by the phrase 'shall remain in force until 30th September, 2021.'

2. In para 3.20 (a), the phrase 'or 31.03.2021, whichever is later' is substituted by the phrase 'or 30.09.2021, whichever is later'.

3. In para 4.12(vi), the date '31.03.2021', as appearing in the first sentence is substituted by '30.09.2021':

Effect of this Public Notice: Validity of the existing Hand Book of Procedures, 2015-20 is extended upto 30th September, 2021.

Impex # 3

Closure of Advance Authorizations made online

DGFT issues Trade Notice for redemption of Advance Authorization online.

DGFT has already done a lot of automation of Procedures and use of technology for communication, facility of online filling of application, use of digital signatures, e-BRC etc. It is however a never ending work.

DGFT has now issued a Trade Notice No. 49/2015-20 dt 30.03.2021 on the subject of 'Online filing of requests for closure of advance authorizations (copy reproduced below). It will certainly increase ease of doing work on the subject.

(Copy)

DGFT Notification No.49/2015-2020-DGFT,Dated:30th March,2021

Subject: Online Filing of requests for Closure of Advance Authorizations -reg

DGFT has revamped its IT systems to provide a paperless, contact-less, electronic interface to the exporters/importers and other stakeholders of DGFT. The new IT System amongst other improvements include process for managing the entire lifecycle of Advance Authorizations including its issuance, amendment and closure.

2. In this regard it is hereby informed that Authorisation Holders are required to make online submissions for fulfilment of Export Obligation to the DGFT Regional Authority(RA) as per Para 4.46 of Hand Book of Procedures 2015-20. **The given facility may be utilized for Redemption, Surrender, Duty Paid Regularization, Bond Waiver or the Clubbing of Advance Authorizations.** Authorization Holder can utilize the given facility by navigating online to DGFT Website ? Services ? Advance Authorization/DFIA ? Closure of Advance Authorization.

3. The related documents shall be available for the perusal of the concerned applicant exporter under the DGFT Website ? My Dashboard ? Repositories ? Bills Repositories. The EDI Shipping Bills/Bill of Entries are electronically and automatically fetched from the DGFT-Customs Electronic interface. e-BRCs as uploaded by the banks are also automatically available under the Bills Repositories.

4. The other related documents such as Non-EDI Shipping Bills, Non-EDI Bill of Entries, GST invoices, CA/CE/CS Certificates, TR Challans, BG/LUT which are not automatically available required to be uploaded by the applicants to their respective online repositories prior to preparing the online closure application.

5. The facility for on-boarding of certifying authorities such as CA/CE/CS and for them to digitally sign and submit certificates against the Exporter's IEC electronically has also been provided. However, the Authorisation Holder has option to upload the CA/CE/CS Certificate directly to the specific Repository.

6. The Authorization holder may create a licence closure application by linking to the documents as already added to the Repositories. While the Shipping Bills/Bill of Entries would be automatically linked to the closure application, the other details as required may be added to complete the application prior to submission. In case complete details of Shipping Bills/Bill of Entries are not visible in the application, applicant may navigate online to DGFT Website —> My Dashboard —> Repositories —> Bills Repositories —> Select type of bill and proceed with following actions:

i. add non-EDI shipping bills manually using "Add Non-EDI Shipping Bills" tab

ii. Wherever required, the applicant may search the EDI shipping bill in repository and update the export serial number under part

E section in respective Shipping Bill to ensure that the Advance Authorization export item(s) to the shipping bill item(s) linkage is correlated correctly

iii. If Bill of Entry data is not automatically available, fetch Bill of Entry for EDI ports using "Get Bill of Entry from Customs" feature

iv. add non-EDI Bill of Entries manually using "Add Details" tab

v. Wherever required, the applicant may search the EDI Bill of Entry in repository and update the serial number in the respective Bill of Entry to ensure that the Advance Authorization input item(s) to the Bill of Entry item(s) linkage is correlated correctly

7. It may be noted that the following documents are required to be submitted physically to the Receipts counter at the RA -

i. TR Challan

ii. Bank Guarantee / Letter of Undertaking / Corporate Guarantee.

