

PULOMA DALAL & CO.  
CHARTERED ACCOUNTANTS

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Ref.: PDD&CO/CIRCULAR NO.77/OCT/2022

October 01, 2022

Dear Client,

GST Implications of transportation of goods – international  
movement

Transportation of goods by vessel / air in relation to export consignments was exempted from levy of GST from January 25, 2018. The said exemption was extended from time to time. Last exemption was granted till September 30, 2022 (notification 07/2021–Central Tax (Rate) dated 30.09.2021) however no such exemption is received till date. Therefore services to be provided in relation to export / import consignments to any recipient located in India post September 30, 2022, GST will be applicable at rates tabulated below:-

Particulars	GST Rate - Invoices raised on / before 30.09.2022	GST Rate - Invoices raised on / after 01.10.2022 till further clarification is received
Transportation by vessel - export consignment - <i>entry 19B of notification 12/2017–Central Tax (Rate) dated 28.06.2017</i>	Nil	5%
Transportation by vessel - import consignment	5%	5%
Transportation by aircraft - export consignment - <i>entry 19A of notification 12/2017–Central Tax (Rate) dated 28.06.2017</i>	Nil	18%
Transportation by aircraft - import consignment - <i>entry 19 of notification 12/2017–Central Tax (Rate) dated 28.06.2017</i>	Nil	Nil

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In relation to services of transportation provided to recipients located outside India, in relation to export consignments, the said supply will be treated as exported (zero rated) if the consideration is received in convertible foreign exchange. In relation to import consignments there is no change. GST rate of 5% continues for transportation by vessel whereas by aircraft continues to be Nil.

The above would be applicable unless any notification extending the exemption is notified, with effect from October 01, 2022.

GST rate to be applied in terms of section 14 of CGST Act, 2017 to supplies (transportation) made on / before September 30, 2022 but the invoice to be raised on or from October 01, 2022 in terms of time of supply is tabulated below (in such scenario the invoice may be raised in September 2022):-

Particulars	Consideration is received prior to September 30, 2022	Consideration will be received post September 30, 2022
Transportation by vessel - export consignment	Nil	5%
Transportation by vessel - import consignment	5%	5%
Transportation by aircraft - export consignment	18%	18%
Transportation by aircraft - import consignment	Nil	Nil

Thanking You,  
Yours faithfully,

*Puloma Dalal & Co.*