

## FREQUENTLY ASKED QUESTIONS

**Ad hoc Exemption Order No. 4/2021-Customs dated 3 May, 2021 (said Order) exempting IGST on imports of specified COVID-19 relief material subject to conditions – regarding**

**Last Updated: 7<sup>th</sup> May, 2021**

S. No.	FAQ	Clarification
1.	Whether exemption from IGST under the said Order is available in case the importer buys the goods from abroad, but the same is meant for free distribution for COVID relief in India?	<p><b>1.1.</b> Condition No.1 of Annexure to the said Order states that, <i>the said goods are imported free of cost for the purpose of Covid relief by a State Government or, any entity, relief agency or statutory body, authorised in this regard by any State Government.</i> Thus, it is clear that the adhoc exemption order applies only where the importer gets goods free of cost for free distribution. Other instances are not covered by the exemption order.</p> <p><b>1.2.</b> In this context, a number of references have been received informing that many entities, including Corporates, intend to source COVID relief material from abroad and distribute it freely, availing the IGST exemption under the said Order.</p> <p><b>1.3.</b> It may be mentioned that in case any corporate buys it and even gives it for free, such exemption will not be available. To reiterate, it is available when said goods are imported free of cost for the purpose of Covid relief by a State Government or, any entity, relief agency or statutory body, authorised in this regard by any State Government.</p>
2.	The imports may be imported at place within jurisdiction of State A, and goods may be for free distribution in State A as well as B. In such a case, which State nodal authority, A or B, shall be	Any 'relief agency' authorised by a State can make free distribution of goods so imported anywhere in India. Exemption order only envisages that relief agency should have been authorised by a State and should have obtained a certificate to this effect. So in the instant case either of the States A or B may authorise the agency and issue the certificate

	required to issue authorization and certify the free distribution of said goods?	for compliance of Condition No. 3 of the Annexure to the said Order.
3.	Is there a specified format for issuing certificate, recommending exemption to a relief agency?	A format for the said authorization for import is placed on CBIC's website, under Customs → Instructions → Instruction 9/2021-Customs dated 3 <sup>rd</sup> May, 2021. This format is for facilitation purpose. Certificate in any format containing information as mentioned in format at the above link shall be accepted by Customs.
4.	What will be the procedure for certification of the statement containing details of such imported goods distributed free of cost, if distributed within the state whose nodal authority authorising the importing entity/ relief agency, and if distributed in other states.	Condition No. 4 of the Annexure to the said Order requires that a statement containing details of goods distributed free of cost, duly certified by the said nodal authority of the State Government, is to be produced by the importer before the specified Customs officer at the port of importation. The certification of statement shall be done by the nodal authority that authorises the relief agency and issues certificate to relief agency recommending exemption under the adhoc order. There is no prescribed procedure for certification of statement and the States/ State nodal authorities are at liberty to devise their own suitable mechanism as deemed fit, for certification of statement.
5.	The nodal authority will issue the certificate to the entity who will submit the same before the concerned customs authority at the time of clearance of goods. Is this understanding, correct?	Yes, Condition No. 3 of Annexure to said Order may be referred to. As mentioned therein, the State nodal authority will authorize the importing entity, and the importer will produce the said authorization before Customs at time of clearance for availing the exemption.
6.	Is the certificate to be issued import	Although a certificate is required to be produced by an importer to Customs at the

	consignment wise or a certificate could be issued covering multiple imports by a relief agency?	time of clearance of each consignment, a separate, consignment-wise certificate is not necessary. A certificate issued to a relief agency may cover goods imported under multiple consignments. The certificate should specify port-wise anticipated import by relief agency, in the format as mentioned at S. No. 3 above.
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(Disclaimer: This document is being issued for the purpose of understanding of the stakeholders and does not have the force of law, and in respect of dispute, if any, the legal text of the exemption order shall only be relevant)