

Updated as on 12.03.2015

[Training Material for Departmental Use]

# E-BOOK

On

E-payment

of

Indirect Taxes

## E-payment of Indirect Taxes

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**Note:** In this E-book, attempts have been made to explain E-payment of Indirect Taxes. It is expected that it will help departmental officers in their day to day work.

2. Though all efforts have been made to make this document error free, but it is possible that some errors might have crept into the document. If you notice any errors, the same may be brought to the notice to the NACEN, RTI, Kanpur on the Email addresses: [rtinacenkanpur@yahoo.co.in](mailto:rtinacenkanpur@yahoo.co.in) or [goyalcp@hotmail.com](mailto:goyalcp@hotmail.com) (Email address of ADG, RTI, NACEN, Kanpur). This may not be a perfect E-book. If you have any suggestion to improve this book, you are requested to forward the same to us.

3. If any officer is interested in preparing E-book on any topic relating to Customs, Central Excise or Service Tax, he may forward the E-book prepared by him to the Email addresses mentioned above. After necessary vetting, we will include the same in our E-book library for benefit of all Departmental officers.

## E-payment of Indirect Taxes

### INDEX

<b>1. Introduction .....</b>	<b>3</b>
<b>2. Relevant Legal Provisions at a Glance .....</b>	<b>3</b>
<b>3. Historical Perspective: .....</b>	<b>5</b>
Service Tax .....	5
Central Excise .....	5
Customs .....	6
<b>4. Procedure for E-payment of taxes.....</b>	<b>6</b>
4.1 For E-payment of Service Tax and Central Excise Duty.....	6
4.2 Procedure for e-payment of Customs Duty .....	7
<b>5. Banks authorized to collect Central Indirect Taxes .....</b>	<b>9</b>
Banks authorized to collect Customs Duty .....	10
List of Banks.. ..	10
<b>6. Relevant Provisions in case of non-compliance or failure to pay taxes electronically .....</b>	<b>11</b>
Under Service Tax laws .....	11
Under Central Excise Laws .....	11
Under Customs Laws.....	11
<b>7. Text of Important Notification .....</b>	<b>12</b>
7.1 Notification No. 83/2012-Customs (N.T.), dated 17.09.2012 .....	12
<b>8. Text of Important Circulars .....</b>	<b>12</b>
8.1 Circular No.24/2012-Customs, dated 5.9.2012 .....	12
8.2 Circular No. 33/2011-Customs, dated 29.07.2011.....	12
Procedure for e-payment Payment of Customs Duty.....	13
ANNEXURE .....	15
E-PAYMENT A/C OPENING PROCEDURE .....	15
8.3 Circular No. 956/17/2011-CX, dated 28.09.2011.....	15
Procedure for e-Payment:.....	17
8.4 Circular No. 919 / 09 / 2010 – CX, dated 23.03.2010.....	17
<b>9. Important Websites.....</b>	<b>18</b>
<b>10. Role of NSDL.....</b>	<b>18</b>
<b>11. Role of Banks .....</b>	<b>19</b>

# E-payment of Indirect Taxes

## 1. Introduction

1.1. E-payment of tax is a facility provided to the tax payers to make tax payments through internet using net-banking facility. **Electronic Accounting System in Excise and Service Tax (EASIEST)** is a web based payment gateway launched by CBEC in 2006/2007 enabling assesseees to pay Central Excise Duties and Service Tax online. It interfaces with the e-payment portals of the tax collecting banks and makes available accurate tax payment data from banks for revenue and tax payer accounting purposes.

1.2 E-payment facility for payment of Central Excise Duty and Service Tax was first introduced in the year 2006/2007 and was initially made mandatory for certain big assesseees only. With time, the mandatory threshold limit for compulsory e-payment was lowered in stages and now, with effect from 1.10.2014, all Central Excise and Service Tax assesseees, except in exceptional cases permitted by AC/DC, are mandatorily required to pay duty/tax through e-payment.

1.3 In Customs, E-payment facility at Customs locations was introduced in 2007 and are now available at all major Customs locations having ICES facility. Initially, it was voluntary and with effect from 17.09.2012, e-payment of duty has been made mandatory for the following classes of importers:-

- (i) importers registered under Accredited Clients Programme; and
- (ii) importers paying Customs Duty of one lakh rupees or more per Bill of Entry.

