

OFFICE OF THE COMMISSIONER
CENTRAL EXCISE & SERVICE TAX COMMISSIONERATE
CHANDIGARH –I
PLOT No. 19, SECTOR 17-C, CHANDIGARH

दूरभाष सं. Telephone No. (0172) 2721103

फैक्स सं. Fax No. (0172) 2705924

व्यापार सूचना सं. 02/2014/C.E TRADE NOTICE NO. 02/2014/C.E

विषय/SUB: - Exemption from Special Additional Duty of Customs (SAD) on goods cleared from the SEZ/FTWZ into the DTA-Clarification-reg.

उपर्युक्त विषय पर केन्द्रीय उत्पाद एवं सीमा शुल्क बोर्ड, राजस्व विभाग, वित्त मंत्रालय, भारत सरकार की फा.सं. 354/261/2013-TRU से जारी परिपत्र सं. 44/2013-Customs, दिनांक 30.12.2013, की प्रति व्यापार एवं क्षेत्रीय संगठन को सूचना एवं मार्गदर्शन हेतु इसके साथ संलग्न की जाती है।

A copy of Circular No. 44/2013-Customs, dd dated 30.12.2013 from F. No. 354/261/2013-TRU.6 issued by the Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, Government of India, on the above subject matter, is enclosed herewith for information and guidance for the trade and field formations.

2) सभी व्यापार संघ/वाणिज्य मण्डल एवं क्षेत्रीय सलाहकार समिति/ लोक शिकायत निवारण समिति के सदस्यों से अनुरोध किया जाता है कि वे इस व्यापार सूचना की अंतर्वस्तु को अपने सदस्यों / संघटकों की सूचना एवं आवश्यक कार्यवाही हेतु उनके ध्यान में लाएँ / प्रचार करें।

2) All the Trade Associations / Chambers of Commerce and members of the RAC/PGRC are requested to publicize the contents of this Trade Notice amongst their Members/Constituents for information and necessary action.

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20/01/2014
[P.S.Sodhi]
COMMISSIONER

संलग्नक Encl. यथोपरि As above.

फा.सं. F.No.IV(16) Tech/Trade Notice/50/2012

दिनांक Dated: 20 .01.2014

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Superintendent (Tech)

F.No.DGEP/SEZ/32/2011
F.No.354/261/2013-TRU
Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit

New Delhi, the 30th December, 2013

To,

Chief Commissioners of Customs (All),
Chief Commissioners of Central Excise and Customs (All),
Director General, Directorate General of Revenue Intelligence,
Commissioners of Customs (All),
Commissioners of Central Excise and Customs (All).

Madam/Sir,

Subject: Exemption from Special Additional Duty of Customs (SAD) on goods cleared from the SEZ / FTWZ into the DTA – Clarification – Regarding.

It has been brought to the notice of the Board that varying practices are being followed by the field formations regarding exemption from SAD on goods cleared from SEZs / Free Trade Warehousing Zones (FTWZ) into the DTA under notification No.45/2005-Customs, dated 16.05.2005. The issue raised is whether the benefit of exemption from SAD under this notification would be available when a DTA unit imports goods and routes it through SEZ / FTWZ for self-consumption i.e. in the nature of stock transfer from SEZ / FTWZ.

2. The matter has been examined by the Ministry. Notification No. 45/2005-Customs, dated 16.05.2005 exempts from SAD goods cleared from SEZ / FTWZ and brought into DTA. The notification clearly states that the exemption shall not be available if such goods, when sold in DTA, are exempt from payment of sales tax / VAT. Prior to the issue of notification, it was brought to the notice of the Ministry that in some States sales tax is exempted in respect of DTA clearances by SEZ units. Further, in certain cases, such as stock transfer of goods from an SEZ unit to its unit in the DTA, no sales tax is levied. Hence, a condition was imposed that the exemption from SAD would be available only if such goods, when sold in the DTA, are not exempted from VAT/ sales tax. The intention was to avoid double taxation.

3. In the case of clearances which are in the nature of stock transfer from SEZ / FTWZ unit to the DTA unit for self-consumption i.e. otherwise than for sale as such, no sales tax / VAT is leviable on such a transaction. As no sales tax / VAT is leviable on the said transaction, SAD is payable.

4. In view of the above, it is clarified that the benefit of SAD exemption on goods cleared from the SEZ / FTWZ unit into DTA unit on stock transfer basis for self-consumption i.e. otherwise than for sale as such, is not available under notification No.45/2005-Customs, dated 16.05.2005. In such cases, SAD would be leviable.

5. Trade Notice/Public Notice may be issued to the field formations and taxpayers.

6. Difficulties faced, if any, in implementation of this Circular may be brought to the notice of the Board.

(P.K. Mohanty)
Joint Secretary (TRU)