

**PROCEDURE FOR CLAIMING BRAND RATE DRAWBACK**

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The exporters opting for claim of brand rate under rule 6 the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 shall continue to declare the figure “9801” as an identifier under the Drawback details in the shipping bills filed.

For shipping bills filed on or after 23.11.2015, the exporters opting for claim of brand rate under rule 7 of Drawback Rules, 1995 shall declare the figure “9807” (instead of “9801”) as an identifier in the shipping bill under the Drawback details. Immediately after the said identifier, the tariff item number of goods as shown in column (1) of the Schedule shall be declared followed by the character “B”. For example, if “Tractors (other than tractors of heading 8709)” are exported under claim for brand rate under rule 7 and the related Drawback Tariff Item number for such tractors in the AIR Schedule is 8701, the declaration on the shipping bill would be 98078701B”. Similarly, for “Bicycle pump” the related Drawback Tariff Item number in the AIR Schedule is 841403 and the declaration on the shipping bill would be “9807841403B”. Such a shipping bill is to be processed by the Customs for payment of provisional drawback amount equivalent to the Customs component (‘B’ column of AIR Schedule consisting of rate and cap) for the said declared Drawback TI of AIR Schedule. This processing is subject to same conditions as applicable to AIR drawback wherein there is claim for only Customs component. Suitable change in EDI is being implemented by DG (Systems).

After goods are exported, the exporter may apply to the relevant Central Excise office for fixation of brand rate under rule 7. In case of a timely filed complete application for fixation of brand rate under rule 7, subsequent drawback payments may arise against such shipping bill on account of provisional brand rate letter issued by Central Excise in terms of para 5A-5B of Instruction No.603/01/2011-DBK dated 11.10.2013 and/or the final brand rate letter and here the above said provisional drawback amount already paid shall also be taken into account.

However, in case of a timely filed complete application for fixation of brand rate under rule 7, if the brand rate request is denied after verification, the rejection letter issued by Central Excise and endorsed to the Customs formation should carry the information about the details of the eligibility for the rate and cap specified in 'A' column of AIR Schedule in terms of all the Notes and Conditions with the Schedule and on this basis the Customs shall update the record and after taking into account the payments already made, finalise the claim in terms of the AIR provisions.

It may be noted that only the first drawback amount processed through the EDI system is electronically validated with respect to Rule 8A of Drawback Rules, 1995. Therefore, wherever there is any subsequent EDI processing on basis of the AIR, this validation must be enforced by the Customs officer for the total drawback amount against relevant tariff item.

For shipping bills filed before 23.11.2015, the exporters opting for claim of brand rate under rule 7 of the Drawback Rules, 1995 would, as before, have declared the figure “9801” as an identifier in the shipping bill under the Drawback details. In such cases, if the Let Export Order date is to be on or after 23.11.2015, the exporter shall be facilitated to amend, prior to the actual LEO, the identifier along the lines mentioned in item 2 above. However, even if the LEO occurs on or after 23.11.2015 without such amendment, the exporter may provide the information to the Asst/Dy. Commissioner of Customs at the port of export that the option for claim of brand rate reflected in the shipping bill was intended to be under rule 7 of the Drawback Rules, 1995 and also indicate the Tariff Item number (as shown in column (1) of the AIR Schedule) corresponding to the export goods (exported in the shipping bill) and seek provisional drawback amount equivalent to the Customs component. The Customs shall enter this information in its records along with details of the calculation of the amount. The payment of the provisional drawback amount shall be processed with conditions as applicable to AIR drawback wherein there is claim for only the Customs component.