## 2. Relevant Legal Provisions at a Glance

The relevant provisions contained in the Act/Rules/Notifications and CBEC Circulars/Instructions with regard to e-payment are summarized in the Table below:-

**Table**

<b>Sr. No.</b>	<b>Section/Rules /Instruction /Circular</b>	<b>Subject</b>
1.	Sub-rule (1B) of Rule 8 of Central Excise Rules, 2002 [substituted vide notification No. 19/2014-CE(NT), dated 11.7.2014	<b>E-payment of Central Excise Duty:</b> Rule 8(1B) of Central Excise Rules, 2002 provides as under:- (1A) Every assessee shall electronically pay duty through internet banking :

## E-payment of Indirect Taxes

	<i>(w.e.f. 1.10.2014)]</i>	<i>Provided that the Assistant Commissioner or the Deputy Commissioner of Central Excise, for reasons to be recorded in writing , allow an assessee payment of duty by any mode other than internet banking. [w.e.f. 1.10.2014]</i>
2.	Sub-rule (2) of Rule 6 of the Service Tax Rules, 1994. [ <i>Substituted vide notification No. 9/2014-ST, dated 11.7.2014 (w.e.f. 1.10.2014)</i> ]	E-payment of Service Tax: The Rule 6(2) of the Service Tax Rules, 1994 provides as under:- <i>Every assessee shall electronically pay the Service Tax payable by him, through internet banking.</i> <i>Provided that the Assistant Commissioner or the Deputy Commissioner of Central Excise, as the case may be, having jurisdiction, may for reasons to be recorded in writing, allow the assessee to deposit the Service Tax by any mode other than internet banking. [ with effect from 1.10.2014)</i>
3,	First Proviso to sub-section (2) of Section 47 of the Customs Act, 1962 [ <i>Inserted vide Section 124 of the Finance Act, 2012 with effect from 28.05.2012</i> ]	<b>E-payment of Custom Duty:-</b> First Proviso to Section 47(2) of the Customs Act, 1962 provides as under:- <i>“ Provided that the Central Government, by <b>notification</b> in the Official Gazette, specify the class or classes of importers who shall pay such duty electronically”</i> Note: In exercise of power under the above said proviso, the Central Government has issued notification No. 83/2012-Customs (NT), dated 17.09.2012.
4.	Notification No. 83/2012-Customs (NT), dated 17.09.2012	Vide this notification, the Central Government has specified the classes of importers who are mandatorily required to pay duty electronically. The classes of importer specified are (i) Importers registered under Accredited Clients Programme. (ii) Importers paying Customs Duty of one lakh rupees or more per bill of entry.
5.	Circular No. 33/ 2011-Customs, dated 29.07.2011	Mandatory E-payment of Customs Duty and Procedure.
6.	Circular No. 24/2012-Customs, dated 5.9.2012	Mandatory E-payment of Customs Duty and Procedure.

## E-payment of Indirect Taxes

7.	Circular No. 956/17/2011-CX, dated 28.09.2011	Procedure for electronic filing of Central Excise and Service Tax returns and for electronic payment of Excise Duty and Service Tax
8.	Circular No. 919/09/2010-CX, dated 23.03.2010	Procedure for electronic filing of Central Excise and Service Tax returns and for electronic payment of Excise Duty and Service Tax

### 3. *Historical Perspective:*

3.1 The provisions requiring mandatory payment of Central Excise Duty/Customs Duty/Service Tax has covered a significant journey since introduction in 2006/2007. The following details will help us in understanding this journey.

#### Service Tax

- Vide notification No. 27/2006-Service Tax, dt.21.09.2006 (with effect from 1.10.2006), first time, e-payment of Service Tax was made mandatory for Service Tax assesseees who had paid tax of Rs.50 Lakhs or above in the immediately preceding financial year or had already paid Service Tax of rupees fifty lakhs in the current financial year.
- Vide notification No.01/2010– Service Tax dated 19.02. 2010 (with effect from 1.4.2010), the prescribed limit for e-payment was lowered to Rs.10 lakhs or more [Cash + CENVAT] in the preceding financial year.
- Vide notification No. 16/2013– Service Tax dated 22.11.2013( w.e.f. 01.01.2014), the prescribed limit for mandatory e-payment was lowered to Rs. 1 lakhs or more [Cash + CENVAT] in the preceding financial year.
- Vide notification No. 9/2014-ST, dated 11.07.2014 (w.e.f. 01.10.2014), it has been made mandatory for all Service Tax assesseees except in exceptional circumstances permitted by the jurisdictional AC/DC.

