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Budget 2016-2017 Circular from TRU, Department of Revenue

[D.O.F.No. 334/8/2016- TRU dated 29.02.2016]

Commissioner (TRU) Letter to Principal Chief Commissioners/ Chief Commissioners and Principal Commissioners

A. Customs Changes

B. Excise Changes

A. Customs Changes

Chapter 1 to 7: No change

Chapter 8: 1) Basic Customs Duty on cashew nuts in shell [0801 31 00] is being increased from Nil to 5%. S. No.22 of notification No.12/2012-Customs, dated 17th March, 2012, as amended by notification No.12/2016-Customs, dated 1st March, 2016 refers.

Chapter 9 to 21: No change

Chapter 22: 1) Basic Customs duty on denatured ethyl alcohol (ethanol) [2207 20 00] is being reduced from 5% to 2.5% for manufacture of excisable goods, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012, as amended by notification No.12/2016Customs, dated the 1st March, 2016 [New S.No.96A] refers.

Chapter 23 to 24: No change

Chapter 25: 1) Basic Customs duty on Silica Sand [2505 10 11, 2505 10 12 and 2505 10 19] is being reduced from 5% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012, as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.109A] refers.

Chapter 26: 1) Export duty on Iron ore lumps (below 58% Fe content) [2601 11 21 and 2601 11 22] is being reduced from 30% to Nil and Iron ore fines (below 58% Fe content) [2601 11 41 and 2601 11 42] is being reduced from 10% to Nil. S.No.20A of notification No. 27/2011-Customs, dated 01.03.2011 as amended by notification No. 15/2016-Customs, dated 01.03.2016 refers.

2) Export duty on chromium ores and concentrates, all sorts [2610] is being reduced from 30% to Nil. Notification No. 27/2011-Customs, dated 01.03.2011 as amended by notification No. 15/2016-Customs, dated 01.03.2016 [new S. No.24BA refers]

3) Export duty on bauxite (natural), not calcined [2606 00 10] and bauxite (natural) calcined [2606 00 20] is being reduced from 20% to 15%. S.No.24A, 24B of notification No.27/2011Customs, dated 01.03.2011 as amended by notification No.15/2016-Customs, dated 01.03.2016 refers.

Chapter 27: 1) Basic Customs Duty on all goods falling under 2701, 2702 and 2703 is being rationalized at 2.5% BCD. Notification No. 12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated 1st March, 2016 [New S.Nos.121B, 121C] refer.

2) Basic Customs Duty on all goods falling under 2704, 2705 and

Crude Rises to \$37.07

Crude Oil (Indian Basket) from 02 – 08 March 2016

	2 Mar	3 Mar	4 Mar	7 Mar	8 Mar
(\$/bbl)	33.52	33.39	34.13	36.17	37.07
(Rs/bbl)	2269.60	2250.05	2295.93	2433.35	2495.94
(Rs/\$)	67.70	67.38	67.27	67.27	67.34

(Previous Trading Day Price)

Source: Ministry of Petroleum & Natural Gas

Released on 4 March

Now on Sale

ARUN GOYAL

BUDGET 2016-17 Edn.

BIG's EASY REFERENCE

CUSTOMS TARIFF



- Customs and Excise Changes (from TRU in CBEC)
- Make in India
 - Machinery Tariff Up 10% on 96 Lines
 - Self Certification Allowed in IGCR
 - Differential Duty on Mobile Chargers, Battery, Headsets, Computer Chips
 - SAD on Populated PCBs
- New Baggage Rules 2016
- Gold, Silver Dore Bars Duty Hike
- Minimum Import Price (MIP) on Steel
- Aluminium Duty Rises 7.5%
- Full Amendments with Commentary during One Year between Budget 2015 and New Budget 2016 with **Online Backup**
- Duty Exemptions in Each Heading
- Budget /amendments – Updated for 12 months since last Budget 2015
- All Amendments with Commentary with Online Backup
- Updated Import Policy in Each Tariff Line
- Updated Export Policy
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2706 is being rationalized at 5% BCD. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.121D] refers.

3) Basic Customs Duty on all goods falling under 2707 is being rationalized at 2.5% BCD. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.121E] refers.

4) Basic Customs Duty on all goods falling under 2708 is being rationalized at 5% BCD. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.121F] refers.

Consequently, S. No. 122, 122A, 123, 124, 124A, 125, 126, 126A, 126B and 126C are being omitted.

Chapter 28: 1) Actual user condition is being prescribed on concessional imports of phosphoric acid for the manufacture of fertilizers. S.No.151 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 refers.

2) Actual user condition is being prescribed on concessional imports of anhydrous ammonia for the manufacture of goods falling under Chapter 31 for use as fertilizers. S.No.152 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 refers.

3) Basic Customs duty on aluminium oxide [2818 20 90] for use in the manufacture of Wash Coat (3824 90 90), for catalytic converters is being reduced from 7.5% to 5% subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.371D] refers.

4) Basic customs duty on import of Medical Use Fission Molybdenum-99 by Board of Radiation and Isotope Technology (BRIT) for manufacture of radio pharmaceuticals is being reduced from 7.5% to Nil. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.163A] refers.

Chapter 29: 1) Basic Customs duty on all acyclic hydrocarbons and all cyclic hydrocarbons falling under 2901 and 2902 [except para-xylene (2902 43 00) which attracts Nil BCD (S.No.174) and styrene (2902 50 00) which attracts 2% BCD (S.No.175)] is being rationalized at 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [S.No.172A] refers. Consequently, S.No.173 is being amended and S.Nos.173A, 173B, 173C, 173D, 173E and 176 are being omitted.

2) Special Additional Duty (SAD) on orthoxylene [2902 41 00] for use in manufacture of phthalic anhydride is being reduced from 4% to 2%, subject to actual user condition. Notification No.21/2012-Customs, dated 17th March, 2012 as amended by notification No.16/2016-Customs, dated the 1st March, 2016 [new S.Nos.45AA] refers.

Chapter 30 to 38: No change

Chapter 39: 1) Basic Customs duty on Polypropylene granules / resins [3902] for the manufac-

ture of capacitor grade plastic films is being reduced from 7.5% to Nil, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [new S.No.238A] refers.

