

F.No:DGEP/EOU/16/2018

Govt. of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes & Customs
Directorate General of Export Promotion

New Delhi, Dated the 24th April, 2018

To,

All Principal Chief Commissioners/ Chief Commissioners of Customs/Customs (Preventive)

All Principal Chief Commissioners/ Chief Commissioners of Central Tax and Central Excise

All Principal Commissioners/Commissioners of Customs/Customs (Preventive).

All Principal Commissioners/Commissioners of Central Tax and Central Excise

Madam /Sir,

Subject: Import by EOU/EHTP/STP/BTP without payment of duty by following Rule 5 of Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 - clarification regarding.

Representations have been received from EOUs regarding difficulties faced on imports due to requirement of submitting information to the DC/AC of Customs at the Custom Station of importation by way of forwarding a copy of such information by the Jurisdictional DC/AC of Customs under the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. It is further represented that due to recent reorganisation of Customs formations and associated administrative constraints, EOUs are not able to get approved/signed copy of said information from the Jurisdictional DC/AC of Customs in time, for submitting the said copy to the DC/AC of Customs at the Custom Station of importation for scheduled imports.

2. In order to clarify the issue, it is pertinent to broadly recall the procedure required to be followed by the EOUs as well as Custom officers under Rule 5 of Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. The EOUs are required to provide information in duplicate regarding estimated quantity and value of goods to be imported to Jurisdictional DC/AC of Customs. EOU is also required to submit one set of the said information to DC/AC of Customs at the Custom Station of importation who shall allow the benefit of exemption notification to the importer on the basis of said information provided to him. Thus, the Rule 5 of said rules, nowhere prescribes that information provided by EOU under sub-rule(1)(a) of said Rule 5 is required to be approved by Jurisdictional DC/AC of Customs on prior basis for imports. It appears that the misconception is arising out of wrong interpretation of sub-rule (3) of Rule 5 of the said rules

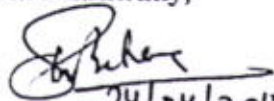
wherein it has been prescribed that the Jurisdictional DC/AC of Customs shall forward one copy of said information received from importer to DC/AC of Customs at the Custom Station of importation. However, this sub-rule nowhere makes this forwarded copy by Jurisdictional DC/AC of Customs a prerequisite for allowing duty free import by the DC/AC of Customs at the Custom Station of importation. Further sub-rule (4) of Rule 5 clearly mentions that DC/AC of Customs at the Custom Station of importation shall allow the benefit of exemption notification on receipt of copy of information from the importer under clause (b) of sub-rule (1) of said rule 5.

3. In view of above, it is again clarified that the importer EOU need not get prior approval of the information submitted under sub-rule(1)(a) of Rule 5 of Customs (import of Goods at Concessional Rate of Duty) Rules, 2017 from Jurisdictional DC/AC of Customs for duty free import at the Custom Station of importation. Information submitted to the DC/AC of Customs at the Custom Station of importation by EOU is sufficient for importing goods without payment of duty under exemption notification No. 52/2003-Customs dated 31-3-2003.

4. The Board further prescribes that Jurisdictional DC/AC of Customs of EOU/EHTP/STP/BTP shall ensure that the intimation received under sub-rule (1)(a) of Rule 5 of the said rules are properly scrutinized so that only eligible goods as prescribed under notification No. 52/2003-Customs dated 31-3-2003 as well as those eligible as per Letter of Permission (LOP) granted by Jurisdictional Development Commissioner are imported duty free by the EOUs. After prompt scrutiny, one copy of such information shall be forwarded to DC/AC of Customs at the Custom Station of importation as prescribed under sub-rule (3) of the Rule 5 of said rules. The DC/AC of Customs at Custom Station of importation would reconcile the Bill of Entry against which goods were imported duty free by EOU on receipt of such information from Jurisdictional DC/AC of Customs. In case of any discrepancies noticed, the DC/AC of Customs at Custom Station of importation would inform the Jurisdictional DC/AC of Customs for taking necessary steps to protect revenue.

5. Difficulties, if any, should be brought to the notice of the Board.
6. Hindi version follows.
7. This issues with the approval of Central Board of Indirect Taxes & Customs.

Yours faithfully,


(Saroj Kumar Behera) 24/04/2018
Joint Director