8. Ordinarily the RA would not call for any physical submission of the closure application or the supporting documents. However, in cases of genuine difficulty, physical documents can be submitted to RA with the approval of the Head of the RA. An online application with or without supporting documents is still required to be filed for such applications. Any subsequent communication, clarification, deficiency letter or redemption, needs to be issued through the online module.

9. Any physical documents submitted need to be recorded as a correspondence receipt in the online system by the RA and linked to the related online application.

10. For any help and guidance on this new process, the Help manual & FAQs may be accessed on the DGFT Website —> Learn —> 'Application Help & FAQs'. For any further assistance, the following channels may be used -

i. Raise a service request/suggestion ticket through the DGFT Helpdesk service link

ii. under Services —> 'Complaints & Suggestions'

iii. Call the DGFT toll-free Helpline number

Send an email to dgftedi@gov.in

11. All RAs of DGFT are requested to sensitize and handhold the trade community with regard to the above mentioned new process.

Impex # 4

IGST and compensation cess to EOUs

CBIC issues custom notification extending exemption from IGST and compensation cess to EOUs till 31.03.2022.

CBIC has issued a custom Notification No. 19/2021-cus dt 30.03.2021. extending the exemption from IGST and compensation cess to EOUs till 31.03.2022. This has been done by amending Custom Notification No. 52/2003-Customs dt 31.03.2003 by before cited custom notification dt 30.03.2021 (reproduced below):

(Copy)

Customs Notification No. 19/2021-Customs, Dated: 30th March, 2021

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 52/2003-Customs, dated the 31st March, 2003, published in the Gazette of India, Extraordinary, vide number G.S.R. 274 (E), dated the 31st March, 2003, namely:-

In the said notification, in the opening paragraph, in the proviso, for the figures, letters and words "1st day of April, 2021", the figures, letters and words "1st day of April, 2022" shall be substituted.

CBIC issues custom circular containing clarification on the legislative changes in Section 46 of Customs Act, 1962 relating to processing of 'Bill of Entry'.

Changes have been made in Section 46 of Customs Act, 1962 introduced through the Finance Act, 2021. These changes facilitate pre-arrival processing and assessment of Bills of Entry (BE) by mandating their advance filing thus leading to significant decrease in the customs clearance time. The amended Section 46 requires an importer to file a BE before the end of the day (including holidays) preceding the day of arrival of the vessel/aircraft/vehicle carrying the imported goods at a Customs port/station at which such goods are to be cleared for home consumption or warehousing.

CBIC has now issued Circular No. 08/2021-Custom dt 29.3.2021 containing a number of clarifications. Need for removal of MBL (Master Bill of Entry) and MAWB (Master Bill of Entry) in Advance BE has also been covered in the Custom Circular (copy reproduced below):

(Copy)

Customs Circular No. 08/2021-Custom Dtd. 29.03.2021

Subject: Clarifications on the legislative changes in Section 46 of Customs Act, 1962-reg.

Reference is invited to the amendments in Section 46 of the Customs Act, 1962 introduced through the Finance Act, 2021. These changes facilitate pre-arrival processing and assessment of Bills of Entry (BE) by mandating their advance filing thus leading to significant decrease in the Customs clearance time. The amended Section 46 requires an importer to file a BE before the end of the day (including holidays) preceding the day of arrival of the vessel/aircraft/vehicle carrying the imported goods at a Customs port/station at which such goods are to be cleared for home consumption or warehousing. However, Board is empowered to prescribe different time limits for such filing in certain cases, but by not later than the end of the day of arrival of the vessel/aircraft/vehicle at the Customs port/station.

