

अरुण जेटली
वित्त एवं कार्पोरेट कार्य मंत्री
भारत



D.O. No.450/32/2018-Cus-IV

Arun Jaitley

Minister of Finance and Corporate Affairs
India

Dated the 27 November, 2018


Dear Shri Prakash Javadekar Ji,

Kindly refer to your D.O. letter dated 15.02.2018 forwarding therein email of Shri Vidyadhar S. Purandare, Secretary, Software Exporters Associations of Pune (SEAP) regarding IGST and Customs duty exemption on import of capital goods as per existing provisions.

2. The issues referred in the aforesaid representation have been examined in the CBIC and point-wise reply has been prepared as per Broad Sheet attached herewith.

With regards

Yours sincerely,


(Arun Jaitley)

Shri Prakash Javadekar,
Minister of Human Resource Development,
Room No.3, 'C' Wing, 3rd Floor,
Shastri Bhawan,
New Delhi – 110 115.

Broad Sheet

S.No.	Issue	Comments
1	To continue giving at par status like SEZ units (to STPI/EOU/EHTP Units) in GST regime i.e. the duty exemption should continue.	The issue of providing exemption from GST to EOU/STP/EHTP has been examined in the Department of Revenue & it was decided not to extend exemptions of GST. However, a major relief to exporters supplying goods to EOUs has been notified as deemed export under Section 147 of CGST Act, 2017 vide Notification No.48/2017-Central Tax dated 18.10.2017.
2	The transition from current jurisdiction to Customs jurisdiction should be smooth & hassle free	For smooth transition, necessary steps were taken by CBIC so that the normal functioning is not interrupted. It has been very smooth and hassle-free transition post the introduction of GST.
3	Scrap earlier bond and procurement certificate procedure to avail duty exemption, wherever applicable (BCD & Cess) and request not to introduce new bond & procedure	The requirement of Procurement Certificate has been done away with simpler procedure contained in para-5 of Customs (Import of Goods at Concessional Rate of Duty) Rules, wherein only intimation is required to be given to jurisdictional AC/DC of Customs and to the AC /DC of port of importation. This is a simpler procedure of import than erstwhile procedure of getting Procurement Certificate issued from jurisdictional officer. Moreover, no new bond has been introduced and EOUs/STP/EHTP can use B-17 Bond already executed for such import. Circular No.29/2017-Customs dated 17.7.2017 clarifies the matter comprehensively.
4	Due to GST roll out & changes, shipment clearances at Mumbai Airport is delayed. Customs is penalizing units for no fault. A flat waiver on penalty should be provided.	Pursuant to GST implementation since 1.7.2017, ICES had been functioning erratically due to which trade had experienced difficulty in filing the Bills of Entry within the time period stipulated under Section 46 of the Customs Act, 1962 and Regulation 4(1) of the Bills of Entry (Forms) at Mumbai Customs Zone-III. As a measure of trade facilitation, a Facility Notice No. 10/2017 was issued wherein consignments having entry inward dated 1.7.2017 to 5.7.2017, there will be no charge on late presentation of Bill of Entry, which was further extended vide Facility Notice No.13/2017 dt. 14.7.2017 for consignments having entry inward date for the period from 6.7.2017 to 22.7.2017. Later on, late fee was waived if it was found that the delay was because of GST Registration, etc.
5	IGST and Customs Duty exemption on import of capital goods	The import of capital goods exempted from Customs Duty and IGST by Notification No.52/2003-Cus dated 31.3.2003 (as amended). The import of capital goods are exempted from customs duty and supply of goods to EOUs have been notified as deemed export under Section 147 of CGST Act, 2017 vide Notification No.48/2017-Central Tax dated 18.10.2017.