2) Basic Customs duty on Super Absorbent Polymer (SAP) [3906 90 90] for manufacture of goods falling under heading 9619 [sanitary towels, tampons, napkins, diapers etc.] is being reduced from 7.5% to 5%, subject to actual user condition. S.No.242 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [S.No.242] refers.

Chapter 40: 1) Basic Customs duty on Natural latex rubber made balloons [4016 95 90, 4016 99 90] is being increased from 10% to 20%. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. Further, Basic Customs duty of 10% is being retained for all goods other than natural rubber latex made balloons falling under tariff lines 4016 95 90, 4016 99 90.

Chapter 41 to 43: No change

Chapter 44: 1) Basic Customs duty on wood in chips or particles for manufacture of paper, paper-board and news print is being reduced from 5% to Nil subject to actual user condition. Since, there is no excise/CV duty on wood in chips or particles, this will also result in exemption from SAD on such wood chips/particles. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [new S.No.259A] refers.

Chapter 47: 1) Basic Customs duty on Pulp of wood [4701-4706] for manufacture of goods falling under heading 9619 [sanitary towels, tampons, napkins, diapers etc.] is being reduced from 5% to 2.5% subject to actual user condition. S.No.260 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 refers.

Chapter 48: 1) Basic Customs duty on Braille paper [4823 90 11] is being reduced from 10% to Nil. List 32 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 refers.

Chapter 49: 1) Exemption from Basic Customs duty on plans, drawings and designs is being withdrawn. Such goods will now attract 10% BCD. S. No. 275 of notification No.12/2012-Customs, dated 17th March, 2012 is being omitted by notification No. 12/2016-Customs, dated the 1st March, 2016.

Chapter 50, 52, 54, 55 or any other chapter:

1) Basic Customs Duty is being exempted on import of specified fabrics, of value equivalent to 1% of FOB value of exports in the preceding financial year, for manufacture of textile garments for exports, subject to the specified conditions. The entitlement for the month of March 2016 shall be one twelfth of one per cent. of the FOB value of exports in the financial year 2014-15. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [new S.No.284A] refers.

Chapter 51 and 53: No change

Chapter 54 and 55: 1) Basic Customs Duty on specified fibres, filaments/yarns is being reduced from 5% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [new S.No.290A] of refers.

Chapter 56 to 69: No change

Chapter 70: 1) Exemption from Basic Customs Duty is being withdrawn on solar tempered glass/ solar tempered (anti-reflective coated) glass for use in manufacture solar cells/modules/panels. Such solar tempered glass/solar tempered (anti-reflective coated) glass for use in manufacture solar cells/modules/panels will now attract 5% BCD, subject to actual user condition. S. No. 39 of Notification No.24/2005-Customs, dated 1st March, 2005 as amended by notification No. 19/2016-Customs, dated the 1st March, 2016 and Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No. 12/2016-Customs, dated 1st March, 2016 [new S.No.305A and Condition No. 5] refer.

2) Basic customs duty exemption is being withdrawn on preform of silica [Chapter 70] for use in manufacture of telecommunication grade optical fibre/cables. It will now attract 10% BCD. S.No.306 of Notification No.12/2012-Customs, dated 17th March, 2012 is omitted by notification No.12/2016-Customs dated 1st March, 2016 refers.

Chapter 71: 1) Basic Customs duty on imitation jewellery [7113] is being increased from 10% to 15%. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.

2) Concessional CVD on Gold dore bar is being increased from 8% to 8.75%. S. No 318 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No. 12/2016-Customs, dated the 1st March, 2016 refers.

3) Concessional CVD on Silver dore bar is being increased from 7% to 7.75%. S. No 320 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 refers.

Chapters 72 to 73: No Change

Chapter 74: 1) Basic Customs Duty on brass scrap [7402 00 22] is being reduced from 5% to 2.5% notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [new S.No.335C] refers.

Chapter 75: No change

Chapter 76: 1) Basic Customs duty on primary aluminium products [7601, 7603, 7604, 7605, 7606 and 7607] is being increased from 5% to 7.5%. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect.

2) Basic Customs duty on other aluminium products [7608 and 7609 00 00] is being increased from 7.5% to 10%. S. No. 339 of notification No. 12/2012-Customs as omitted by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

Chapters 77 to 78: No change

Chapter 79: 1) Basic Customs duty on zinc alloys [7901 20] is being increased from 5% to 7.5%. Clause 138 (j) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect.

Chapter 80 to 83: No change

Chapter 84 and 85: 1) Tariff rate of BCD is being increased from 7.5% to 10% on 206 specified tariff lines falling in Chapters 84 and 85. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. The effective rates for 96 specified tariff lines will be 10%.

Dear Reader:

The Weekly Index of Changes with World Trade Scanner Issue No. 50 is a combined issue, i.e., Issue No. 49 and 50 dated 2 March to 15 March 2016. – Editor

2) However, the effective rate for the remaining 110 tariff lines will continue to be 7.5%. S. No 422A to 422H of notification 12/2012- Customs as inserted by notification No. 12/2016 refers.

3) CVD exemption on specified machinery required for construction of roads is being withdrawn. S.No.368 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March 2016 refers.

2) Basic Customs duty on industrial solar water heater [8419 19 20] is being increased from 7.5% to 10%. Clause 138 (i) of the Finance Bill 2016 refers. Further, Basic Customs duty of 7.5% is being retained on other water heaters [with other than solar heating source] falling under 8419 19 20.

4) Basic customs duty is being exempted on specified raw materials for use in manufacture of Micro fuses, Sub-miniature fuses, Resettable fuses, and Thermal fuses. S .No. 93 & 190 of Notification No.25/99-Customs, dated 28th February, 1999 as amended by notification No. 17/ 2016- Customs dated 1st March, 2016 refers.

5) Further, Basic customs duty is also being exempted on specified capital goods for use in manufacture of Micro fuses, Sub-miniature fuses, Resettable fuses, and Thermal fuses. S.No. 64 of Notification No.25/2002-Customs, dated 1st March, 2002 as amended by notification No. 18/ 2016- Customs dated 1st March, 2016 refers.

