

F.No. 450/28/2016-Cus-IV
Government of India
Ministry of Finance
Department of Revenue
(Central Board of Indirect Taxes & Customs)

North Block, New Delhi.
Dt: 17th of May, 2021

To,

All Principal Chief Commissioners/ Chief Commissioners of Customs/ Customs
(Preventive),
All Principal Chief Commissioners/ Chief Commissioners of Customs & Central tax,
All Principal Commissioners/ Commissioners of Customs/ Customs (Preventive),
All Principal Commissioners/ Commissioners of Customs & Central tax,

Madam/Sir,

Subject: Changes introduced through the Customs (Import of Goods at Concessional Rate of Duty) Amendment Rules, 2021- reg.

Reference is drawn to the Customs (Import of Goods at Concessional Rate of Duty) Amendment Rules, 2021 notified vide Notification No. 09/2021-Customs (N.T.), dated 02.02.2021 so as to make certain amendments in existing Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (hereinafter referred to as "IGCR Rules, 2017") that took effect from 2nd February, 2021.

2. The aforementioned Amendment Rules have been introduced in view of the demands from the trade and industry and having regard to their changing needs as per prevalent global practices. The amendments are also an effort towards creating an enabling environment for the promoting manufacturing by domestic industry to make them competitive globally and also make them self-reliant in furtherance of the goal of Atmanirbhar Bharat.

3. The major changes brought in vide the said Amendment Rules, 2021, are highlighted as below:

Job Work:

3.1 The facility of carrying out job work under the ambit of IGCR has been introduced.

3.2 The scope of the job work facility has been extended to an importer who is a manufacturer but without complete manufacturing facility. Also, 100% out-sourcing for manufacture of goods on job-work basis has been permitted for importers who do not have any manufacturing facility at all. However, sensitive sectors such as gold, articles of jewellery and other precious metals or stones have been excluded from the facility of job work.

Import and clearance of capital goods:

- 3.3 An option has been given to the importers to import capital goods for a specified purpose at a concessional rate of duty and after having put such capital goods to use for the said purpose, clear the same after payment of the differential duty and interest, at a depreciated value, with permission from the jurisdictional Customs Officer.

Bringing more end-use based exemptions under the ambit of IGCR Rules, 2017:

- 3.4 At present, there are certain end-use based exemptions in Notification No. 50/2017-Customs, dated 30.06.2017 which are being administered without the need to follow the procedure set out under the said IGCR Rules, 2017. With an intention to bring forth uniformity in the procedures for end-use based exemptions, the condition of compliance of the said IGCR Rules, 2017 is being provided for certain entries and these have already been notified by amending the said Notification.

4. Procedure to be followed by an importer

For the sake of clarity, the procedure set out in the IGCR Rules, 2017 is summarised as follows:

One time - Prior Intimation of intent to avail IGCR Benefit:

- 4.1 An importer who intends to import goods at a concessional rate of duty shall give a one-time prior information of such goods being imported to the Customs Officer under whose jurisdiction, his premises fall (jurisdictional Customs Officer). He shall also furnish -
- (a) the name and address of the premises of the importer and his job worker, if any;
 - (b) the CTH, nature and description of imported goods used in the manufacture of goods at the premises of the importer or the job worker, if any;
 - (c) the CTH and description of goods produced or process undertaken at the manufacturing facility of the importer and/or his job worker, if any, or both
 - (d) nature of output service rendered utilising imported goods.” (refer rule 4).
- 4.2 The importer is required to submit a one-time continuity bond, to cover all the imports undertaken under this procedure. It is clarified that an importer can store goods temporarily at any premises not owned by the importer, prior to their utilisation at the premises where manufacturing takes place, provided that the details of such premises are included in the prior information to be furnished. Also at all such times, the goods must remain under the control of the *importer* [refer rule 4 and para 4.1(a) above].

Intimation before import:

- 4.3 As and when the details are available, the importer shall provide information to the jurisdictional Customs Officer regarding the estimated quantity and value of goods to be imported, the exemption notification and serial number, the

estimated duty forgone and the port of import with respect to a consignment. This information may be provided by email on a consolidated basis for a period not exceeding one year rather than in a transactional manner for every import (*refer rule 5*).

Clearance of goods from the port of import:

- 4.4 The importer shall also provide a copy of the intimation provided to the jurisdictional Customs Officer (*refer para 4.3 above*) to the port of import. It is clarified that, for this purpose it is sufficient to upload such intimation copy on e-Sanchit and link the same along with the other documents when filing the bill of entry. On this basis, the goods shall be allowed clearance at a concessional rate of duty.

Receipt of goods at premises of importer/job worker:

- 4.5 The receipt of the imported goods is to be intimated to the jurisdictional Customs Officer. It is clarified that, goods may also be sent directly to the premises of a job worker and in such cases, importer shall intimate by email such receipt of goods to the jurisdictional Customs Officer (of the jobworker) along with the copy provided to the jurisdictional customs officer (of the importer).(*refer rule 6*).