#### Central Excise

- *Vide* notification No. 8/2007–CE (N.T.) dated 01.03.2007 [w.e.f. 01.04.2007] Central Excise Rules, 2002 was amended, making e-payment of Central Excise Duty through internet banking mandatory for the Central Excise Assessee **who has paid Rs.50 lakhs [PLA] in the preceding financial year.**

## E-payment of Indirect Taxes

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- *Vide* notification No. 04/2010-CE (N.T.) dated 19.02.2010 [w.e.f. 01.04.2010], the prescribed limit for mandatory e-payment was lowered to **Rs.10 lakhs or more [PLA + CENVAT] in the preceding financial year.**
- *Vide* notification No. 15/2013-CE(N.T.) dated 22.11.2013 (w.ef. 01.01.2014), the prescribed limit for mandatory e-payment was further lowered to **Rs.1 lakh or more [ PLA + CENVAT] in the preceding financial year.**
- *Vide* notification No. 19/2014-CE (NT), dated 11.07.2014 ( w.e.f. 01.10.2014), it has been made mandatory for **all Central Excise assessees** except in exceptional circumstances permitted by the jurisdictional AC/DC.

### Customs

Since introduction of e-payment of custom duty in 2007, it was voluntary, not mandatory. After amendment of section 47 of the Customs Act, 1962 (vide Finance Act, 2012) and issuance of notification No. 83/2012-Customs (NT), dated 17.09.2012, it has been made mandatory for specified classes of importers for the first time with effect from 17/09/2012.

## **4. Procedure for E-payment of taxes**

### **4.1 For E-payment of Service Tax and Central Excise Duty**

Under EASIEST, the assessee is required to access the NSDL-EASIEST website, - <https://cbec-easiest.gov.in/EST/> and select the option, E-Payment (Excise & Service Tax).

*The following steps are involved in the process:*

1. To pay Excise Duty and Service Tax online, the Assessee has to enter the 15 digit Assessee Code allotted by the jurisdictional Commissionerate.
2. There will be an online check to validate the Assessee Code entered.
3. If the Assessee code is valid, then corresponding assessee details like Name, Address, Commissionerate code etc. as present in the Assessee Code Master will be displayed.
4. Based on the Assessee Code, the duty / tax i.e. Excise Duty or Service Tax to be paid will be automatically selected.
5. The Assessee is required to select the type of duty / tax to be paid by clicking on the button “Select Accounting Codes for Excise” or “Select Accounting Codes for Service Tax” depending on the type of duty / tax to be paid.

## E-payment of Indirect Taxes

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6. At a time the assessee can select upto six Accounting Codes.
7. Once the data is validated in the NSDL central system, a drop down menu will appear indicating the names of various banks offering internet payment facility. The Assessee can opt for any of these banks through which payment is to be made.
8. On submission of data entered, a confirmation screen will be displayed. If the taxpayer confirms the data entered in the screen, it will be directed to the net-banking site of the bank selected.
9. The challan details entered by the Assessee will be transmitted to the bank along with the location code (Commissionerate, division, range code) of the Assessee. (Parameters that will be passed from NSDL to the Banks are given below.)
10. The taxpayer will login to the net-banking site with the user ID/ password provided by the bank for net-banking purpose and enter payment details at the bank site.
11. On successful payment, a challan counterfoil will be displayed containing CIN, payment details and bank name through which e-payment has been made. This counterfoil is proof of payment being made.
12. The Assessee has an option to download the counterfoil from the website of the bank. This will contain all details available that are usually given in the hard copy of the computerized acknowledgement including Challan Identification Number (CIN) and name of the bank through which e-payment has been made.
13. After e-payment of Central Excise Duty / Service Tax, the Assesseees may view the "[challan status enquiry](#)" in the website <https://onlineservices.cbce-easiest.gov.in/csi/index.html> so as to confirm that the e-payment challan is uploaded / found in the EASIEST (NSDL) website. In case of non-availability of challan data in the EASIEST (NSDL) website, a complaint may be lodged with [easiest@nsdl.co.in](mailto:easiest@nsdl.co.in).

### 4.2 Procedure for e-payment of Customs Duty

The CBEC has implemented centralized application called Indian Customs EDI System (ICES1.5) and E-payment facility is available at all ICES locations.

