



KAPWING

***Customs (Import of Goods at Concessional Rate of Duty)
Amendment Rules 2021***

Overview:

The Finance Minister had in their speech announced that **The Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (IGRC, 2017)** amended to boost trade facilitation

This Rules may be called **The Customs (Import of Goods at Concessional Rate of Duty) Amendment Rules, 2021 (IGRC, 2021)** w. e. f. 02nd February 2021.

To Create an enabling environment for the promoting manufacturing by domestic industry to make them competitive globally and make them self-reliant in furtherance of the goal of Atmanirbhar Bharat.

The **new facility of carrying out job work** under the ambit of IGCR has been introduced

● Pillars of IGCR

Import of Goods at Concessional Rate of Duty (IGCR)

- Import of Goods under Notification No. 50/2017 dated 30-06-2017
- Conditions for Jobbing under Notification No. 32/97 dated 01-04-1997

Notification No. 50/2017 date 30-06-2017

It is a principal notification issued by the Government of India, Ministry of Finance to import the goods at concessional rate of duty.	Tariff Item Code – Identify the HSN for import of goods under this notification
	Estimation- Estimate regular & concessional customs duty on import of goods
	Bond & BG- Estimate bond value and execute bond & bank guarantee @5% on bond value with customs
	Intimation- Intimate customs officer regarding arrival of imported goods at factory premises in writing.
	Quarterly Return- File quarterly return with customs department
	Release BG- Release BG from customs department after expiring the period of bond

Notification No. 32/97-Cus. dated 01-04-1997

Importer avails the benefit of exemption on the goods imported into India from the whole of customs duty subject to following conditions, namely :-

Goods are imported for execution of export order placed on the importer by the supplier of goods for jobbing

Goods imported, including resultant products are re-exported to the supplier of goods

Goods are utilized only for discharge of export obligation.

FOB value of resultant products exported is at least 10% more than the CIF value of all goods imported.

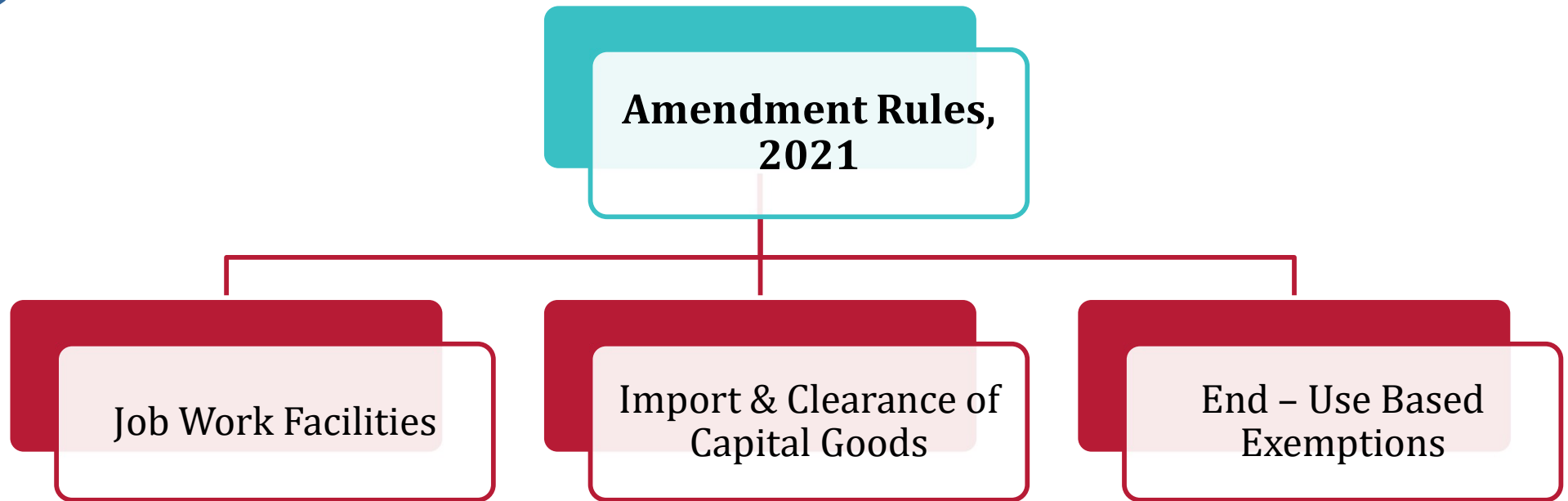
Imports and exports are undertaken through sea-port & airport mentioned in Notification 32/97 dated 01-04-1997.