Changes in Section 46

2. In this regard, Board has carried out consultations with members of the trade and Customs field formations for the smooth implementation of the changes to the Customs Act, 1962 as above. After examining the relevant issues Board notes that the ground reality is that in case of short haul vessels/flights the importer may at times not get the Master Bill of Lading (MBL)/Master Airway Bill (MAWB) on the preceding day of the arrival of the vessel/aircraft. Further, when goods arrive by vehicle at a LCS, it is invariably the case that the import report is filed only at the time of its arrival. In these situations it would be difficult for the importer to adhere to the new requirement of Section 46, as above. Accordingly, with a view to facilitate the importers, Board has amended the Bill of Entry (Electronic Integrated Declaration) Regulations, 2018 by issue of Notification No. 34/2021-Customs (N.T.), dated 29.03.2021 thereby prescribing different time-limits for filing BE in respect of goods imported by various modes of transport. It may be noted that, the existing provision that a BE may be presented upto 30 days prior to the expected arrival of the aircraft or vessel or vehicle carrying the imported goods continues. Thus, with certain exceptions, as notified, the BE can now be filed anytime from 30 days prior to the expected arrival of the aircraft or vessel or vehicle upto the end of day preceding the day of such arrival. Similarly, changes have been carried out in the Bill of Entry (Forms) Regulations, 1976 vide Notification No. 35/2021-Customs (N.T.) dated 29.03.2021 in case of manual filing of BEs.

2.1. For clarification of the importers and trade, the changes that have been made effective vide the above stated notification dated 29.03.2021 are as follows:-

S.No. (1)	Customs Station(2)	Bill of Entry is Required to be Filed Latest by End of the Day of Arrival of the Vessel/Aircraft/Vehicle (3)	Bill of Entry is Required to be Filed Latest by the End of Day Preceding the Day of Arrival of the Vessel/ Aircraft /Vehicle (4)
1.	Sea Port	Imports consigned from following countries viz. 1. Bangladesh 2. Maldives 3. Myanmar 4. Pakistan 5. Sri Lanka	Imports consigned from all countries other than those mentioned in column (3)
2.	Airport	All imports	None
3.	Land Customs Station (LCS)	All imports	None
4.	Inland Container Depot (ICD)	None	All Imports

2.2. The importers are encouraged to file the BE well in advance and definitely by the above-mentioned timelines. In accordance with the said Section 46 read with the said Regulations, a BE that is filed after the above timelines shall attract late charges. Similarly, relevant dates for determining the late charges as clarified earlier by Circular No. 12/2017-Customs, dated 31st March, 2017 for different types of Customs Stations remains unchanged i.e., Entry Inwards for the Seaport and Date of Arrival at the Airport, ICDs/Air Freight Stations and Land Customs Stations.

2.3 In respect of import goods arriving at seaports, consigned country (refer column 3 of the sl.no 1 of above table) refers to the country where the goods have been consigned by the exporter of the goods by way of Bill of Lading (HAWB/HBL, or MAWB/MBL, as the case may be). The same is already being mentioned as the country of consignment in the Bill of Entry. To illustrate, in respect of the goods consigned from Sri Lanka by the Sri Lanka exporter, Bill of Entry is to be filed latest by the end of the day of the arrival, whereas in respect of the goods consigned from let us say, Hong Kong, but merely transhipped through Sri Lanka, Bill of Entry is required to be filed latest by the end of day preceding the day of the arrival of the vessel.

Removal of the need for MBL/MAWB in Advance BE:

3. Several representations have been received regarding the non-availability of MBL/MAWB within the prescribed time-limits leading to delay in filing advance BE. Upon carefully examining this matter and noting the genuine difficulties of the importers, Board has decided to do away with the requirement of MBL/MAWB for the filing of advance BE. Only the reference to House Bill of Lading (HBL)/ House Airway Bill (HAWB) would be sufficient at the time of advance filing. Thus, an importer can now file the advance BE on the strength of either a MBL/MAWB or the HBL/HAWB or both.

