**GST FAQ on EOUs**

**Q1. Whether the EOUs scheme will continue to be in operation in the GST regime and whether EOUs is required to take registration under the GST law?**

A. EOUs is like any other supplier under GST and all the provisions of the GST Law will apply. However, the benefit of Basic Customs Duty exemption on imports will continue.

**Q2. What tax benefits will be available to EOUs scheme in GST regime?**

A. The duty free imports under GST regime will be restricted to Basic Custom duty. Exemption from the additional duties of Customs, if any under Section 3(1), 3(3) and 3(5) of the Customs Tariff Act, 1975 and exemption from Central Excise duty will be available for goods specified under the Fourth Schedule to the Central Excise Act. IGST or CGST plus SGST will be payable by the suppliers who make supplies to the EOUs. The EOUs will be eligible, like any other registered person, to take Input Tax Credit of the said GST paid by its suppliers.

**Q3. Whether supplies to or from EOUs will be exempted from GST?**

A. No

Under the GST law, IGST or CGST plus SGST will be payable by the suppliers who make supplies to the EOUs. The EOUs will be eligible to take Input Tax Credit of the said GST paid by its suppliers.

The supplies from EOUs will not be exempted from GST, except in the case of zero rated supplies defined under section 16 of the IGST Act, i.e. Supplies made by EOUs in the form of physical export or supplies to a SEZ unit or SEZ Developer for authorized operations.

**Q4. What procedure will be followed by EOUs to import goods without payment of Customs duty in the GST regime?**

A. To avail such import benefits, EOUs will have to follow the procedure under the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.

**Q5. Whether an EOUs can clear goods to another EOUs (Inter-unit transfer)? And whether an EOUs can send goods for carrying out job work on such goods? In such situations, how will the tax liability be discharged?**

A. Supply of goods from one EOUs to another EOUs will be treated as any other supply under GST Law. An EOUs can send goods for job work as per section 143 of the CGST Act, 2017 and rule 45 of the CGST Rules, 2017 and the tax liability shall be discharged accordingly.