- (a) Person desirous of availing the E-payment facility must approach the designated bank at the location for opening an INTERNET ACCOUNT (Annexure);
- (b) The Central Board of Excise and Customs has set up a CUSTOM E-Payment Gateway (CEG) at ICEGATE ([www.icegate.gov.in](http://www.icegate.gov.in)). The users who are already registered with ICEGATE will automatically be able to avail the facility of e-



## E-payment of Indirect Taxes

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Payment as REGISTERED USER without any further registration process. However, even the users who are not registered with the ICEGATE can avail e-payment facility as an UNREGISTERED USER;

- (c) In the ICEGATE home page, a person can select the e-payment icon from the main menu or if the person is using any other module of ICEGATE (like document filing), he can select the e-Payment option from the side screen menu;
- (d) On selection of E-Payment option, the e-Payment page will open. The users already registered with ICEGATE can login with their username and password as REGISTERED USER. Thereafter their (personal) web page would open which will display all the unpaid challans details for the Bills of Entry filed by him;
- (e) If the person is an UNREGISTERED USER, or he intends to make payments of duties on the documents not filed by him through ICEGATE, then he can make E-Payment by entering the IE Code of the importer. The CEG will display all the unpaid challans against the IE Code;
- (f) On selection of the Challan the user will be shown the options of the “designated” banks for the purpose of E-payment. The user can select any bank authorized for e-payment at the Customs locations;
- (g) Thereafter, the user will see the web page of the selected bank. He would be required to login as an “Internet Customer” of the bank;
- (h) After successful login in the bank site, the user will be shown the details of the challan including the amount to be paid. The user shall be prompted to confirm the payment option;
- (i) On successful payment, a cyber receipt will be generated by the bank for successful transaction. Then user may take the printout of the cyber receipt for his reference. The bank will prompt the user to come back to the CEG (Customs E-Payment Gateway) after completion of the bank transaction;
- (j) **The user must come back to the ICEGATE site to complete the transaction;**
- (k) In case of an incomplete transaction or link failure, a VERIFY option is automatically activated against the concerned challan for verification of the duty payment details. **In case of incomplete transaction, the Importer/CHA must go back to ICEGATE and select the VERIFY option against the challan. On selecting the VERIFY option, the importer/CHA is taken back to the site of the Bank for completion of the transaction. The VERIFY option must be exercised on the date of payment itself, and the option would be de-activated the next day;**

## E-payment of Indirect Taxes

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- (l) After e-payment is made at CEG, ICEGATE will send the payment particulars to the ICES. Thereafter, the Bill of entry shall automatically move to the examination queue;
- (m) The importer/CHA need not produce any proof of payment for the clearance of goods in case of e-payment. However, he is advised to keep the copy of the cyber receipt with him for future reference for his own convenience;
- (n) In case of problems in e-Payment, the Importer/CHA can contact the ICEGATE 24 hour helpdesk by phone at toll free no. 1800-3010-1000 or by email at [icegatehelpdesk@icegate.gov.in](mailto:icegatehelpdesk@icegate.gov.in). They can also contact the Systems Manger/AC (EDI) at Customs Location, in case of any difficulty.

### 5. Banks authorized to collect Central Indirect Taxes

5.1 Only certain designated banks have been authorized to collect payment of Customs Duty, Central Excise Duty and Service Tax. As per list available at EASIEST and ICEGATE website, the list of banks authorized to collect central indirect taxes are given in following paragraphs.

5.2 Pr. Chief Controller of Accounts (Pr. CCA) / RBI have authorized the following 27 banks to collect Central Excise Duty and Service Tax through internet banking (e-payment) for all the Commissionerates.

5.3. Bank Authorised to collect Central Excise Duty and Service Tax are given in Table below:

**Table**

S. No.	Name of Banks	S. No.	Name of Banks
1.	Allahabad Bank	14.	Oriental Bank of Commerce
2.	Bank of Baroda	15.	Punjab National Bank
3.	Bank of India	16.	State Bank of Bikaner& Jaipur
4.	Bank of Maharashtra	17.	State Bank of Hyderabad
5.	Canara Bank	18.	State Bank of India
6.	Central Bank	19.	State Bank of Mysore

## E-payment of Indirect Taxes

7.	Corporation Bank	20.	State Bank of Patiala
8.	Dena Bank	21.	State Bank of Travancore
9.	HDFC Bank	22.	Syndicate Bank
10.	ICICI Bank	23.	UCO Bank
11.	IDBI Bank	24.	Union Bank of India
12.	Indian Bank	25.	United Bank of India
13.	Indian Overseas Bank	26.	AXIS Bank
		27.	Vijaya Bank

### **Banks authorized to collect Customs Duty**

5.4 As per information available at ICEGATE site, facility of e-Payment through ICEGATE for all Custom Locations from any of the following designated Banks w.e.f. 16.01.2012.