The goods being imported are not prohibited items specified in the ITC- HS as declared by the Govt. of India, the Ministry of Commerce.

New Amendment - Advantages



Amendment:



Advantages:

Imported goods have been permitted to be sent out for job work.

Importers who do not have any manufacturing facility can now avail the IGCR, 2017 to import goods at concessional customs duty.

Major incentive now provided is to allow those who import capital goods at a concessional customs duty to clear them in the domestic market on payment of duty and interest at a depreciated value

Intimations and records for availing the concessional customs duty can be sent by email to the jurisdictional customs officer thereby obviating any physical interface

100% outsourcing for manufacturing of goods on job-work basis has been permitted for importers who do not have any manufacturing facility at all.

● Job-Work



All importers and / or manufacturers are now allowed to get finished goods (100% outsource) and intermediate goods (partial outsource) manufactured on job-work basis.

Few sensitive sectors like gold, jewellery and articles thereof, and other precious metals or stone have been excluded from this facility. Refer Rule 6A of the IGCRD Rules



● Clearance of Capital Goods

- Importers are now given an option to import Capital Goods for specified purpose at concessional rate.
- Importers can clear the imported Capital Goods in the domestic market after use on payment of applicable customs duties along with interest on the depreciated value, with due permission of the jurisdictional Customs officer. Refer Rule 7(3) of the IGCRD Rules.

Comprehensive Procedure for import of goods under Concessional Rate of Duty

- Prior information provide to jurisdictional Asstt. Commissioner of Customs for import of goods i. e. HSN, Goods Description, Estimated Qty, etc.,
- Estimate the value of goods to be imported and foregone customs duty on it.
- Execute continuity bond of estimated value with 5% surety (Bank Guarantee)
- Forward one set of bond acceptance from jurisdictional custom office to Custom Station of importation.
- Intimate to jurisdictional Asstt. Commissioner of Customs for import of goods from Customs Station to manufacturing place.
- Manufacture the final goods at manufacturer place only and maintain the record of all activity.
- File the custom return quarterly as per format given in Notification 68/2017-Customs (N.T.) dated 30th June 2017.
- Release the bond from Customs after completing the bond period or bond value whichever is earlier.

New Form Format :

“Form

[See rule 6(3)]

QUARTERLY RETURN

Return for the quarter ending _____

Sl. No.	Bill of Entry No. and date	Description of goods imported at concessional rate	Opening balance on the 1st day of the quarter	Details of goods imported/ consumed/ reexported/ cleared during the quarter										Specified purpose for procuring the goods at concessional rate of duty.	Goods manufactured during the quarter/Output service provided	Whether the goods used for specified purpose or not and in case of export, specify the quantity exported with details of Tax Invoice/ Shipping Bill”.	
				Value of goods received	Quantity of goods received	Total of column (4) and (6)	Quantity consumed for the intended purpose	Quantity sent to the job worker challan No. wise	Quantity consumed during job work for the intended purpose	Quantity received back from the job worker (challan No. wise)	Quantity re-exported	Quantity cleared in to the domestic market	Closing balance on the last day of the quarter				Description
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)

Important Notifications, Circular:

The Important Notifications, Circular are quoted below-

- Notification No. 32/97 – Customs date 01-04-1997**
- Notification No. 68/2017 – Customs (N.T.) Date 30-06-2017**
- Notification No. 09/2021 – Customs (N.T.) Date 01-02-2021**
- Circular No. 10/2021 – Customs date 17-05-2021**
- Notification No. 50/2017 date 30-06-2017 (Amended on 11-02-2021)**

How can we help you?

Pre-approval Stage & Pre-Production Application

- Determining the quantum of benefits under IGCR - 2021 Rules for presenting before the management
- Assisting in preparation of various documents i. e. Duty saved working, Bond & BG, etc.,
- Process off-line application under the said Rule.

Final Stage

- Intimate to Dy./Asstt. Commissioner of Customs for the goods to be imported for job work
- Preparation of application, submission and obtaining Bond & BG approval from the Jurisdictional Officer of Customs.
- Final Approval forwards to port officer for information/record

Post Approval Stage

- Intimate to Dy./Asstt. Commissioner of Customs for imported goods for job work
- Preparation and submission of quarterly returns of customs with Jurisdictional officer of customs
- Redeem Bond & release BG from Customs

THANK YOU

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