6) Exemption from Special Additional Duty (SAD) is being withdrawn on populated printed circuit boards (PCBs) for manufacture of personal computers (laptop or desktop) including tablet computer. Such populated PCBs will now attract 4% SAD. S.No. 14A of Notification No.21/2012-Customs, dated 17th March, 2012 is being omitted by notification No. 16/2016- Customs dated 1st March, 2016 refers. All other goods for manufacture of personal computers (laptop or desktop) including tablet computer will continue to be exempt from SAD under S.No. 14D of Notification No.21/2012-Customs, dated 17th March, 2012.

7) Populated PCBs of mobile phone or tablet computer are being excluded from the purview of Nil SAD under S. No 1 of notification No 21/2012-Customs [which exempts SAD on item, which are exempt from BCD and CVD]. S. No. 1 of Notification No. 21/2012-Customs dated 17th March, 2012 as amended by notification No. 16/2016-Customs dated 1st March, 2016 refers. Simultaneously, 2% concessional SAD of is being prescribed on populated PCBs for use in manufacture of mobile phone or tablet computer, subject to actual user condition. Notification No. 21/2012-Customs dated 17th March, 2012 as amended by notification No.16/2016- Customs dated 1st March, 2016 [new S.No. 85A] refers.

8) Basic Customs Duty and Special Additional Duty (SAD) are being exempted on machinery, electrical equipments, other instruments and their parts [except populated Printed Circuit Boards] falling under chapter 84, 85, 90 for fabrication of semiconductor wafer and Liquid Crystal Display (LCD), subject to actual user condition. Notification No. 12/2012-Customs dated 17th March, 2012 as amended by notification No.12/2016-Customs dated 1st March, 2016 [new S.No. 372A] refers. Notification No. 21/2012-Customs dated 17th March, 2012 as amended by notification No. 16/2016- Customs dated 1st March, 2016 [new S.No. 82A] refers

9) Basic Customs Duty and Special Additional Duty (SAD) are being exempted on machinery, electrical equipments, other instruments and their parts [except populated PCBs] falling under chap-

ter 84, 85, 90 for assembly, testing, marking and packaging of semiconductor chips (ATMP), subject to actual user condition. Notification No. 12/ 2012-Customs dated 17th March, 2012 as amended by notification No. 12/2016- Customs dated 1st March, 2016 [new S.No.372B] refers. Notification No. 21/2012-Customs dated 17th March, 2012 as amended by notification No. 16/ 2016- Customs dated 1st March, 2016 [new S.No. 82B] refers.

10) Basic Customs Duty and CVD exemptions are being withdrawn on charger/Adapter, Battery and Wired Headsets/Speakers for use in manufacture of mobile handsets including cellular phone. S.No. 431 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No. 12/2016-Customs dated 1st March, 2016 refers and S.No. 39 of Notification No.24/2005-Customs, dated 1st March, 2005 as amended by notification No. 19/2016-Customs dated 1st March, 2016 refers.

11) Further, SAD exemption on charger/Adapter, Battery and Wired Headsets/Speakers for use in manufacture of mobile handsets including cellular phone is being withdrawn. S.No. 14D of Notification No.21/2012-Customs, dated 17th March, 2012 as amended by notification No. 16/2016-Customs dated 1st March, 2016 refers.

12) Further, Basic Customs Duty and Excise Duty [and thus CVD] are being exempted on inputs and parts for manufacture of charger/ adapter, battery and wired headsets/speakers of mobile handsets including cellular phone and inputs and sub-parts for use in manufacture of parts of charger/adapter, battery and wired headsets/speaker. Consequently, these goods will also be exempt from SAD, under S. No. 1 of Notification No. 21/2012-Customs. All these exemptions will be subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No. 12/ 2016-Customs dated 1st March, 2016 [new S. Nos. 431A to 431D] refers.

13) Basic Customs Duty and Excise Duty [and thus CVD] are being exempted on parts, components and accessories for use in the manufacture of Routers, broadband Modems, Set top boxes for gaining access to internet, set top boxes for TV, digital video recorder (DVR) / network video recorder (NVR), CCTV camera / IP camera, lithium ion battery [other than those for mobile handsets]. Further, Basic Customs Duty and Excise Duty [and thus CVD] are also being exempted on sub-parts for use in manufacture of parts, components and accessories of these Consumer Premise Equipments. Consequently, these goods will also be exempt from SAD, under S. No. 1 of Notification No. 21/2012-Customs. All these exemptions will be subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No. 12/ 2016-Customs; dated 1st March, 2016 [new S.Nos. 431E to 431K] refers.

14) Exemption from BCD under S. No. 372 of Notification No. 12/2012-Customs on specified telecommunication equipment [Soft switches and Voice over Internet Protocol (VoIP) equipment namely VoIP phones, media gateways, gateway controllers and session border controllers, Optical Transport equipment; combination of one / more of Packet Optical Transport Product/Switch (POTP/POTS), Optical Transport Network(OTN) products, and IP Radios, Carrier Ethernet Switch, Packet Transport Node (PTN) products, Multiprotocol Label Switching-Transport Profile (MPLS-TP) products, Multiple Input / Multiple Output (MIMO) and Long Term Evolution (LTE)

IGCR Rules Amended – One Hand Gives but the Other Hand Takes Away

The existing Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996 are being substituted with the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2016 with a view to simplify the rules, including allowing duty exemptions to importer/manufacturer based on self-declaration instead of obtaining permissions from the Central Excise authorities. Need for additional registration is also being done away with. The new Rules will be effective from 01.04.2016.

Specific provision for disposal of un-utilized or defective imported goods was six months which is reduced to 3 months under Rules 5 and 7. It is not possible to consume or dispose off all the inputs within three months or even in six months. There is a production cycle which depends upon many factors. In any case, under Rule 6(3) of the said Rule, a quarterly return is being submitted to the Excise Commissioner where plans are being drawn up on a dynamic basis. So there is sufficient control in the hands of the Department. Micro management of inventories will not, in our opinion, serve much purpose.