### **List of Banks**

S. No.	Name of Banks	S. No.	Name of Banks
1.	State Bank of India	10.	Union Bank of India
2.	State Bank of Hyderabad	11.	Bank of Maharashtra
3.	State Bank of Bikaner & Jaipur	12.	Corporation Bank
4.	State Bank of Travancore	13.	IDBI Bank
5.	Punjab National Bank	14.	Bank of Baroda
6.	Bank of India	15.	Canara Bank
7.	Indian Bank	16.	Indian Overseas Bank
8.	UCO Bank	17.	Central Bank of India
9.	United Bank of India		

**Note:** The above said information may not be updated one. For latest updated information, the website of EASIEST or ICEGATE may be checked or helpline may be used.

### 6. ***Relevant Provisions in case of non-compliance or failure to pay taxes electronically***

#### Under Service Tax laws

6.1 Clause (d) of sub-section (1) of Section 77 of the Finance Act, 1994 contains provision to deal with case of failure to pay Service Tax electronically.

It provides as under:-

“any person who is required to pay tax electronically, through internet banking, fails to pay the tax electronically shall be liable to a penalty which may extend to ten thousand rupees.”

#### Under Central Excise Laws

6.2 In case of contravention of the provisions contained in Rule 8 (1B) of the Central Excise Rules, 2002, the action could be taken under rule 27 of the Central Excise Rules, 2002. The **Rule 27 of the Central Excise Rules, 2002** provides as under:-

*“A breach of these rules shall, where no other penalty is provided herein or in the Act, be punishable with a penalty which may extend to five thousands rupees and with confiscation of the goods in respect of which the offence is committed.”*

#### Under Customs Laws

6.3 In case of contravention of the provision of section 47(2) with regards to payment of Customs Duty by e-payment, the action may be taken under Section 117 of the Custom Act, 1962. The Section 117 of the Customs Act, 1962 provides as under:-

***Penalties for contravention, etc., not expressly mentioned. –***

*Any person who contravenes any provision of this Act or abets any such contravention or who fails to comply with any provision of this Act with which it was his duty to comply, where no express penalty is elsewhere provided for such contravention or failure, shall be liable to a penalty not exceeding one lakh rupees.*

### 7. *Text of Important Notification*

#### 7.1 [Notification No. 83/2012-Customs \(N.T.\), dated 17.09.2012](#)

S.O. (E). – In exercise of the powers conferred by the first proviso to sub-section (2) of section 47 of the Customs Act, 1962 (52 of 1962), the Central Government hereby specify following classes of importers who shall pay Customs Duty electronically, namely:-

- (i) Importers registered under Accredited Clients Programme.
- (ii) Importers paying Customs Duty of one lakh rupees or more per bill of entry.

### 8. *Text of Important Circulars*

#### 8.1 [Circular No.24/2012-Customs, dated 5.9.2012](#) [Issued from F.No.450/180/2009-Cus.IV(Pt.)]

**Subject: Making E-payment of Customs Duty mandatory-regarding.**

Kind attention is invited to Board Circular No. 33/2011-Customs dated 29<sup>th</sup> July, 2011 wherein it was decided that by the Board that the date for mandatory E- payment of Customs Duty shall be notified separately.

2. It has been decided to make **e-payment of duty mandatory for importers registered under Accredited Clients Programme and importers paying Customs Duty of one lakh rupees or more per Bill of Entry with effect from 17.09.2012.**

3. All Chief Commissioners of Customs are therefore advised to give wide publicity to enable trade to be ready in case any change in their software or any internal procedure for effecting E-payment is required. As a large number of taxpayers would be required to pay the taxes electronically, it is requested that importers, trade and industry may be provided all assistance so as to help them in adopting the new procedure.

4. Suitable Public Notices or Standing Orders may be issued to guide the trade/ Industry and officers.

#### 8.2 [Circular No. 33/2011-Customs, dated 29.07.2011](#) [F.No.450/180/2009-Cus.IV(Pt.)]

**Subject: Making E-payment of Customs Duty mandatory-regarding.**

## E-payment of Indirect Taxes

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E-payment facility at Customs locations was introduced in 2007 and is available through more than one authorised bank at all major Customs locations having ICES facility. Though voluntary, the facility has been made use of by numerous importers. Besides expediting the process of payment of duty and clearance of imported goods, the facility of e-payment has resulted in reduction of transaction costs.

