

No.01/93/180/04/AM-18/PC-2(B)
Government of India
Ministry of Commerce & Industry
Directorate General of Foreign Trade

Udyog Bhawan, New Delhi
Dated:12.06.2017

Trade Notice No.

To

- 1. All IEC holders/applicants**
- 2. All EPCs / All Chambers of Trade and Industries**
- 3. FIEO/ASSOCHAM/CII**
- 4. All RA's of DGFT**
- 5. All field formations of Customs**

Sub: Changes in IEC with the introduction of GST-regd.

The Foreign Trade (Development & Regulation) Act, 1992 provides that no person shall make any import or export except under an Importer Exporter Code (IEC) number, granted by the Director General of Foreign Trade or the officer authorized by the Director General in this behalf. Further, Para 2.05 of the FTP, 2015-20 lays down that IEC, a 10 digit number, is mandatory for undertaking any import export activities, while Para 2.08 of the HBP (2015-20) lays down the procedure to be followed for obtaining an IEC, which is PAN based. As on date PAN has one to one correlation with IEC.

2. With the implementation of the GST w.e.f. (the notified date), GSTIN would be used for purposes of (i) credit flow of IGST on import of goods, and (ii) refund or rebate of IGST related to export of goods. Registration No. under GST, called GSTIN, is a 15-digit alpha numeric code with PAN prefixed by State Code and suffixed by 3 digit details of business verticals of the PAN holder. As GSTIN will be used for the purposes mentioned above, it thereby assumes importance as identifier at the transaction level. In view of this, it has been decided that importer/exporter would need to declare only GSTIN (wherever registered with GSTN) at the time of import and export of goods. The PAN level aggregation of data would automatically happen in the system.

3. Since obtaining GSTIN is not compulsory for all importers / exporters below a threshold limit of turnover, all exporters / importers may not register with GSTIN [barring compulsory registration in certain cases as provided in section 24 of the Central Goods and Services Tax Act,

2017 (12 of 2017) or in cases where either credit is claimed of IGST], therefore, GSTIN cannot become universal, as IEC is for import/export business. Further, DGFT recognizes only the corporate entity (single identity) and not individual transactions.

4. As a measure of ease of doing business, it has been decided to keep the identity of an entity uniform across the Ministries/Departments. Henceforth (with the implementation of GST), PAN of an entity will be used for the purpose of IEC, i.e., IEC will be issued by DGFT with the difference that it will be alpha numeric (instead of 10 digit numeric at present) and will be same as PAN of an entity. For new applicants, w.e.f. the notified date, application for IEC will be made to DGFT and applicant's PAN will be authorized as IEC. For residuary categories under Para 2.07 of HBP 2015-20, the IEC will be either UIN issued by GSTN and authorized by DGFT or any common number to be notified by DGFT.

5. Further, for the existing IEC holders, necessary changes in the system are being carried out by DGFT so that their PAN becomes their IEC. DGFT system will undertake this migration and the existing IEC holders are not required to undertake any additional exercise in this regard. IEC holders are required to quote their PAN (in place of existing IEC) in all their future documentation, w.e.f. the notified date. The legacy data which is based on IEC would be converted into PAN based in due course of time.



(S.P. Roy)

Joint Director General of Foreign Trade

Telefax: 23062240

E-mail: shyama.roy@nic.in