



LETTER OF UNDERTAKING

-THE UNDERTAKING OF A NEW ACTION
BRINGS NEW STRENGTH.



What is the Letter of Undertaking under GST?

Letter of undertaking is the document that the user provides declaring fulfillment of all requirements under GST. It is furnished in case of export undertaken without paying IGST. Also, according to the Notification No. 37 /2017 – Central Tax It is mandatory to furnish LUT to export goods or services or both without paying IGST. If the exporter fails to provide the LUT, then he has to pay IGST or provide an export bond. Earlier LUT could only be filed offline at the concerned GST office. But to further ease the process the Government has made the LUT filing online

WHAT IS THE BENEFITS OF LUT IN GST?

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- **IMPROVED CASH FLOW**

Exporters can avoid upfront IGST payments, freeing up funds for other business needs

- **COMPETITIVE EDGE**

LUT equipped exporters can offer more competitive prices in international markets.

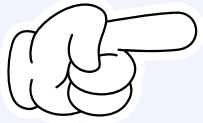
- **SIMPLIFIED PROCESS**

LUT streamlines the export process by eliminating the need for post-export tax refunds.

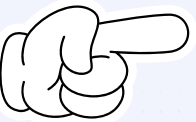




KEY POINTS TO KNOW ABOUT LUT IN GST



They may furnish a bond or Letter of Undertaking (LUT) without paying IGST fees. (Note: a LUT is valid only for one financial year. Exporters must apply for fresh LUTs yearly);



They may include payment for IGST and later claim a refund for the same

CONDITIONS FOR APPLYING TO AN LUT:

- **The person has not faced prosecution under the central goods & services tax act (CGST) or the integrated goods and services tax act (IGST) or any existing laws.**
- **The LUT must be provided on the official letterhead of the person registered under GST, and it should be furnished in duplicate for each financial year.**
- **The LUT is typically presented in the annexure to form GST RFD-II .**

ELIGIBILITY AND APPLICATION PROCESS



ALL EXPORTER SHOULD BE A REGISTERED TAXPAYPER UNDER GST

LUT PRIMARILY AVAILABLE FOR EXPORTERS TO FACILITATE THE EXPORT OF GOODS OR SERVICES WITHOUT PAYING IGST

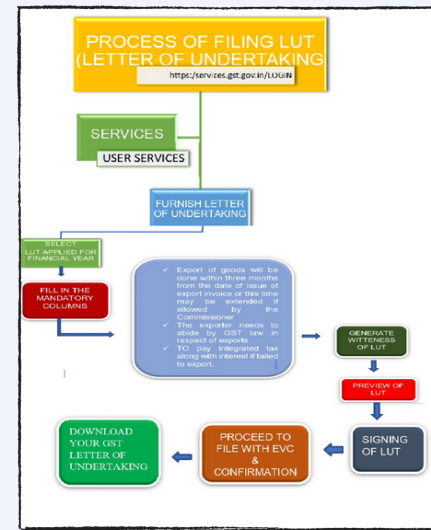
EXPORTER SHOULD HAVE NO PENDING TAX LIABILITIES OR ARREARS.

ENSURE COMPLIANCE WITH ALL TAX OBLIGATIONS BEFORE APPLYING FOR AN LUT

BUSINESS OWNER MUST HAVE A SATISFACTORY COMPLIANCE TRACK RECORD

PROCESS OF FILING LUT (LETTER OF UNDERTAKING)

1. Navigate to the GST Portal and sign in using your authorized credentials.
2. The "USER SERVICES" drop-down menu under "SERVICE TAB" offers the option to furnish a Letter of Undertaking (LETTER OF UNDERTAKING (LUT)).
3. You must next choose the financial year for which you want to file the letter of undertaking after choosing this option.
4. Next, attach a PDF of the LUT from the previous financial year, if applicable.



5. Next, include two witnesses' names, addresses, and occupations
6. The next step is to fill in the filing location. You can view a preview of the form after this process is finished.
7. The application can be signed using an electronic verification code or a recognized digital signature certificate. On the form, both options are present. The form cannot be changed after it has been signed and submitted.