2. In the aforesaid background, in order to reduce the transaction cost of the importers and expedite the time taken for customs clearance, the Board has decided to make e-payment of duty mandatory for the importers paying an amount of Rupees one lakh or more per transaction. Additionally, for Accredited Clients under the Customs Accredited Client Programme irrespective of any amount of duty, the Customs Duty will have to be paid through E- payment mode only. **The date from which the E- payment will be made mandatory will be notified separately.**

3. DG (Systems) has prepared instructions outlining the procedure for electronic payments. It is requested to sensitise concerned officers, importers, trade and industry regarding the E- payment.

4. As a large number of taxpayers would be required to pay the taxes electronically, it is requested that importers, trade and industry may be provided all assistance so as to help them in adopting the new procedure.

5. Suitable Public Notices or Standing Orders may be issued to guide the trade / Industry and officers.

### Procedure for e-payment Payment of Customs Duty

In continuation of its efforts for trade facilitation, CBEC has now implemented centralized application called Indian Customs EDI System (ICES1.5) and E-payment facility has been extended to all ICES locations from more than one authorized bank.

- (a) Person desirous of availing the E-payment facility must approach the designated bank at the location for opening an INTERNET ACCOUNT (Annexure);
- (b) The Central Board of Excise and Customs has set up a CUSTOM E-Payment Gateway (CEG) at ICEGATE ([www.icegate.gov.in](http://www.icegate.gov.in)). The users who are already registered with ICEGATE will automatically be able to avail the facility of e-Payment as REGISTERED USER without any further registration process. However, even the users who are not registered with the ICEGATE can avail e-payment facility as an UNREGISTERED USER;

## E-payment of Indirect Taxes

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- (c) In the ICEGATE home page, a person can select the e-payment icon from the main menu or if the person is using any other module of ICEGATE (like document filing), he can select the e-Payment option from the side screen menu;
- (d) On selection of E-Payment option, the e-Payment page will open. The users already registered with ICEGATE can login with their username and password as REGISTERED USER. Thereafter their (personal) web page would open which will display all the unpaid challans details for the Bills of Entry filed by him;
- (e) If the person is an UNREGISTERED USER, or he intends to make payments of duties on the documents not filed by him through ICEGATE, then he can make E-Payment by entering the IE Code of the importer. The CEG will display all the unpaid challans against the IE Code;
- (f) On selection of the Challan the user will be shown the options of the “designated” banks for the purpose of E-payment. The user can select any bank authorized for e-payment at the Customs locations;
- (g) Thereafter, the user will see the web page of the selected bank. He would be required to login as an “Internet Customer” of the bank;
- (h) After successful login in the bank site, the user will be shown the details of the challan including the amount to be paid. The user shall be prompted to confirm the payment option;
- (i) On successful payment, a cyber receipt will be generated by the bank for successful transaction. Then user may take the printout of the cyber receipt for his reference. The bank will prompt the user to come back to the CEG (Customs E-Payment Gateway) after completion of the bank transaction;
- (j) **The user must come back to the ICEGATE site to complete the transaction;**
- (k) In case of an incomplete transaction or link failure, a VERIFY option is automatically activated against the concerned challan for verification of the duty payment details. **In case of incomplete transaction, the Importer/CHA must go back to ICEGATE and select the VERIFY option against the challan. On selecting the VERIFY option, the importer/CHA is taken back to the site of the Bank for completion of the transaction. The VERIFY option must be exercised on the date of payment itself, and the option would be de-activated the next day;**
- (l) After e-payment is made at CEG, ICEGATE will send the payment particulars to the ICES. Thereafter, the Bill of entry shall automatically move to the examination queue;

## E-payment of Indirect Taxes

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- (m) The importer/CHA need not produce any proof of payment for the clearance of goods in case of e-payment. However, he is advised to keep the copy of the cyber receipt with him for future reference for his own convenience;
- (n) In case of problems in e-Payment, the Importer/CHA can contact the ICEGATE 24 hour helpdesk by phone at toll free no. 1800-3010-1000 or by email at [icegatehelpdesk@icegate.gov.in](mailto:icegatehelpdesk@icegate.gov.in). They can also contact the Systems Manger/AC (EDI) at Customs Location, in case of any difficulty.

### ANNEXURE

#### **E-PAYMENT A/C OPENING PROCEDURE**

1. To fill up Bank Account opening Forms
2. Memorandum of Association
3. Articles of Association
4. Certificate of Incorporation
5. Board Resolution to open A/c
6. Commencement Certificate in case of Public Ltd.
7. List of Authorised Signatory along with PAN card, photograph
8. IEC code copy
9. Address proof
10. For Public Ltd.- Signature to be verified from Principal Bank A/c.