Further, Continuity Bond with Surety, Security should be replaced by simple undertaking. With this transaction and compliance cost will be cut. [Editor]

Products] is being withdrawn. S.No 372 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.12/2016-Customs; dated 1st March, 2016 refers.

15) Basic Custom Duty is being withdrawn on Magnetic - Heads (all types), Ceramic / Magnetic cartridges and stylus, Antennas, EHT cables, Level meters/level indicators/ tuning indicators/ peak level meters/ battery meter/VC meters / Tape counters, Tone arms and Electron guns. Items (4), (5), (7), (9), (10), (11) and (17) of List 21 of Notification No.12/2012-Customs, dated 17th March, 2012 as omitted vide notification No. 12/ 2016-Customs, dated 1st March, 2016 refers.

16) Basic Customs Duty exemption on LCD (Liquid Crystal Display), LED (Light Emitting Diode) or OLED (Organic LED) panels is being restricted to imports for manufacture of TVs, subjected to actual user condition. S.No. 432 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No. 12/2016-Customs, dated 1st March, 2016 refers.

17) Basic Customs Duty is being exempted on Neodymium Magnet (before Magnetization) [8505 11 90] and Magnet Resin (Strontium Ferrite compound/before formed, before magnetization) [3824 90 32] for use in manufacture of BLDC motors, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No. 12/2016- Customs dated 1st March, 2016 [new S.No. 230B] refers.

18) Basic Customs Duty exemption on E-Readers [8543] is being withdrawn. They will now attract BCD of 7.5%. S.No.433A of notification No.12/ 2012-Customs, dated 17th March, 2012 as omitted by notification No. 12/2016-Customs, dated the 1st March 2016 refers. Also, Basic Customs

duty on parts and raw material for manufacture of E-readers is being reduced to 5% subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March 2016 [new S.No. 433C] refers.

19) Nil Basic Custom Duty is being extended to magnetron of capacity above 1KW but not exceeding 1.5 KW used for the manufacture of domestic microwave ovens. S. No. 433 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

20) Basic Customs Duty, CVD and Special Additional Duty (SAD) are being exempted on Foreign Satellite data on storage media [Heading 8523] imported by National Remote Sensing Centre (NRSC), Hyderabad. Notification No. 12/2012-Customs, dated 17th March, 2012 as amended vide notification No. 12/2016- Customs, dated 1st March, 2016 [new S. No. 428B] refers.

21) Basic Custom Duty is being reduced from 2.5% to Nil on electrolyzers, membranes and their parts required by caustic soda / potash unit based on membrane cell technology. S.No.417 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

Chapter 86: 1) Basic Customs duty on refrigerated containers [8609 00 00] is being reduced from 10% to 5%. Notification No. 12/2012-Customs as amended by notification No. 12/2016-Customs, dated 1st March, 2016 [new S.No. 435A] refers.

Chapter 87: 1) Basic Customs duty on golf cars [8703] is being increased from 10% to 60%. S. No. 441 of notification No.12/2012-Customs as omitted by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

2) The validity period of exemption granted to specified goods for the use in the manufacture of electrically operated vehicles and hybrid vehicles is being extended without time limit. Clauses (g) and (h) of proviso to notification No. 12/2012-Customs, as omitted by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

3) The description "Engine for HV (Atkinson cycle)" appearing in S. No. 440 of notification No 12/2012-Customs is being changed to "Engine for xEV (hybrid electric vehicle)". Notification No. 12/2012-Customs as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

4) The entry of 6% appearing in column 5 of Sl. No. 439 and 440 of notification No. 12/2012Customs is being omitted. Notification No. 12/2012-Customs as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers. 6% Concessional CVD on imports will, however, continue by virtue of 6% concessional excise duty under S. No. 296 and 297 of the Notification No. 12/2012-Central Excise dated 17.03.2012.

Chapter 88: 1) Basic Customs duty on tools and tool kits for maintenance, repair, and overhauling of aircraft are being exempted. Further, the procedure for availment of the customs duties exemption under S.No.448 of notification No.12/2012-Customs, dated 17.03.2012 is being simplified. Moreover, the restriction of one year for utilization of duty free parts [as also the testing equipment, tools and tool kits] for maintenance, repair and overhaul of aircraft is being done away with. S.No.448 and Condition No.73 of notification No.12/2012-Customs, dated 17.03.2012 as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

2) S.No.448 of notification No.12/2012-Customs,

dated 17.03.2012 prescribes Nil CVD. There is a corresponding excise duty exemption under S.No. 305 of notification No.12/2012Central Excise, dated 17.03.2012. S.No.448 of notification No.12/2012-Customs is amended so as to remove CVD exemption prescribed therein. CVD exemption, however, will flow from the excise duty exemption under S.No. 305 of notification No.12/2012Central Excise, dated 17.03.2012. S.No.448 of notification No.12/2012-Customs, dated 17.03.2012 as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

3) The existing condition of stay of foreign aircraft, for maintenance repair and overhaul, upto 60 days is being relaxed, so as to provide for stay up to 6 months of the foreign aircraft for maintenance, repair or overhaul, which can be further extended by DGCA as deemed fit. Such aircrafts are also being allowed to carry passengers in the flights at the beginning and end of the stay period in India, but not during the stay period for maintenance, repair or overhaul, servicing. New S.No.448A and Condition No.73A of notification No.12/2012Customs, dated 17.03.2012 as inserted by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

4) Notification No. 72/94-Customs dated 01.03.1994 provides for import of repaired or overhauled parts of aircraft under exchange / advance exchange as per Standard Exchange Scheme. This notification is being superceded by notification No. 23/2016 – Customs dated 1st March, 2016 so as to provide also for import of aircraft parts for repair or overhaul and for export of repaired or overhauled parts of aircraft under said scheme.

Chapter 89: No change

1) The procedure for availment of exemption from Basic Customs Duty, CVD and SAD by ship repair units is being simplified, by omitting the Condition No.79 under S.No.459A of notification No.12/2012-Customs, dated 17.03.2012. Such imports will now be subject to actual used condition. S.No.459A of notification No.12/2012-Customs, dated 17.03.2012 as amended notification No. 12/2016-Customs, dated 1st March, 2016 refers.

