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GOVERNMENT OF INDIA
MINISTRY OF FINANCE : DEPARTMENT OF REVENUE
OFFICE OF THE PRINCIPAL CHIEF COMMISSIONER OF GST & CENTRAL EXCISE
TAMILNADU & PUDUCHERRY
No.26/1, MAHATHMA GANDHI ROAD, CHENNAI - 600 034

C.No. IV/16/268/2017-CCO.(GST-3)-Vol.II

Date: 28-11-2017

GST TRADE NOTICE NO.050/2017

Sub: GST – **Applicability of IGST / GST on goods transferred / sold while being deposited in a warehouse** – Customs Circular No.46/2017-Customs dated 24.11.2017 - Communication thereof - Reg.

The Central Board of Excise & Customs [CBEC] has issued Circular No.46/2017-Customs dated 24.11.2017 on the applicability of IGST / GST on goods transferred / sold while being deposited in a warehouse. The gist of the clarification is as under.

2. As per Section 7(2) of the IGST Act, 2017 any supply of imported goods which takes place before they cross the customs frontiers of India shall be treated as **inter-state supply**. Thus a transaction of sale / transfer will be subject to IGST under the IGST Act. In respect of goods stored in a customs bonded warehouse, there is a possibility that certain cases may involve an additional taxable event, if a transfer of ownership of warehoused goods takes place between the importer and another person, before clearance of the goods, whether for home consumption or for export.

3. The value of such supply shall be determined in terms of Section 15 of the CGST Act, 2017, read with Section 20 of the IGST Act, 2017 and the rules made thereunder and the tax liability shall be reckoned as per section 9 of the CGST Act, 2017, without prejudice to the fact that customs duty [which includes BCD and **applicable IGST payable under the Customs Tariff Act**] will be levied and collected at the ex-bond stage. An illustrative chart of in bond sales and clearance thereof attached to the circular may be referred.

4. This Trade Notice is being issued so as to sensitize the trade and field formations about the about the contents of the aforesaid reference and for complete details, the respective reference may please be referred in the CBEC's website www.cbec.gov.in.

5. All the Commissioners are requested to bring the contents of the Trade Notice to the notice of all the officers working under their charge and the assesseees falling under their respective jurisdiction.

6. The Trade & Industry Associations/Chambers of Commerce are requested to bring the contents of the Trade Notice to the notice of all their members.

[C.P. RAO]

PRINCIPAL CHIEF COMMISSIONER

To

- i. The Principal Commissioner / Commissioner of GST and Central Excise, Chennai North / Chennai South / Chennai Outer / Coimbatore / Salem / Tiruchirappalli / Madurai / Puducherry / Chennai Audit I / Chennai Audit II / Coimbatore Audit / Chennai Appeals I / Chennai Appeals II / Coimbatore Appeals Commissionerates
- ii. The Commissioner of Commercial Taxes, State CT Head Office, Ezhilagam, No.3, Kamarajar Salai, Chepauk, Chennai-600005 [**By e-mail**]
- iii. Zonal RAC Members [**By e-mail**]
- iv. The Computer Section, Chennai North Commissionerate for uploading in website