3.2 Further, to regularize the BE filed in advance with the Arrival Manifest (IGM) when a BE has been filed only with the HBL/HAWB (and not MBL/MAWB), it is proposed to enable an option in ICEGATE for the importer to subsequently update the MBL/MAWB in the BE. This amendment to the already filed BE would be auto approved in the Customs Automated System without the need for approval of a Customs officer. An automated approval by the Customs Automated System is supported by section 149 of the Customs Act, 1962 amended vide Finance Act, 2021. Since all such amendments would be auto approved by the Customs Automated System, these would not be subject to levy of fees under the Levy of Fees (Customs Documents) Regulations, 1970.

4. To implement the changes stated above, Directorate General of Systems would be shortly issuing advisories related to the changes in the system.

5. The Trade and field formations may be sensitized suitably by issue of Public Notice. Difficulties, if any, may please be brought to the notice of Board.

CBIC issues notification named "Customs (Verification of Identity and Compliance) Regulations, 2021". Importers and Exporters obtain many benefits/ concession involving thousands of crores of rupees. It is, therefore, very essential that this money goes to the person who are rightly entitled to it and not to non-existent persons employing fraudulent means.

To achieve the above objective, CBIC has issued a custom Notification No 41/2021-customs dt 05th April, 2021 wherein the "customs (Verification of Identity and Compliance) regulations, 2021" have been notified containing a detailed drill on the subject (copy reproduced below):

(Copy)

Customs Notification No. 41/2021-Customs (N.T.) Dated: 5th April, 2021

G.S.R. 249(E).-In exercise of the powers conferred by section 99B read with section 157 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs hereby makes the following regulations, namely:

1. Short title, commencement.- (1) These regulations may be called the **Customs (Verification of Identity and Compliance) Regulations, 2021**.

(2) They shall come into force with effect from the date to be notified

2. Definitions.- (1) In these regulations, unless the context otherwise requires,

(a) "Act" means the Customs Act, 1962 (52 of 1962);

(b) "Commissioner of Customs" means.-

(i) In case of an importer or exporter, the Commissioner of Customs who has jurisdiction over the customs station where such person engages in import or export activity;

(ii) In case of a Customs Broker, the Commissioner of Customs who has jurisdiction over such person in accordance with the Customs Brokers Licencing Regulations, 2018;

(c) "principal place of business" means the primary address specified in the Importer Exporter Code issued by Directorate General of Foreign Trade.

(d) "proper officer" means the Deputy Commissioner or Assistant Commissioner sub-ordinate to the Commissioner of Customs

Note: Any reference to the Commissioner of Customs shall also include a reference to the Principal Commissioner of Customs.

(2) The words and expressions used herein and not defined, but defined in the Act, shall have the same meaning respectively assigned to them in the Act.

3. Application.- (1) These regulations shall apply to the following class of persons who are newly engaging in import or export activity after the commencement of these regulations:

(i) Importer;

(ii) Exporter;

(iii) Customs Broker:

Provided that the Commissioner of Customs may select any person, who may have engaged in import or export activity or availed or claimed the benefits mentioned in sub-clause (a) to (f) of clause (i) of sub-section (3) of section 99B of the Act or engaged as a Customs Broker in such activity or in availing or claiming such benefits prior to the commencement of these regulations and these regulations shall apply to such person.

(2) These regulations shall not apply to the Central Government, State Governments and Public Sector Undertakings.

(3) The person selected shall be informed about such selection immediately through the Common Portal, to the extent available, and in other cases, through such means as deemed appropriate by the Commissioner of Customs.