2) CVD is exempted under S.No.459A of notification No.12/2012-Customs, dated 17.03.2012. This CVD exemption is being withdrawn. It will now be available by way of an excise duty exemption, under new S. No. 305A, as inserted in notification No.12/2012-Central Excise, dated 17.03.2012, vide amending notification No. 12/2016-Central Excise, dated 01.03.2016.

Chapter 90: 1) Tariff rate of BCD is being increased from 7.5% to 10% on 5 specified tariff lines falling in

Chapter 90. Clause 138 (j) of the Finance Bill refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. However, the effective rates for 5 tariff lines are being maintained at 7.5%. Notification No.12/2012- Customs as amended by notification No. 12/2016 [new S. No. 422I] refers.

Chapter 91 to 94: No change

Chapter 95: 1) Basic Customs duty on natural latex rubber made balloons [9503 00 90, 9505 10 00 & 9505 90 90] is being increased from 10% to 20%. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. Further, Basic Customs duty of 10% is being retained for all goods other than natural

rubber latex made balloons falling under tariff lines 9503 00 90, 9505 10 00 & 9505 90 90.

Chapter 96 to 97: No change

Chapter 98: 1) Concessional 5% BCD is being extended to „cold chain including pre-cooling unit, packhouses, sorting and grading lines and ripening chambers also. S.No. 41 of Notification No. 42/96-Customs, dated 23.07.1996 as amended vide notification No. 21/2016- Customs, dated 1st March, 2016 refers. Consequently, the Project Import Regulations, 1986 is also being amended suitably. Notification No.20/2016-Customs, dated 1st March, 2016 refers.

2) Duty free allowance for bonafide gifts is being increased from Rs. 10,000 to Rs. 20,000. Notification No.171/1993-Customs, dated 16th September, 1993 as amended by notification No. 13/2016-Customs, dated the 1st March, 2016 refers.

Miscellaneous:

1) Disposable sterilized dialyzer and micro barrier [Chapter 84 or 90] of artificial kidney is being exempted from BCD, excise / CVD, and SAD. CVD exemption will flow from excise exemption. Notification No.12/2012- Customs as amended by notification No. 12/2016 [new S. No. 418A] refers.

2) S.No.9, 9A, 10, 10A, of the notification No.39/96-Customs, dated 23.07.1996 are being omitted with effect from 01.04.2016. Consequently, with effect from 01.04.2016, direct imports by Government of India or State Governments [under S. Nos. 9 and 10] will attract customs duties at applicable rates. Similarly, with effect from 01.04.2016, imports [under S.Nos. 9A and 10A] will also attract BCD. Notification No. 39/96-Customs, dated 23.07.1996 as amended by notification No. 14/2016-Customs, dated the 1st March, 2016 refers.

3) S.Nos.356, 358, 359, 359A and 360 of notification No.12/2012-Customs, dated 17.03.2012 which exempt BCD and CVD on specified goods imported for petroleum exploration under various types of licenses or mining leases, pre-NELP contracts, NELP contracts, Marginal Fields Policy and the Coal Bed Methane Policy are being merged into a single new S.No.357A. Also, the list of specified goods is being unified into a single List 34 and the conditions are also being unified into a single Condition No. 40A. Further, the said exemption is being extended on imports of goods required for exploration & production of hydrocarbon activities undertaken under Petroleum Exploration Licenses (PEL) or Mining Leases (ML) issued or renewed before 1st April 1999 also. Notification No.12/2012Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs dated 1st March, 2016 [new S.No.357A] refers

Consequently, S.Nos.356, 358, 359, 359A and 360; Condition Nos.41, 43 and 44; and List 13 and 14 are being omitted.

4) In case of power generation project based on municipal and urban waste, valid agreement between producer of power with urban local body for processing of municipal solid waste for not less than ten years from the date of commissioning of project is being prescribed for availing customs and excise duty concessions as an alternative to the existing condition of "production of valid power purchase agreement between the importer/producer of power and the purchaser, for the sale and purchase of electricity generated using non-conventional materials". Notification No.81/2005-Customs, dated 8th September, 2005 as amended by notification No. 22/2016-Customs, dated 1st March, 2016 refers.

B. Excise Changes

Chapter 65 to 70: No change

Chapter 71: 1) Basic Excise Duty of 1% (without Cenvat Credit) and 12.5% (with Cenvat Credit) is being imposed on Articles of Jewellery [excluding articles of silver jewellery, other than those studded with diamonds, ruby, emerald or sapphire]. S. No. 199 of Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 refers.

2) SSI threshold exemption for Articles of Jewellery [excluding articles of silver jewellery, other than those studded with diamonds, ruby, emerald or sapphire] is being increased to Rs. 6 crore in a year, with an eligibility limit of Rs. 12 crore in the preceding financial year. For the month of March, 2016, the SSI exemption for such articles of jewellery is being restricted to Rs. 50 lakh. Notification No. 8/2003-Central Excise, dated 1st March, 2003 as amended by notification No. 8/2016-Central Excise dated 1st March, 2016 refers.

3) Optional centralized registration is being extended to manufacturers of Articles of Jewellery [excluding articles of silver jewellery, other than studded with diamonds, ruby, emerald or sapphire]. Notification No. 5/2016-Central Excise (N.T.) dated 1st March, 2016 refers.

4) Requirement of post registration physical verification for manufacturers of Articles of Jewellery [excluding articles of silver jewellery, other than studded with diamonds, ruby, emerald or sapphire] is being done away with. Notification No. 35/2001-Central Excise (N.T.), dated 26th June, 2001 is being amended suitably by notification No. 6/2016-Central Excise (N.T.) dated 1st March, 2016 refers.

5) Basic Excise duty on Gold Bars manufactured from gold ore or concentrate; gold dore bar and silver dore bar is being increased from 9% to 9.5%. S. No. 189 of Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 refers.

6) Basic Excise duty on Gold bars and gold coins of purity not below 99.5%, produced during the process of copper smelting is being increased from 9% to 9.5%. S. No. 191 (i) of Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 refers.

7) Basic Excise duty on silver manufactured from silver ore or concentrate; silver dore bar and gold dore bar is being increased from 8% to 8.5%. S. No. 190 of Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 refers.

