



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

(Sponsored By Government of India)

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Sub: CBIC notifies change in GST with regards to services as recommended by GST Council in its 50th meeting held on 11.07.2023

Dear Member,

We are pleased to inform you that the government has exempted ocean freight imports from 5% GST, effective 1st October, 2023. This is a significant move that will benefit importers and reduce the cost of doing business in India.

As you may be aware, the importer had to pay GST twice, first during the time of import of goods in India and secondly while paying IGST under RCM on ocean freight component. This resulted in double taxation for the importer as he had to pay ocean freight on the same component.

Importers approached the Supreme Court of India to seek justice in the matter. The Supreme Court of India in the case of Union of India Vs M/s. Mohit Minerals has held that IGST is not payable by the importer on the ocean freight component when goods are being imported on CIF basis. In line with the said judgment, CBIC vide its Notification Nos. 11 & 13 / 2023 – Integrated Tax (Rate), both dated 26th September, 2023 ([copies enclosed](#)) has exempted the levy of IGST on Ocean Freight Services on CIF contracts w.e.f. 1st October, 2023.

Members may kindly make a note of the above.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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