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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- Pr.CCO (GST-3)

Date: 01-08-2017

GST TRADE NOTICE NO.012/2017

Sub: **Compensation Cess** – Notifications on Compensation Cess payable on Cigarettes, Exemption on payment of Compensation Cess on intra-State supplies of second hand goods and Circular on the issue of zero rating of exports with reference to Compensation Cess – communication of – Reg.

The Central Board of Excise & Customs [CBEC] has issued the following Notifications and Circular relating to Compensation Cess and the gist of the issues are highlighted hereunder:

Sl. No.	Notification No. / Circular No.	Gist of the Issue
1	Notn.No.03/2017- Compensation Cess (Rate),dt. 18-07-2017	Seeks to amend notification No.1/2017- Compensation Cess (Rate), dated 28th, June, 2017 so as to increase the Compensation Cess rates on cigarettes as mentioned in the notification with effect from 18th, July, 2017
2	Notn.No.04/2017- Compensation Cess (Rate),dt. 20-07-2017	Seeks to exempt GST Compensation Cess on intra-State supplies of second hand goods received by a registered person, dealing in buying and selling of second hand goods and who pays the goods and services tax compensation cess on the value of outward supply of such second hand goods, as determined under sub-rule (5) of rule 32 of the Central Goods and Services Tax Rules, 2017, from any supplier, who is not registered.
3	Circular No.1/1/2017- Compensation Cess dt.26.07.2017	On the issue of zero rated supply for the purpose of Compensation Cess on exports, Board has, inter alia, clarified that a) Exporter will be eligible for refund of Compensation Cess paid on goods exported by him [on similar lines as refund of IGST under section 16(3) (b) of the IGST, 2017]; or b) No Compensation Cess will be charged on goods exported by an exporter under bond and he will be eligible for refund of input tax credit of Compensation Cess relating to goods exported [on similar lines as refund of input taxes under section 16(3) (a) of the IGST, 2017].

3. This Trade Notice is being issued so as to sensitise the trade and field formations about the contents of the aforesaid references and for complete details, the respective Notifications / Circular may please be referred in the CBEC's website www/cbec.gov.in.
4. 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.
5. 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**]

Copy to

- i. The Superintendent, Computer Section, Chennai North Commissionerate
[for uploading in website]
- ii. Sr. PS to Pr. Chief Commissioner