8) Basic Excise duty on silver in any form, except silver coins of purity below 99.9%, produced during the process of copper smelting is being increased from 8% to 8.5%. S. No. 191 (ii) of Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by Notification No. 12/2016-Central Excise dated 1st March, 2016 refers.

9) Basic Excise duty on silver produced during the process of zinc or lead smelting is being increased from 8% to 8.5%. S. No. 191A of Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 refers.

Chapters 72 to 75: No Change

Chapters 76: 1) Aluminium foils of a thickness not exceeding 0.2 mm [7607] are being notified under section 4A of the Central Excise act for the purpose of assessment of Central Excise duty with reference to the Retail Sale Price with an abatement of 25%. Notification No. 49/2008-Central Excise (N.T.) dated 21.12.2008 as amended by notification No. 12/2016-Central Excise (N.T.) dated 1st March, 2016 [new S. No. 64A] refers. The Third Schedule to the Central Excise Act, 1944 is also being amended so as to include therein all goods falling under Chapter heading 7607. Clause 142 (i) of the Finance Bill, 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect.

2) The excise duty structure on 'disposable aluminium foil containers' is being changed from '2% without CENVAT credit and 6% with CENVAT credit' to '2% without CENVAT credit and 12.5% with CENVAT credit'. S. No. 53 of notification No. 2/2011-Central Excise dated 01.03.2011 as amended by notification No. 10/2016-Central Excise, dated 1st March, 2016 refers.

Chapter 77 to 83: No change

Chapter 84 and 85: 1) Basic Excise Duty on 5 specified parts required for the manufacture of centrifugal pump is being reduced from 12.5% to 6%, subject to actual user condition. Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by Notification No. 12/2016-Central Excise dated 1st March, 2016 [New S. No. 235A] refers.

2) Accessories of goods falling under tariff item 8426 41 00, heading 8427, 8429 and subheading 8430 10 are being included for the purposes of RSP based assessment of excise duty. S. No. 109 of Notification No. 49/2008-Central Excise (N.T.), dated 24th December, 2008 as amended vide notification No. 12/2016-Central Excise (N.T.), dated 1st March, 2016 and Clause 142 (i) of the Finance Bill, 2016 refer.

The Third Schedule to the Central Excise Act, 1944 is also being amended so as to include therein these accessories. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this change will come into force with immediate effect.

3) Wrist wearable devices (commonly known as 'smart watches') [8517 62] are being notified for the purposes of RSP based assessment of excise duty with an abatement of 35%. Notification No. 49/2008-Central Excise (N.T.), dated 21.12.2008, as amended by notification No. 12/2016-Central Excise (N.T.) dated 1st March, 2016 [new S. No. 87A] refers.

The Third Schedule to the Central Excise Act, 1944 is also being amended so as to include therein such wrist wearable devices (commonly known as „smart watches). Clause 142 (i) of the Finance Bill, 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this change will come into force with immediate effect.

4) Excise duty exemption is being withdrawn on charger/adaptor, battery and wired headsets/speakers for use in manufacture of mobile handsets including cellular phones. S. No. 272 of Notification No. 12/2012-Central Excise, dated 17th March,

2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 refers.

5) Excise duty of „2% without CENVAT credit / 12.5% with CENVAT credit is being prescribed for charger/adaptor, battery and wired headsets/speakers, for manufacture of mobile handsets including cellular phone, subject to actual user condition. Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 [new S. Nos. 263B, 263D, 263F, 263H] refers.

6) Further, excise duty is being exempted on inputs and parts for use in manufacture of charger/adaptor, battery and wired headsets/speakers of mobile handsets including cellular phone. Excise duty is also being exempted on inputs and sub-parts for use in manufacture of parts of charger/adaptor, battery and wired headsets/speaker of mobile handsets including cellular phone. These exemptions are subject to actual user condition. Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended vide notification No. 12/2016-Central Excise dated 1st March, 2016 [new S. Nos. 263C, 263E, 263G, 263I] refers.

7) Excise duty of „4% without CENVAT credit / 12.5% with CENVAT credit is being prescribed for the following Consumer Premise Equipments (CPEs).

(i) Routers [tariff item 8517 69 30]

(ii) Broadband Modems [tariff item 8517 62 30]

(iii) Set-top boxes for gaining access to internet [tariff item 8517 69 60]

(iv) Reception apparatus for television but not designed to incorporate a video display [tariff item 8528 71 00]

(v) Digital Video Recorder (DVR)/Network Video Recorder (NVR) [tariff item 8521 90 90]

(vi) CCTV Camera/IP Camera [tariff item 8525 80 20]

(vii) Lithium-ion batteries, other than those for mobile handsets including cellular phones [tariff item 8507 60 00]

Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 [new S. Nos. 262A, 263J, 263L, 263N, 263P, 263R, 263T] refer.

8) Further, excise duty is being exempted on parts, components and accessories for use in manufacture of Routers, broadband Modems, Set-top boxes for gaining access to internet, set top boxes for TV, digital video recorder (DVR) / network video recorder (NVR), CCTV camera / IP camera, lithium ion battery [other than those for mobile handsets]. Further, Excise Duty is also being exempted on sub-parts for use in manufacture of parts, components and accessories of the aforesaid Consumer Premise Equipments. These exemptions are subject to actual user condition. Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended vide notification No. 12/2016-Central Excise dated 1st March, 2016 [new S. Nos. 262B, 263K, 263M, 263O, 263Q, 263S, 263U] refer.

Chapter 86: 1) Basic Excise duty on all goods falling under 8607 (parts of railway or tramway locomotives or rolling stock) and 8608 (railway or tramway track fixtures and fitting, etc.) is being reduced to 6%. Notification No. 12/2012-Central Excise as amended by notification No. 12/2016-

Central Excise, dated 1st March, 2016 [new S. No.272A, 272B] refers.

2) Basic Excise duty on refrigerated containers [8609 00 00] is being reduced from 12.5% to 6%. Notification No.12/2012-Central Excise as amended by notification No.12/2016-Central Excise, dated 1st March, 2016 [new S. No. 272C] refers.

