

Circular No. 26/2024-Customs

F.No. 524/20/2024-STO(TU)
Government of India
Ministry of Finance
Department of Revenue
(Central Board of Indirect Taxes & Customs)

North Block, New Delhi.

Dated: 21.11.2024

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 Director Generals/Director Generals under CBIC

Subject: Clarifications on the applicability of concessional duty under IGCR Rules, 2022 in certain instances-reg.

Madam/Sir,

Kind reference is invited to the Notification No. 74/2022-Customs (N.T.) dated 09.09.2022 and Circular No. 18/2022-Customs dated 10.09.2022 regarding Customs (Import of Goods at Concessional Rate of Duty) Rules, 2022 as amended.

2. Representations have been received in the Board regarding the issues related to the applicability of concessional duty under IGCR Rules, 2022 for MOOWR Scheme. The issues have been examined and the same are clarified as below:

Simultaneous availment of IGCR along with MOOWR:

3.1 Doubts have been raised on the availment of IGCR benefit for the warehoused goods taken for manufacturing simultaneously with the duty deferment under MOOWR and being cleared to DTA or removed to SEZ or to another MOOWR unit.

3.2 In this regard, this aspect has already been clarified under Question 17 of FAQs^[1] on MOOWR which is reproduced as follows:

“The eligibility to export benefits under FTP or IGCR would depend upon the respective scheme. If the scheme allows, units operating under Section 65 has no impact on the eligibility. In other words, a unit operating under Section 65 can avail any other benefit, if the scheme allows.”

3.3 It is once again re-iterated that, the MOOWR unit may avail IGCR exemption along with duty deferment under MOOWR simultaneously, provided that the importer undertakes to comply with the additional conditions prescribed in the Concessional Notification and IGCR Rules therein including time-limit etc., in addition to MOOWR stipulations for those goods while supplying goods from its premises.

Applicability of IGCR benefit in certain cases:

4.1 Doubt has been raised about the availability of IGCR benefit for the MOOWR unit involving in import certain goods specified in the notification for value-addition by way of manufacturing under MOOWR and further supplies the value-added goods to the final manufacturer of cellular mobile phones. This doubt has arisen especially in reference to the Notification No. 57/2017-Cus dated 30.06.2017, as amended wherein, at a few entries/serial numbers such as 5C to 5E, description of goods is mentioned including the expression “*for use in manufacture of cellular mobile phones*”.

4.2 It may be noted that, CBIC Instruction 16/2024-Customs dt. 25.06.2024 already clarifies the procedure to be adopted for import of goods by a unit in compliance with the provisions of MOOWR and transfer of resultant goods to another unit. Further, there is a clear documentation involving transfer and periodical accountal by the MOOWR units.

4.3 Accordingly, it is clarified that the expression “*for use in manufacture of cellular mobile phones*” is intended to convey that the component should be used in manufacturing process for cellular mobile phones. This does not mean that the components should be imported by manufacturer of cellular mobile phones. Therefore, the goods being imported by the intermediate goods manufacturer who is MOOWR unit for further supplying after some manufacturing/ value addition to the final manufacturer of Cellular mobile phones are duly eligible for the benefit of concessional rate of duty under IGCR Rules, 2022, as long as all other conditions are met.

5. Suitable Public Notice may kindly be issued for guidance of the trade. Any difficulties faced or doubts arising in the implementation of this Circular may please be brought to the notice of Board.

6. Hindi version follows.

Yours faithfully



(Jitender Singh)
STO (Tariff Unit)

^[1] <https://www.cbic.gov.in/entities/cbic-content-mst/MTUwMDA%3D>