Photo copies of all above documents to be produced with original for verification

### **8.3 Circular No. 956/17/2011-CX, dated 28.09.2011** [ F.No. 201/10/2011-CX 6]

**Sub.: Procedure for electronic filing of Central Excise and Service Tax returns and for electronic payment of Excise Duty and Service Tax.**

Attention is invited to Circular No. 919 / 09 / 2010 - CX dated 23rd March 2010 prescribing the procedure for electronic filing of Central Excise and Service Tax returns and payment of Central Excise Duty and Service Tax by all the assesseees who had paid Central Excise Duty and Service Tax of Rs. 10 Lakh or more (including payment by utilisation of Cenvat credit) in the previous financial year. Attention is also invited to Notifications No. 21/2011-Central Excise(NT) & 22/2011-Central Excise (NT) both dated 14.09.2011 and No. 43/2011-ST dated 25.08.2011 prescribing mandatory electronic filing of Central Excise and Service Tax returns



## E-payment of Indirect Taxes

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2. DG (Systems) has prepared comprehensive instructions outlining the procedure for electronic filing of Central Excise Duty and Service Tax returns and electronic payment of taxes under ACES. The same is annexed. The said instructions outline the registration process for new assessees, existing assessees, non-assessees and for Large Taxpayers Unit assessees, steps for preparing and filing of return, use of XML Schema for filing dealer's return, procedure for obtaining acknowledgement of e-filed return, procedure for e-payment etc. It is requested to sensitize the concerned officers as well as the trade and industry regarding the said instructions.
3. As a large number of taxpayers would be required to file Central Excise and Service Tax return electronically, it is requested that the trade and industry may be provided all assistance so as to help them in adopting the new procedure.
4. Field formations and trade/industry/service provider may also be informed suitably.
5. Hindi version will follow.

### **Annexure: Relevant paragraphs of detailed Instructions issued by the Directorate General of Systems.**

#### **E-payment**

1. In terms of Notification No 04/2010-Central Excise (N.T.) dated the 19th February, 2010, an assessee, who has paid total duty of rupees ten lakhs or more including the amount of duty paid by utilization of CENVAT credit in the preceding financial year, is required to deposit the duty electronically through internet banking under sub-rule (1) of Rule 8 of the Central Excise Rules, 2002.
2. Similarly, in terms of Notification No. 01/2010 – Service Tax dated the 19th February, 2010, an assessee who has paid a total Service Tax of rupees ten lakhs or more including the amount paid by utilization of CENVAT credit, in the preceding financial year, is required to deposit the Service Tax liable to be paid by him electronically, through internet banking under sub-rule (2) of Rule 6 of the Service Tax Rules, 1994.
3. For e-payment, assessees should open a net banking account with one of the authorized banks (currently there are 28 banks, list of which is available on the EASIEST (Electronic Accounting System in Excise and Service Tax) website of CBEC, maintained by NSDL (<https://cbec.nsd.com/EST/>). Payment through ICICI Bank, HDFC Bank and Axis Bank can be done by assessee for select Commissionerates only, list of which is published in the aforesaid EASIEST website. Payment through all other authorized banks can be made for all Commissionerates.
4. For effecting payment, assessees can access the ACES website (<http://www.aces.gov.in/>) and click on the e-payment link that will take them to the EASIEST portal (<https://cbec.nsd.com/EST/>) or they can directly visit the EASIEST portal.

## E-payment of Indirect Taxes

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### Procedure for e-Payment:

- i. To pay Excise Duty and Service Tax online, the assessee has to enter the 15 digit Assessee Code allotted by the department under erstwhile SACER/SAPS or the current application ACES.
- ii. There will be an online check on the validity of the Assessee Code entered. Only if the assessee has been registered in ACES (either in Central Excise or in case of Service Tax), will be validation be successful.
- iii. If the Assessee code is valid, then corresponding assessee details like name, address, Commissionerate Code etc. as present in the Assessee Code Master will be displayed.
- iv. Based on the Assessee Code, the duty / tax i.e. Central Excise Duty or Service Tax to be paid will be automatically selected.
- v. The assessee is required to select the type of duty / tax to be paid by clicking on Select Accounting Codes for Excise or Select Accounting Codes for Service Tax, depending on the type of duty / tax to be paid.
- vi. At a time the assessee can select up to six Accounting Codes.
- vii. The assessee should also select the bank through which payment is to be made.
- viii. On submission of data entered, a confirmation screen will be displayed. If the taxpayer confirms the data entered in the screen, it will be directed to the net banking site of the bank selected.
- ix. The taxpayer will login to the net-banking site with the user id/ password, provided by the bank for net-banking purpose, and will enter payment details at the bank site.
- x. On successful payment, a challan counterfoil will be displayed containing CIN, payment details and bank name through which e-payment has been made. This counterfoil is proof of payment made.

