

IGST REFUND & ITS STATUS!!!

(March, 2018)

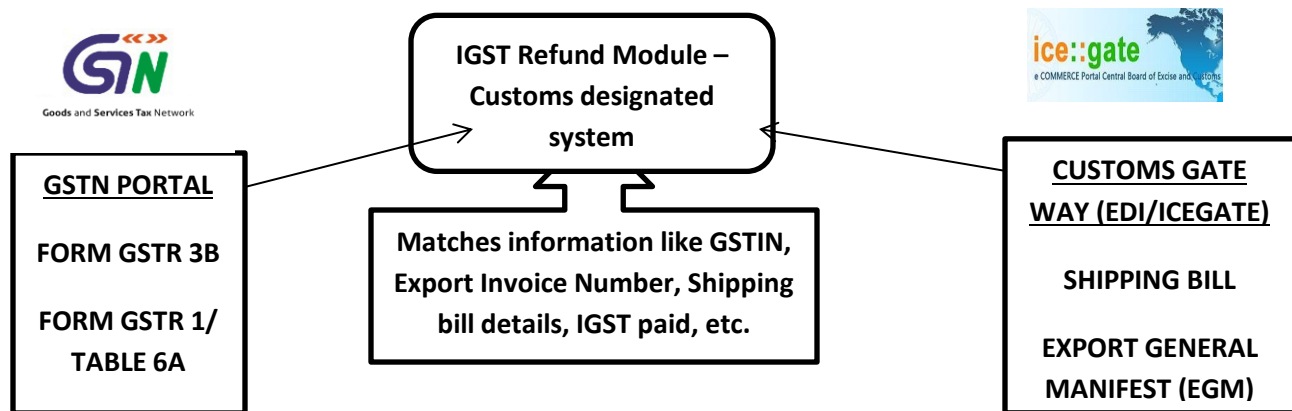
BACKGROUND:

Like how a student having taken up an examination would wait for the all-important day of results, exporters who had applied for refunds under the IGST rebate route have been checking their bank accounts on a day to day basis looking for the credit of IGST refund. Though no explicit time frame for processing of refund under IGST rebate route was stipulated under GST law, it was generally believed that processing of refunds would be quicker due to automated processing.

To the surprise of the exporters the customs officials started uploading “IGST integration report” generated out of the IGST refund module available in the designated system in the customs portal. This report details the errors/mismatches of shipping bill data available in the Indian Customs EDI System (ICES) against the GST Returns data transmitted by GSTN. The errors/mismatches have been classified by the report under the following codes:

Codes	Meaning
SB000	Successfully validated
SB001	Invalid Shipping Bill details
SB002	Export General Manifest (EGM) not filed
SB003	GSTIN Mismatch
SB004	Record already received and validated
SB005	Invalid Invoice Number
SB006	Gateway EGM not available

This article aims to serve as a guide for the exporters to address the errors and expedite the refunds that are withheld on account of various reasons stated in the table above.



Two Primary conditions for GSTN to transmit the data:

- 1) IGST Paid on exports (in GSTR 3B) \geq IGST Amount on export invoices declared in Table 6A of GSTR 1
- 2) There are no missing invoices in GSTR1 for that supply

