

'To import goods, excise dealer must register separately as importer'



CHATROOM

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We need clarification regarding excise dealer and excise importer registration under Central Excise. What difference does Excise importer registration make? If registered as an Excise dealer, can I import goods and issue Cenvat bill and pass on Cenvat credit? Can we get refund of special additional duty (SAD) of four per cent if we have not passed it on and also paid VAT?

Since Rule 2(ij) of Cenvat Credit Rules, 2004 defines "first stage dealer" as a dealer who purchases the goods directly from, (i) the manufacturer...; or (ii) an importer, or from the depot of an importer, or from the premises of the consignment agent of the importer, under cover of an invoice. Thus, "dealer" is someone who buys from an importer and

so, is not an importer and therefore, he is required to take separate registration as importer — that is one view, and it is also the view of many officials.

Another view is that the law requires the importer to only be registered, if he wants to issue Cenvatable invoices and so, if an importer already has a registration, he needs no separate registration but must get his status as registered importer added on his existing registration. In my opinion, you should take a separate registration as importer and issue Cenvatable invoice as registered importer for the imported goods that you re-sell.

I suggest you go through CBEC Circular no. 1003/10/2015-CX, dated May 5, 2015, which deals with various situations in which a registered dealer or unregistered dealer can order the importer to consign the imported goods, partly or fully, from the ports directly to the buyers under importer's own invoices and also the situations where the registered dealer can issue his own invoices and send the imported goods from the port to the consignee without bringing the goods to his own godown.

You can get four per cent SAD as refund under notifi-

cation 102/2007-Cus dated September 14, 2007, when you re-sell duty paid imported goods on payment of VAT/CST, subject to specified conditions.

We send students to Germany and other European countries for studies. We transfer their tuition fee from our account. Do we have to pay service tax on the fee that we pay to foreign schools or universities?

You can exclude the costs and expenses incurred by you as "pure agent" from the value of the taxable service you provide to your students, if the conditions mentioned at Rule 5(2) of Service Tax (Determination of Value) Rules, 2006 are met. Please do go through the conditions and explanations given therein carefully.

I refer to your article titled, "Simpler rule on landing charges" (Business Standard, March 6, 2017). Our CHA says that we still have to load one per cent on CIF value and pay duty on that. Who is right?

In that article, I had commented on a proposed amendment on which the CBEC has invited comments, and which has not yet taken effect. So, both I and your CHA are right.