4. Verification of identity.- (1) The person selected for verification as per regulation 3 shall furnish the following documents or information on the Common Portal within fifteen days of such intimation of selection:-

(i) document of incorporation, in case of persons other than individuals shall be the following, namely:

(a) in case of partnership firm, partnership deed or agreement;

(b) in case of Limited Liability Partnership, Certification of Registration issued by Registrar and LLP Agreement;

(c) in case of company, Certificate of Registration issued by Registrar and Memorandum of Understanding and Articles of Association;

(d) in case of trusts/foundations, Certificate of Registration and Memorandum of Understanding and Articles of Association;

(e) in any other case, any document evidencing constitution.

(ii) document evidencing appointment of authorised signatories, if applicable.

(iii) Permanent Account Number;

(iv) GST Identification Number;

(v) document such as bank statement, Income Tax Return etc. evidencing financial standing of the person:

Provided that a person who is newly engaging in import or export activity after the commencement of these regulations shall furnish the said documents not later than thirty days of engaging in import or export activity.

(2) On furnishing of documents or information stipulated in sub-regulation (1), every individual, karta, managing director, whole time director, partners, member of managing committee of association, board of trustees, authorised representative, authorized signatory, shall, within the prescribed time limit, undergo on the Common Portal

(i) Authentication of Aadhaar; and

(ii) Verification of Permanent Account Number:

Provided that where the authentication of Aadhaar cannot be completed due to its non-assignment or due to technical reasons, the person to be verified shall furnish a notarised copy of valid passport or electoral photo identity card for verification on Common Portal, within an extended further period of five days from the date of such selection or failure of authentication, as the case may be, or within such extended period, as may be allowed by the Commissioner of Customs.

(3) On submission of documents or information under sub-regulations (1) and (2), as the case may be, the proper officer or an officer authorised by him shall,

(i) undertake a physical verification of the address provided in the principal place of business not later than forty five days from the date of submission of the documents;

(ii) evaluate the financial standing of the person:

Provided that the proper officer may, for reasons to be recorded in writing and with the approval of an officer not below the rank of Joint or Additional Commissioner of Customs, in lieu of the physical verification of the place of business, carry out the verification of such documents as he may deem fit:

Provided further that, where the verification of identity is completed by means other than authentication of Aadhaar, the physical verification shall not be waived.

(4) The verification of identity shall be considered to have succeeded, if the identity is established on the basis of the documents specified under sub-regulations (1) and (2).

(5) The verification of identity shall be considered to have failed when the identity cannot be established on the basis of the documents provided for under sub-regulations (1) and (2) or on the basis of the physical verification conducted under sub-regulation (3).

(6) The outcome of the verification of identity shall be captured in the Customs Automated System and informed to the person verified.

5. Verification of compliance.- (1) Notwithstanding the verification of identity of persons in terms of regulation 4, the Commissioner of Customs, may, with a view to protecting the interest of revenue or preventing smuggling, cause verification of the compliance to the provisions of the Act or any other law for the time being in force, by such person and for this purpose require the person concerned to produce any document or information in the Customs Automated System.

6. Time period for verification of identity and compliance.- (1) The proper officer, shall undertake verification in accordance with regulations 4 and 5, and prepare a verification report on the Customs Automated Systems within thirty days of the submission of the documents and information:

Provided that the verification report may be prepared within sixty days of the submission of the documents and information, in case physical verification is required to be undertaken:

Provided further that, the Commissioner of Customs may, having regard to the circumstances under which the proper officer could not prepare the verification report, extend the periods specified above by a further period of fifteen days.

(2) The Commissioner of Customs shall on the basis of the report of verification submitted by the proper officer, and other evidence as deemed necessary, determine the outcome of the verification within fifteen days and cause its entry on the Customs Automated System.

(3) The outcome of the verification shall be informed to the person concerned on the Common Portal within a period of seven days from the date of determination.

7. Suspension of benefits.- The Commissioner of Customs may, based on reasons to be recorded on the Customs Automated System, order suspension of any or all of the benefits mentioned in clause (i) of subsection (3) of section 99B of the Act and inform such decision to such person in case he

(i) failed to comply with the requirements of the regulation 4; or

(ii) submitted incorrect documents or information under regulation 4.