SB000	<i>Successfully validated</i>	<i>This is a successful status that the shipping bill details matches between the GSTN portal and customs database.</i>
SB001	Clerical error made during filing GSTR 1/table 6A that has resulted in mismatch of SB no. between GSTN and customs database	Correct the shipping bill number using the amendment option available in table 9A of Form GSTR 1 in the subsequent month return.
SB002	EGM not filed because of which the shipping bill does not pass through the physical export test under documentation process	The exporter has to approach his CHA/shipping lines to file the EGM immediately
SB003	Error made in the GSTIN declared in the shipping bill filed for export	This is a serious error which needs to be corrected in the shipping bill before the EGM report for the said Shipping bill is filed by the shipping line. Once the EGM report is filed, no amendment is possible in the shipping bill.
SB004	Duplicate in transmission of Shipping Bill/Invoice record from GSTN	This is a system processing error where same data has been transmitted or processed twice. This need not be rectified by the exporter
SB005	Mismatch of invoice number due to the following: a) Clerical mistake while entering data in GSTR 1 or the SB. b) The exporter uses two sets of invoices, one invoice for GST and another invoice for exports resulting in mismatch of invoice numbers	If this error is due to data entry mistake in GSTR1/Table 6A, correct the invoice number using the amendment option available in table 9A of Form GSTR 1 in the subsequent month return. If SB005 is due to a data entry mistake in GSTR 1, it can be amended now in Form 9A. But any mistake in the SB cannot be amended once EGM is filed Do not use separate export invoice for GST and customs purpose. If the exporter has indeed used a separate invoice in the SB, he cannot include that in his GSTR 1 in lieu of his GST Invoice. Thus SB005 error, largely, cannot be corrected by any amendment either in GSTR 1 or in the Shipping Bill. Hence ensure that the same GST compliant export invoice is declared at both ends
SB006	Gateway EGM is not filed electronically or is stuck in some error	EGM pendency and error reports are available in the official customs portal of the state which can be checked by the exporter. Gateway EGM for Shipping Bill is manually filed by the shipper lines to the customs authorities which is not sufficient for automated processing of IGST refund. Hence instruct your shipper directly or through CHA to file the EGM in ICES at the gateway port

Exporter's bank account not validated by PFMS:

Generally the exporters are following the practice of registering different bank accounts for air customs and sea customs. This was followed to track the status of duty draw back amount credited to the shipments made through the two modes of export. However, during the registration process of GST, the exporters would have given different bank account number in the registration application. This has resulted in this validation error.

In case, the exporter's account is not validated by PFMS, the exporter may adopt the following steps:

- 1) Approach the jurisdictional Customs commissionerate with correct account details and get it updated in ICES.
- 2) Amend the GST registration form using "Amend Non-Core fields" facility available in the GST portal login and add the bank accounts details that are registered with the customs.

General procedures to be adopted by exporter in IGST rebate route to avoid errors:

- 1) Include all your IGST export value along with tax in your GSTR 3B returns and remit the IGST liability
- 2) Declare the export details in table 6A of GSTR 1 correctly. To ensure that the details given in the GSTR 1 is matching with customs records, the exporter has been provided an option called " GST Enquiry report" in their login of ICEGATE website. This contains details of shipping bills and invoices that are submitted under IGST rebate route. Exporters may refer this and then incorporate the details in Table 6A to ensure there are no mis-matches.
- 3) The exporters who are not having login credentials for ICEGATE website can request this report from their CHA who can view the same report in their agent login.
- 4) Ensure that the bank account numbers registered with customs are provided under GST registration also. If not provided, include the same using amend option available under GSTN login.
- 5) Before the shipping bill is filed under customs, instruct your CHA to send you the draft shipping bill. Check whether GSTN and export details such as invoice number, invoice value, IGST amount, etc. are provided accurately.
- 6) Try to locate the errors in the shipping billed filed with customs and amend the same before EGM report for it is filed by the shipper lines.
- 7) Login your ICEGATE account and see if IGST integration report is uploaded for your account after 10-15 days of filing your GST return.
- 8) If GST integration is successful with SB000 code, wait for refund to get credited. If error codes are found, follow the rectification process detailed out in the table provided.

- 9) Where mismatch of export data occurred because of wrong information provided in the GSTR 1 return, the exporter has to amend such export details under Table 9A of the subsequent month GSTR 1 return.
- 10) Where mismatch of export data occurred because of errors made under the shipping bill filed, apply for amendment through manual application to the customs official. Once the manual amendment is made in the shipping bill, a manual application has to be filed with the proper officer of customs as empowered by the new amendment to Rule 96(3) vide notification no. 03/2018 dated 23-01-2018

While exporters who have opted ITC refund route are facing various challenges in getting refund such as:

- a) Identifying jurisdictional officer for submitting the manual refund application RFD 01A
- b) Preparing and documenting a list of requirements such as Statement 3 – Export details invoice wise, undertaking letter, self-declaration, GSTIN Registration certificate, GST return copies, shipping bills with bill of lading copies, details of Input tax credit taken and their invoices, details of payments made to supplies etc.

Getting IGST refund through IGST rebate route is fairly an easy way to avail refund, provided all the procedures are properly followed without any compromises as a part of their export procedures.

.....