Goods sent for job work from importer's premises:

- 4.6 In cases where the goods are first received at the premises of the importer and are then to be sent for job work therefrom, the importer shall send the goods after giving an email intimation to the jurisdictional Customs Officer. Such intimation may be given periodically job worker wise, latest by 5th of each month for the goods sent for job work in the previous month. The importer shall always maintain a proper account of the goods being sent or received.
- 4.7 In such intimation, the following details shall be included:
- (a) the name, address, GSTIN (or PAN) details of the job worker,
 - (b) the CTH, description and quantity of goods being sent, and
 - (c) nature and description of the job work to be carried on the imported goods.
- 4.8 The importer shall send such goods to the premises of the job worker under a challan, specifying the description and quantity of the goods. The challan number and date shall also be specified in the intimation given to the jurisdictional customs officer (*refer rule 6A*).
- 4.9 The jurisdictional Customs Officer (of the importer) shall forward a copy of such intimation received, to the Customs Officer under whose jurisdiction, the premises of the job worker are located. The maximum period for which the goods can remain with the job worker shall be six months from the date of issue of challan.

Receipt of goods from the job worker:

- 4.10 After the completion of job work, there can be three instances-
- (a) the goods are received back in the premises of the importer, or,
 - (b) the goods are cleared directly from the premises of the job worker, or
 - (c) the goods are sent by the job worker to another job worker.

In the first two instances (a) and (b), the same may be updated in the account maintained by the importer and subsequently shown in the quarterly returns [refer rule 6(2) and rule 6(3) and paras 4.14 and 4.15 below].

In the third instance (c), the goods may be sent to another job worker against a challan. As against the challan number with which the goods were sent to the job worker, the job worker shall also send the goods back to the importer or to another job worker, as the case may be, against a separate challan or with the same challan of the principal manufacturer itself, duly endorsed by him [refer sub-clause (7) of rule 6A].

Re-Export or clearance for home consumption:

- 4.11 An importer shall utilise the imported goods for the intended purpose or re-export the same, within a period of six months from the date of import, failing which the importer is liable to payment of duty with interest, as per the procedure laid out in the said IGCR Rules [refer rule 7(1) and 7(2)].
- 4.12 In the case the importer intends to clear the unutilised or defective goods on payment of requisite duty and interest, the import duty payable would be equal to the difference between the duty leviable on such goods but for the exemption availed and that already paid, if any, at the time of importation, along with interest at a rate as fixed by notification under section 28AA. The period for calculation of interest would start from the date of import of such goods and end with the date of actual payment [refer rule 7(2)].

Quarterly return and maintenance of account

- 4.13 The importer shall also submit a quarterly return by the tenth day of the following quarter, in the form prescribed, to the jurisdictional Customs Officer [refer rule 6(3)]. The following details are to be furnished in the quarterly return according to each bill of entry in the form provided in the annexure to the said IGCR Rules, 2017-
- (a) Description of goods imported;
 - (b) Opening balance of goods at the beginning of the quarter;
 - (c) Details of goods imported, consumed, re-exported or cleared in the quarter including -
 - (i) the quantity and value of goods imported
 - (ii) the quantity of goods consumed for intended purpose
 - (iii) quantity of goods sent to job worker
 - (iv) quantity of goods received from job worker
 - (v) quantity of goods re-exported
 - (vi) quantity of goods cleared in domestic market
 - (vii) closing balance at the end of the quarter
 - (d) specified purpose for import of goods at concessional rate;
 - (e) goods manufactured or output service provided in the quarter;
 - (f) whether goods were used for the intended purpose.
- 4.14 The importer shall also maintain an account giving the following details, according to bills of entry –
- (a) The quantity and value of goods imported;
 - (b) Quantity of goods consumed;

- (c) Quantity of goods sent for job work;
- (d) Nature of job work carried out;
- (e) Quantity of goods received after job work;
- (f) Quantity of goods re exported, if any;
- (g) Quantity remaining in stock.

This account shall be produced to the jurisdictional Deputy /Assistant Commissioner of Customs as and when required by the said officer [refer rule 6(2)].

- 4.15 The job-worker shall also maintain an account giving details of:
- (a) receipt of goods;
 - (b) manufacturing process undertaken;
 - (c) waste generated during the process, if any.

This account shall be produced to the jurisdictional Customs Officer, as and when required by the said officer.

5. Any importer or the job worker who contravenes the provisions of these rules shall be liable to a penalty as prescribed in the said rules (refer rule 8A). It is clarified that, this is in addition to any other action taken under the Customs Act, 1962 for recovery of duties.

6. The Directorate General of Systems, CBIC, is in the process of automating and facilitating online submission of compliances prescribed in the rules through the ICEGATE portal, thereby obviating the need for furnishing paper based documents to the Customs Officer. Meanwhile, in order to facilitate the trade, it is proposed to route all the intimations and other communications specified in the said IGCR Rules, 2017, as amended, vide e-mail to the Customs Officers concerned. The list of officers overseeing IGCR rules, 2017 along with their e-mail has been made available on https://www.cbic.gov.in/htdocs-cbec/home_links/enquiry-points-home.

7. Suitable Trade Notices/ Standing Orders may please be issued to guide the trade and industry. Difficulty, if any, faced in implementation, may be brought to the notice of Board immediately.

Yours faithfully,



(Ananth Rathakrishnan)
Deputy Secretary (Customs)