(2) Where the benefits are suspended under sub-regulation (1), the Commissioner of Customs, shall within a period of fifteen days from the date of such suspension, give an opportunity of being heard to such person whose benefits are suspended and may pass such order as he deems fit, either revoking the suspension or continuing it, as the case may be, within a period of fifteen days from the date of hearing granted to such person.

8. Restoration of benefits.- The benefits suspended under regulation 7 shall be restored when the person concerned complies with the requirements of regulation 4 or furnishes correct document or information sought thereunder.

9. Denial of benefits. - In case of failure of authentication as required under the sub-section (1) of section 99B, the Commissioner of Customs may, by order, under clause (ii) of sub-section 3 of section 99B of the Act, direct that such person shall not have the benefit of any of the items specified in sub-clause (a) to (f) of clause (i) of sub-section (3) of section 99B of the Act.

Provided that no such order shall be issued without providing an opportunity of being heard to such person by following the procedure prescribed under section 122A of the Act.

10. Appeal.- (1) A person who is aggrieved by any order passed by the Commissioner of Customs under regulations 7 or 9, may prefer an appeal under section 129A of the Act to the Customs, Central Excise and Service Tax Appellate Tribunal, established under sub-section (1) of section 12 of the said Act.

11. Penalty.- (1) The Commissioner of Customs may impose a penalty not exceeding fifty thousand rupees on a person who contravenes any provision of these regulations or who fails to comply with any provision of these regulations.

Question : What is the new provision for confiscation of goods for wrongful declaration in the Customs Act?

Answer : New clause (ja) is being added to Section 113 of the Customs Act to provide for the confiscation of any goods entered for exportation under claim of remission or refund of any duty or tax or levy, so as to make a wrongful claim in contravention of the provisions of the Customs Act or any other law for the time being in force. This clause has caused much setback to exporters as "wrongful claim" is subject to varying interpretation by field formations and confiscation of goods for such wrongful claim is a very severe penalty.

Question : The provision of filing Bill of Entry has been further tightened. What is the new change?

Answer : Sub section (3) of Section 46 of the Customs Act is being amended so as to:

- a) Mandate filing of Bill of Entry before the end of the day preceding the day (including holidays) of arrival of goods. Prior to this change made through the Finance Bill the importer was required to present the Bill of Entry, before the end of the next day following the day (excluding holidays) on which the aircraft or vessel or vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for home consumption or warehousing;
- b) A new proviso is being introduced therein, to enable the Board to notify the time-period for presenting a bill of entry in certain cases as it may deem fit.

Question : What happens when the inputs are not received back from the job worker within the prescribed time period?

Answer : If the inputs are not received back by the principal from the place of business of job worker within the prescribed time limit, it would be deemed that such inputs had been supplied by the principal to the job worker on the day when the said inputs were sent out by the principal (or on the date of receipt by the job worker where the inputs were sent directly to the place of business of job worker). Therefore, the principal would be liable to pay tax accordingly.

Question : Where is the provision of matching of inputs for claiming Input Tax Credit?

Answer : Clause 100 of the Finance Bill 2021 proposes an amendment in section 16 of the CGST Act, seeking to insert a new clause (aa) in sub section 2, according to which input tax credit (ITC) on invoice or debit note may be claimed only if the supplier has furnished details of such invoice or debit note in his/her statement of outward supplies and has also mentioned the details on the invoice or debit note of the recipient.

Question : Whether the interest to be paid on total tax liability or net tax liability under the GST?

Answer : Clause 103 of the Finance Bill 2021 suggests amendment in section 50 of the CGST Act, seeking to substitute provision to sub section (1) with effect from 1st July, 2017. According to the new rule, interest will only be paid on the net tax liability, after balancing the credit in the electronic credit ledger, given that the person has not been issued any showcause notice under section 73 or 74 of the CGST Act.