



Government of Karnataka
(Department of Commercial Taxes)

No.KSA/GST/CR-05 /2017-18

Office of the Commissioner of Commercial Taxes
Vanijya Terige Karyalaya, Gandhinagr,
Bengaluru-560009, Dated:13-07-2017

COMMISSIONER OF COMMERCIAL TAXES CIRCULAR NO.6/2017-18

Subject: Submission of Bond/Letter of Undertaking by the Exporter
in respect of Exports without payment of Integrated Tax
under the IGST Act.

Ref: (1). Karnataka Goods and Services Tax Act,2017
(2) The Integrated Goods and Services Tax Act,2017.
(3) The Karnataka Goods and Services Tax Rules 2017.
(4) Notification No. 16/2017 dated 7th July 2017 issued by
Government of India, Ministry of Finance, Department of
Revenue (Central Board of Excise and Customs).
(5) Circular bearing No.4/4/2017-GST dated 7th July 2017
issued Commissioner of GST (Central Board of Excise and
Customs).

1. The Karnataka Goods and Services Tax Act, 2017, (hereinafter referred to as the "KGST Act"), the Central Goods and Services Tax Act, 2017,(hereinafter referred to as the "CGST Act"), and Integrated Goods and Services Tax Act,2017, (hereinafter referred to as the "IGST Act"), have come in to force with effect from 1st July 2017.

2.Section 16(3) of the IGST Act provides that a registered person making zero rated supply shall be eligible to claim refund under either of the following options,-

(a) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of

integrated tax and claim refund of unutilized input tax credit;or

- (b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made there under.

3. The rule 96A of the Karnataka Goods and Services Tax Rules, 2017 provides that refund of integrated tax paid on export of goods or services can be availed by submission of bond or Letter of Undertaking in FORM GST RFD-011.

4. Any registered person availing the option to supply goods or services for export without payment of integrated tax is required to furnish, prior to export, a bond or a Letter of Undertaking in FORM GST RFD-11 to the jurisdictional Commissioner, binding himself to pay the tax due along with the interest specified under sub-section (1) of section 50 within a period of,-

- (a) fifteen days after the expiry of three months from the date of issue of the invoice for export, if the goods are not exported out of India;or

- (b) fifteen days after the expiry of one year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange.

5. As per the provisions of sub-rule (5) of aforesaid rules the State Government is empowered to issue notification and provide certain conditions and safeguards under which an exporter may furnish Letter of Undertaking in place of a bond.

