

No-K-43013(16)/1/2021-SEZ
 Government of India
 Ministry of Commerce & Industry
 Department of Commerce
 SEZ Division

Udyog Bhavan, New Delhi
 Dated 5th February, 2021

To,
 All Development Commissioners
 Special Economic Zones

Subject: One time waiver of Custom Duty as well as inspection requirement in case of de-bonding of IT/ ITeS units in SEZs and exemption on filing of BOE for goods sold by IT/ITeS SEZ unit which were initially procured on payment of duty and not used for authorised operations.

Sir,


I am directed to refer to the subject mentioned above and to state that representation has been received in this Department from NASSCOM on the subject mentioned above and the same was examined and with the approval of competent authority following has been decided:

SI No.	NASSCOM recommendation	Remarks
(A)	<p>Introduce a one - time waiver on the custom duty as well as inspection requirement.</p> <p>As part of the current de - bonding process, physical inspection of duty - free goods is done by the authorities to ascertain tax liability depending upon the remaining life of such equipment. Given the fact that majority of employees are working from home using the duty - free assets, the requirement of physical inspection of duty - free assets would lead to significant operational and administrative burden for the units.</p> <p>Considering the short shelf life and high depreciation value for IT assets, we suggest that government should consider one - time waiver of custom duty and inspection requirement on such IT assets, to expedite the process of surrendering SEZ benefits</p>	<p>As part of exiting from SEZ scheme under rule 74 of SEZ Rules, physical inspection of duty free goods is done by the SEZ Customs officers to ascertain tax liability depending upon the remaining life of such equipment. The exiting IT/ITES SEZ Unit may opt for simple payment of duty without inspection subject to the condition that they produce all relevant import and other documents of goods to establish their identity and to avoid requirement of physical inspection of duty free goods.</p>

(B)	<p>Goods imported / procured by IT / ITES SEZ unit on payment of applicable duties and are not used for authorised operations are allowed to sold to DTA without payment of customs duty and without filing bill of entry for home consumption as per Rule 49 (4) (a) read with proviso to Rule 48 (3) of SEZ Rules, 2006.</p> <p>However, AO / SO are insisting to file bill of entry for home consumption with nil duty even for DTA sale of goods as such which were initially procured on payment of applicable duties and not used for authorised operations.</p> <p>Instructions may be issued to the effect that filing of BOE is not required for goods sold by SEZ unit which were initially procured on payment of duty and not used for authorised operations.</p>	<p>If an IT/ITES SEZ Units procured goods from DTA and supplied back to DTA under the provisions of Rule 48(3) of SEZ Rules, 2006, the movement of the goods may be done on the basis of invoice only and filing of bill of entry in such cases is not required.</p> <p>Whereas if an IT/ITES units import goods into SEZ after paying applicable duty and further clear it into DTA under Rule 49(4) (a) of SEZ rules, 2006 it would amount to import into DTA as per Customs act, thus, mandating the filing of Bill of Entry in such cases.</p>
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2. DCs are requested to keep above mentioned points before considering above proposal of IT/ITES unit under their jurisdiction.
3. This issues with the approval of competent authority.

Yours faithfully,



(Sumit Kumar Sachan)

Under Secretary to the Govt. of India

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NASSCOM