Chapter 87: 1) The validity period of concessional excise duty of 6% granted to specified goods for the use in the manufacture of electrically operated vehicles and hybrid vehicles is being extended without time limit. First proviso to notification No. 12/2012-Central Excise, as omitted by notification No. 12/2016 dated 1st March, 2016 refers.

2) The description "Engine for HV (Atkinson cycle)" appearing in S. No. 297 of notification

No. 12/2012-Central Excise is being changed to "Engine for xEV (hybrid electric vehicle)". Notification No. 12/2012-Central Excise as amended by notification No. 12/2016-Central Excise, dated 1st March, 2016 refers.

3) An Infrastructure Cess, as a duty of excise, is being imposed on motor vehicles falling under heading 8703. Clause 159 read with the Eleventh Schedule of the Finance Bill, 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this Cess will come into force with immediate effect. The effective rates of the Infrastructure Cess are being prescribed vide notification No. 1/2016-Infrastructure Cess dated 1st March, 2016, as under:

a) Nil on :

i. Three wheeled vehicles, ii. Electrically operated vehicles, iii. Hybrid vehicles, iv. Hydrogen vehicles based on fuel cell technology, v. Motor vehicles which after clearance have been registered for use solely as taxi (subject to prescribed conditions), vi. Cars for physically handicapped persons (subject to prescribed conditions), and vii. Motor vehicles cleared as ambulances or registered for use solely as ambulance (subject to prescribed conditions);

b) 1% on Petrol/LPG/CNG driven motor vehicles of length not exceeding 4m and engine capacity not exceeding 1200cc;

c) 2.5% on Diesel driven motor vehicles of length not exceeding 4m and engine capacity not exceeding 1500cc;

d) 4% on all categories of motor vehicles other than those listed at (a), (b) and (c) above;

Further, the Cenvat Credit Rules are being amended to provide that CENVAT credit cannot be utilised for payment of this Infrastructure Cess. Further, no credit of this Cess would be available under the Cenvat Credit Rules, 2004. Notification No.13/2016-Central Excise (N.T.) dated 01.03.2016 refers.

4) Accessories of certain vehicles falling under Chapter 87 are being included for RSP based assessment. S. No. 108 of Notification No.49/2008-Central Excise (N.T.), dated 24th December, 2008 as amended vide notification No.16/2016-Central Excise (N.T.), dated 1st March, 2016 refers. Third Schedule to the Central Excise Act, 1944 is also being amended so as to include therein such accessories. Clause 142(i) of the Finance Bill, 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this change will come into force with immediate effect.

Chapter 88: 1) Excise duty on tools and tool kits for maintenance, repair, and overhauling of aircraft is being exempted. Further, the exemption under S.No.305 of notification No.12/2012-Central Excise, dated 17.03.2012, is being made subject to actual user condition, along with simplified procedure.

Chapter 89: 1) Excise duty on Capital goods and spare thereof, raw materials, parts, material handling equipment and consumable for repairs of ocean-going vessels by a ship repair unit is being exempted subject to actual user condition. New S.No.305A of notification No.12/2012-Central Excise, dated 17.03.2012 as inserted by notification No.12/2016-Central Excise, dated 1st March, 2016 refers.

Chapter 90 to 93: No change

Chapter 94: No change

1) Solar lamp [tariff item 9405 50 40] is being exempted from excise duty. List-8 of Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended vide notification No.12/2016-Central Excise dated 1st March, 2016 refers.

Chapter 95 to 96: No change

[Full text available at worldtradesScanner.com]

Domestic Passengers who Board International Flights in Domestic Leg not Required to File Customs Baggage Declaration Form

Subject: Dispensing of Customs Baggage Declaration Form for domestic passengers.

08-CBEC Kind reference is invited to
08.03.2016 minutes of the meeting taken
(DoR) by Chairman, CBEC, on
19.12.2015 of Principal

Commissioners/ Commissioners of major airports and other officers issued under F. No. 520/43/2015-Cus VI dated 23.12.2015. It was decided in the said meeting that the Customs Declaration form which is prescribed for the domestic passengers travelling along with international passengers in the international flight flying in its domestic leg would be dispensed herewith.

2. Pursuant to the aforesaid decision it is once again reiterated that the domestic passengers who board international flights in the domestic leg are not required to file the Customs Baggage declaration form.

3. Chief Commissioners of Customs are requested to ensure that the decision is implemented strictly at all airports.

SVBs to the Customs formations / Appraising groups must be sent by 30th June 2016, under intimation to Chief Commissioner, DGoV, RMD and the importer.

3. In cases where a change in circumstances surrounding the sale has been stated in the declaration (Annexure 2), the SVB inquiries shall be initiated in terms of the procedure stated in circular 5/2016 dated 9th February 2016 by serving upon the importer questionnaires at Annexure A and Annexure B. If EDD is being obtained in such cases, the same shall be reviewed and the sequence provided in para 3.2 of the circular no. 5/2016 dated 9th February 2016 shall be followed.

Pending SVB Investigations

4. All pending SVB investigations (other than renewal cases), where Extra Duty Deposit is being obtained are required to be reviewed in terms of para 3.2 of the circular no. 5/2016 dated 9th February 2016. In cases, where the importer has provided information & documents, requisitioned by the SVB, EDD shall be discontinued forthwith. This exercise shall be completed by 31st May 2016.

4.1 In cases, where EDD has been enhanced to 5%, due to the importer not having provided information or documents necessary for SVB inquiries, the Commissioner shall immediately take recourse to appropriate provisions under the Customs Act for obtaining the necessary documents for investigations and subsequently dispense with the EDD.

5. Chief Commissioners / Principal Commissioners / Commissioners having jurisdiction over the existing SVB at Bangalore, Chennai, Delhi, Kolkata, and Mumbai shall draw up an action plan for completing investigations in all pending cases, forthwith. Where required, additional officers may be deputed to complete pending investigations. Pendency should be brought down by 10% in each month so that all existing cases (com-

New Procedure for Renewal of SVB Orders

New Format for One-time Declaration in Cases Pending Renewal by SVB

Sub: Procedure for renewal of SVB orders and ongoing SVB inquiries under circular no. 11/2001-Cus dated 23rd February 2001.

