



भारत सरकार
Government of India
वित्त मंत्रालय, राजस्व विभाग
Ministry of Finance, Department of Revenue
सीमा शुल्क आयुक्त (निवारक) का कार्यालय
Office of the Commissioner of Customs (Preventive)

पूर्वोत्तर क्षेत्र



North Eastern Region
सीमा शुल्क भवन 110 एम . जी. रोड शिलांग . 793001
Custom House, 110 M. G. Road, Shillong - 793001
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Trade Notice No. 02/2020
Dated Shillong the 11th February 2020

Subject: Levy and Collection of Social Welfare Surcharge (SWS) on imports under various schemes such as Merchandise Exports from India Scheme (MEIS), Services Exports from India Scheme (SEIS) etc.

Attention of all concerned is brought to the Levy and Collection of Social Welfare Surcharge (SWS) on imports made and present practice regarding its debit through duty credit scrips such as MEIS, SEIS etc. of the Foreign Trade Policy (FTP) as enunciated by CBIC Circular No. 02/2020-Customs dated 10.01.2020.

2. As per Section 110 of the Finance Act, 2018, SWS is levied and collected, on the goods imported into India, as a duty of Customs on the goods specified in the First Schedule to the Customs Tariff Act, 1975. The SWS is calculated at the rate of 10% on the aggregate of duties, taxes and cesses which are levied and collected under Section 12 of the Customs Act, 1962. This surcharge is in addition to any other duties of Customs or tax or cess chargeable on imported goods.
3. The duty credit scrips issued under schemes such as MEIS, SEIS etc. are granted as rewards/incentives for exporters under the respective FTP. As per Para 3.02 of the Foreign Trade Policy 2015-20, these scrips can be used for payment of BCD and Additional Customs Duty specified under section 3(1), 3(3) and 3(5) of the Customs Tariff Act, 1975 for import of inputs or goods and for payment of Central Excise duties on domestic procurement of inputs or goods. The relevant Customs exemption notifications also allow debit of BCD and Additional Duties of Customs in the duty credit scrips. It is to mention that the debit of SWS through duty credit scrip is not envisaged in the FTP and the exemption notifications.
4. Further, as per para 3.15 of the FTP, BCD paid through debit in the duty credit scrip is allowed to be adjusted for duty drawback. Duties debited in duty credit scrips are taken into account while determining the All Industry Rates and Brand Rate of duty drawback. Similarly, Additional Customs Duty paid on imported goods and Central Excise duty paid on Drawback. Hence duty credit scrips are only a mode of payment of duty and not an exemption from duty even though the use of the said scrip is governed by an exemption notification.

5. In this regard, Hon'ble Supreme Court in judgement dated 06.12.2019 (supra), clarified that SWS is not exempted and has to be levied and collected on the imported goods.
6. Therefore, there is no exemption from SWS in FTP and the relevant Customs exemption notification and SWS has to be levied and collected on the imported goods.
3. As per past practice, SWS was being allowed to be debited in the duty credit scrips along with Basic Customs Duty and Additional Duties of Customs. However, in view of the current judgement it has emerged that SWS cannot be debited through duty credit scrips and therefore has to be paid by the importer in cash.
4. With regard to the past cases of debits of SWS already made in duty credit scrips, it has been decided that for ensuring ease of doing business, such past cases should not be disturbed and the payments made through debit in duty credit scrips may be accepted as revenue duty collected. Recoveries in cash should not be insisted for these cases.
5. Difficulties faced, if any, in implementation of this Notice may be brought to the notice of this office.


[जी. एम. कामेई / G. M. Kamei]
आयुक्त / Commissioner

SPEED POST

C. No.VIII(48)06/CUS/TECH/MISC/2018/16865-24 LA)

Date-

19 FEB 2020

Copy for information to:-

1. The Chief Commissioner, CGST & Customs, Guwahati zone.
2. The Deputy/Assistant Commissioner, Customs Division, Agartala/Aizawl/Dhubri/Dimapur/Guwahati/Imphal/Karimganj/Shillong .with a request to bring to the notice of all concerned in their jurisdiction and ensure that the prescribed guidelines are followed.
3. The Deputy/Assistant Commissioner, Moreh LCS, Agartala LCS, ICD Amingaon.
4. North East Federation on International Trade (NEFIT), Neerakunj, Saraswati Vihar, Near NRL Petrol Pump, Guwahati – 781005.
5. Federation of Industry and Commerce of North Eastern Region (FINER), Swahid Dilip Chakravarty Path, H.No. 03, RGB Road, Guwahati – 781005.
6. Federation of Indian Chambers of Commerce & Industry (FICCI), North East Regional Advisory Council, H-19, Opp. Bhanu Apartments, Lamb Road, Guwahati – 781024.
7. Confederation of Indian Industry (CII), Ratnapeeth, 59 MG Road, Uzanbazar, Guwahati – 781001.
8. Border Trade & Chamber of Commerce, Moreh, Moreh Town, Chandel District, Manipur- 795131.
9. Meghalaya International Chamber of Commerce, Dawki, Meghalaya – 793109.
10. Meghalaya Mine Owner & Exporter's Association, Borsora, South West Khasi Hills, Meghalaya – 793106.
11. Majai Exporter's Association, Bholaganj, c/o Shri B. Lyngdoh, Lummawbah, Shillong – 793005.
12. Mizoram Chamber of Industries, 2nd Floor, M.U.P. Building, M.G. Road, Khatla (Opp. Raj Bhawan South Gate), Aizawl – 796001.
13. The President, Karimganj District Exporters & Importers Association, New Market Complex, Madrassa Lane, Station Road, Karimganj – 788710.
14. International Chamber of Commerce, Karimganj, Sahid Sarani, Main Road, Opp. SBI Main Branch, Karimganj – 788710.
15. Indo-Bhutan Chamber of Commerce, Esplanade Mansion, 14-16, Government Place (East), Kolkata – 700069.
16. Tripura Chamber of Commerce, Akhaura Road, Tripura (West), Agartala – 799001.
17. India-Bangladesh Chamber of Commerce & Industry, 14, Jaganath Bari Road, Agartala – 799001.
18. Representative of Customs Brokers, Capt. Tridib Phukan, M/s Technotive Eastern Private Ltd., House No. 12, Rajgarh Road, Chandmari, Guwahati – 781003.
19. The Superintendent, Computer Cell, Customs Hqs Shillong to upload the contents of this Trade Notice to the Commissionerate website.
20. The Hindi translator, Customs Hqs, Shillong to get issued Hindi version of this Trade Notice.
21. Guard file.

[वाज़िम मुस्तफा/Wazim Mustafa]

उप आयुक्त (तकनिकी)/Deputy Commissioner (Tech)