### 8.4 Circular No. 919 / 09 / 2010 – CX, dated 23.03.2010 [ F.No. 201/20/2009-CX 6]

**Sub.: Procedure for electronic filing of Central Excise and Service Tax returns and for electronic payment of Excise Duty and Service Tax.**

## **E-payment of Indirect Taxes**

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Attention is invited to Circular No. 791/24/2004 dated 01.06.2004 and No. 52/1/2003 dated 11.03.2004 (modified by Circular No. 71/1/2004-ST dated 02.01.2004) prescribing the procedure for electronic filing of Central Excise and Service Tax returns. Attention is also invited to notification No.04/2010-Central Excise (NT) and No. 01/2010-ST both dated 19.02.2010 providing for mandatory electronic filing of Excise and Service Tax returns and payment of Excise Duty and Service Tax by all the assesseees who have paid Central Excise Duty or Service Tax of Rs.10 Lakhs or more (including payment by utilisation of Cenvat credit) in the previous financial year.

2. DG (Systems) has prepared comprehensive instructions outlining the procedure for electronic filing of excise and Service Tax return and electronic payment of taxes under ACES. The same is enclosed. The said instructions outline the registration process for new assesseees, existing assesseees, non-assesseees and for Large Taxpayers Unit assesseees, steps for preparing and filing of return, using of XML Schema for filing dealers' return, procedure for obtaining acknowledgement of E-filed return, procedure for E-payment etc. It is requested to sensitise concerned officers and trade and industry regarding the instructions.

3. As a large number of taxpayers would be required to file Excise and Service Tax return and to pay the taxes electronically, it is requested that trade and industry may be provided all assistance so as to help them in adopting the new procedure.

4. Field formations and trade/industry/service provider may also please be informed suitably.

5. Hindi version will follow.

### **9. Important Websites**

1. ACES [Automation in Central Excise and Service Tax] Website (<http://www.aces.gov.in/>)
2. EASIEST (Electronic Accounting System in Excise and Service Tax) website of CBEC, maintained by NSDL (<https://cbec.nsdl.com/EST/>)
3. CUSTOM E-Payment Gateway (CEG) at ICEGATE ([www.icegate.gov.in](http://www.icegate.gov.in))

### **10. Role of NSDL**

NSDL has provided the data screen for entry of challan details and validates the assessee code against the Assessee code master. It provides a secure link from its website to the websites of different banks participating in EASIEST project.

### 11. Role of Banks

- (1). Banks are authorized for collection of Central Excise Duty and Service Tax, Commissionerate wise. All banks may not be authorized for collection of Central Excise Duty and Service Tax for all Commissionerates. At the NSDL website, any registered assessee of any Commissionerate can enter the non-financial details and thereafter select any bank.
- (2). If the bank is authorized for collection for that Commissionerate, it will allow the assessee to complete the transaction (enter financial details), else not.
- (3). The website of participating banks will provide appropriate data entry screen for entry of payment details by the Assessee at their website in a secure mode.
- (4). They will also ensure that on completion of the transaction, the Assessee is allotted a unique Challan Identification Number (CIN) comprising of BSR code of the Internet Collection branch, the date of receipt and serial number of the electronic challan in that branch on that day.
- (5). The counterfoil displayed by the bank should be in line with the computerized acknowledgement generated in case of physical collection. (*Instructions were issued on this by the Pr. CCA, CBEC vide letter dated 11.01.2008*). In addition, the counterfoil should also contain the transaction ID and the time of payment.
- (6). Participating banks will ensure that on completion of the payment, the Assessee is able to download the taxpayer's counterfoil containing all the details presently being mentioned on the hard copy of the computerized acknowledgement.
- (7). The Banks will also print details of CIN and the transaction id in the customer's bank account statement/pass book so that the Assessee will have a permanent record of CIN details.
- (8). Banks should provide facility for re-generation of electronic challan counterfoil on the basis of transaction ID.
- (9). Banks should prominently display the following on their websites:
  - (a) detailed procedure for generation of electronic challan counterfoil;
  - (b) guidelines for the taxpayer on the action to be taken in case the electronic challan counterfoil is misplaced or the taxpayer is not able to generate or save the electronic challan counterfoil;
  - (c) procedure for re-generation of counterfoil and
  - (d) contact particulars viz; e-mail id and telephone no. for resolution of grievances with regard to e-payment.

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