04-CBEC The Board has comprehensively
09.02.2016 revised instructions for the
(DoR) examination of related party
transactions and those involving
royalty, licence fee etc. vide circular no. 5 /2016
dated 9th February 2016. In view thereof, the Board
has decided that the following procedure shall be
followed with respect to pending SVB cases
initiated in terms of circular 1/98 – Cus dated
1.1.98 & 11/2001-Cus dated 23.2.2001 and those
involving renewal of SVB orders.

2. In order to facilitate quick disposal of cases currently pending with SVBs for **renewal**, a system of one-time declaration is being provided. Importers, in respect of whom SVB orders are pending renewal, shall submit to the jurisdictional SVB, a declaration in the prescribed formats

(Annexure 1 & 2) by 31st May 2016.

2.1 Each SVB shall maintain a consolidated record of such declarations and allot a reference no. to each declaration received. The SVB shall provide to the importer a duly acknowledged receipt of the declaration.

2.2 The SVBs shall promptly scrutinize the declarations and in cases where the importer files declaration in Annexure 1, the process of renewal would be treated as dispensed with. The SVB shall immediately inform the Custom stations where provisional assessments have re-started due to the process of renewal to immediately discontinue obtaining Extra Duty Deposit and finalize the related provisional assessments, without any further reference to the importer.

2.3 In all such cases, the communication from the

menced upto 31.12.2015) are disposed of latest by 31.10.2016.

6. In so far as the procedure for completing pending SVB investigations, instructions contained in circular no. 5 / 2016 dated 9th February 2016 shall be followed.

Annexure – 1

(One-time Declaration in lieu of pending renewal by SVB)
(on the letterhead of the importer)

To,
Commissioner of Customs (Bengaluru, Chennai, Delhi, Kolkata, Mumbai
(as applicable)

I (*Name of the person*), (*Designation*), of M/s (*Name of Company*) do hereby declare & confirm that, –

- (i) This declaration is in relation to the SVB order (s) - in- original No. _____ dated _____
 - (ii) We have made an application for renewal of SVB orders on _____ (date) to _____ (customs House)
 - (iii) During the period _____ (date of issue of order) to _____ (date of declaration),
 - (a) there are no changes in the circumstances surrounding the sale of the goods between us and our related supplier (s).
 - (b) there is no change to the terms & conditions contained in the agreement (s) between us and our related supplier (s).
 - (c) we have not entered into an agreement with any new related supplier or their associates since the issuance of the earlier SVB order
 - (d) there is no change in rate of Royalty payment or Licence Fee / or any other payment made to the supplier of imported goods.
 - (e) There are no post-import price adjustments with our supplier.
- The above statements are true and correct to the best of my knowledge.
Company Seal

(Signature of Authorised Representative)/
Director (Finance)/CFO
Name:
Designation:
Tel no. / email:

Annexure – 2

(One time Declaration in lieu of pending renewal by SVB)
(on the letterhead of the importer)

To,
Commissioner of Customs
Bengaluru, Chennai, Delhi, Kolkata, Mumbai (as applicable)

I (*Name of the person*), (*Designation*), of M/s (*Name of Company*) do hereby declare & confirm that, –

- (i) This declaration is in relation to the SVB order (s) - in- original No. _____ dated _____
- (ii) We have made an application for renewal of SVB orders on _____ (date) to _____ (customs House)
- (iii) During the period _____ (date of issue of order) to _____ (date of declaration*),
- (a) there is a change in the circumstances surrounding the sale of the goods between us and our related supplier (s)
- (b) there is a change to the terms & conditions contained in the agreement (s) between us and our related supplier (s).
- (c) We have entered into a new agreement with our existing related supplier / new related supplier / or their associates
- (d) there is a change in the rate of royalty payment / licence fee / or other payment being made to the supplier of the imported goods.
- (e) There are post-importation price adjustments with our supplier.

(*Please strike out, which ever are not applicable; please provide supporting documents in respect of (a) to (e), as applicable)

The above statements are true and correct to the best of my knowledge.
Company Seal

(Signature of Authorised Representative)/
Director (Finance)/CFO
Name:
Designation:
Tel no. / email:

Exchange Rates for Customs Valuation

Rupee Gains 95 Paise against Dollar to Rs. 68 w.e.f. 4 March; Euro by Rs. 2.95 to Rs. 74.10

36-Cus(NT) 03.03.2016 (DoR) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in super session of the notification of the Central Board of Excise & Customs No. 29/2016-CUSTOMS (N.T.), dated the 18th February, 2016, except as respects things done or omitted to be done before such supersession, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa*, shall, **with effect from 04th March, 2016**, be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo.	Currency	Imported Goods		Exported Goods	
		Current	Previous	Current	Previous
Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees					
1.	Australian Dollar	49.95	49.65	48.55	48.40
2.	Bahrain Dinar	184.35	186.90	173.70	176.20
3.	Canadian Dollar	50.85	50.60	49.80	49.55
4.	Danish Kroner	9.95	10.35	9.70	10.05
5.	EURO	74.10	77.05	72.30	75.20
6.	Hong Kong Dollar	8.75	8.85	8.60	8.70
7.	Kuwait Dinar	230.75	235.15	218.05	222.45
8.	Newzeland Dollar	45.70	46.20	44.35	45.00
9.	Norwegian Kroner	7.90	8.10	7.70	7.90
10.	Pound Sterling	96.05	98.95	93.90	96.75
11.	Singapore Dollar	48.90	49.25	47.90	48.25
12.	South African Rand	4.45	4.55	4.20	4.30
13.	Saudi Arabian Riyal	18.50	18.75	17.50	17.75
14.	Swedish Kroner	7.95	8.15	7.75	7.95
15.	Swiss Franc	68.50	69.80	66.80	68.05
16.	UAE Dirham	18.90	19.15	17.85	18.10
17.	US Dollar	68.00	68.95	66.95	67.90
18.	Chinese Yuan	10.45	10.60	10.20	10.40
Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees					
1.	Japanese Yen	59.90	60.70	58.55	59.35
2.	Kenya Shilling	68.40	69.15	64.65	65.35

[F.No.468/01/2016-Cus.V]

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