

## **EPCG authorisation must be registered with Customs before import**

**Under the post-export EPCG duty credit scheme, do we have to apply for the EPCG authorisation before export, or after export? Also, can we pay the duty through the Status Holder Incentive Scrip (SHIS)?**

As per notifications 5/2013-Cus and 6/2013-Cus both dated 18.02.2013, application for EPCG authorisation should be filed before import. Also, the EPCG authorisation should be obtained and got registered with Customs before import. If the authorisation is a zero duty variant, you should obtain the authorisation before 31.3.2013 and complete imports before 31.12.2013. It is the duty credit that is granted as remission of basic customs duty paid that you can claim after exports, in proportion to the export obligation fulfilled. The notifications say that the said authorisation is not for import under duty exemption but for import of the goods specified in the Table 1 annexed to the notification on full payment of applicable duties in cash. Therefore, you cannot pay the duty under the scheme through SHIS. You have to pay in cash.

**We (a body corporate) are engaged in the infrastructure sector, where we are working for various government and non-government contracts. We usually appoint contractors (an individual or body corporate) for supply of labour for working at our site. We want to know whether the service of the contractor is considered as supply of manpower services and whether we are liable to pay service tax on part of the gross amount charged under reverse charge mechanism when labour is working under the supervision of the company or labour is working under the supervision of the contractor. Also, does the invoice raised by the contractor have any relevance for this purpose?**

From the details you have given, the service falls under S.No. 8 of the Table annexed to the notification 30/2012-ST dated 20.06.2012 and as per that entry, you, as the receiver of the service, have to pay 75 per cent of the service tax and the contractor supplying manpower has to pay 25 per cent of the service tax under the partial reverse charge mechanism. The invoice is a relevant document for determining the value of the service and the tax payable.

**In case of exports through a third party, the shipping bill is filed by the exporter with his bank AD code, and the foreign exchange is received by the third party exporter having the order and negotiating the documents. Can the bank receiving the foreign exchange connect the shipping bill filed by that exporter under the e-BRC process?**

Usually, banks receive remittances that give their bill reference. From the bill reference, the banks get the GR/SDF details, and from there, the shipping bill details. Banks upload the shipping bill number and date along with the port code, date of realisation and amount actually realised. Where remittances are received without bill reference (e.g., advance payments, on account payments etc.), the onus is on the exporter to advise the details of the shipping bill as and when the shipment is made, or of the shipping bill of exports already made.

(Business Standard)