



वित्त मंत्रालय / Ministry of Finance

राजस्व विभाग / Department of Revenue

सीमा शुल्क आयुक्त कार्यालय / Office of the Commissioner of Customs

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**PUBLIC NOTICE NO. 15/2016**

**Subject: Measures taken for improving ease of doing business under Make in India – Reg.**

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Attention to all Importers / Exporters / Clearing Agents / Trade & Industry and Public is invited to above subject.

2. It is observed that there is a gap between the measures taken by the Ministry of Finance in improving ease of doing business and appreciation of the same by the members of Trade and Industry. The department has been pro-actively taking measures to make administration taxpayers friendly. However, the appreciation by the members of Trade and Industry is inadequate. It seems that the propagation of measures taken by the department for providing the taxpayer friendly administration to the Trade and Industry is not enough.

3. Hence, in order to propagate the measures taken by the department are mentioned below for information and appreciation:

**Tariff Measures**

A. In order to achieve the objective of job creation through revival of growth and investment and promotion of domestic manufacturing and "Make in India", the following measures were taken:

- Customs Duty on certain inputs was reduced to address the problem of duty inversion.
- Customs Duty was also reduced in certain cases so as to reduce the cost of raw materials required for further manufacture and thereby induce domestic value addition.
- The Special Additional Duty of 4%, which is levied on imported goods to counter-balance the local taxes levied by States (other than Excise Duty), was reduced / exempted on certain imported raw materials / inputs so as to

address the problem of input tax credit accumulation. For example, all goods except populated PCBs, falling under any Chapter of Customs Tariff, for use in manufacture of ITA bound goods was fully exempted from 4% SAD.

- Basic Customs Duty was increased on metallurgical coke from 2.5% to 5% and on commercial vehicles from 10% to 20%.
- Basic Customs Duty on specified steel goods was increased to 10% / 12.5%.
- Anti-dumping Duty and Safeguard Duty was imposed on specified goods.
- Basic Customs Duty and Excise Duty was exempted on specified bunker fuels for use in Indian Flag vessels for carrying export-import (EXIM) containers, empty containers and domestic containerized cargo.

B. In order to protect the interests of domestic farmers, the following measures were taken:

- Basic Customs Duty was increased on sugar from 15% to 25% which was later increased to 40%.
- Basic Customs Duty was increased on crude edible oils (of vegetable origin) from 7.5% to 12.5% and refined edible oils (of vegetable origin) from 15% to 20%.
- Basic Customs Duty was increased on ghee, butter and butter oil from 30% to 40% for a period upto and inclusive of the 31<sup>st</sup> day of March, 2016.
- Basic Customs Duty of 10% was imposed on wheat which was later increased to 25% for a period upto 31.03.2016.

C. The objective of improving the quality of life and public health through Swachh Bharat initiatives was achieved by the following measures:

- Clean Energy Cess levied on coal, lignite and peat was increased from Rs.100 per tonne to Rs.200 per tonne.
- Concessional Customs and Excise Duty rates on specified parts of Electrically Operated Vehicles and Hybrid Vehicles, available upto 31.03.2015, were extended upto 31.03.2016.

D. In order to allocate additional resources to infrastructure, the effective rates of Additional Duty of Customs levied on Petrol and High Speed Diesel Oil (commonly known as Road cess) have been increased from Rs.2 per litre to Rs.6 per litre.

### Non-Tariff Measures

A. In order to achieve the objective of minimum government and maximum governance to improve the ease of doing business, the following measures were taken:

- **24X7 Customs Clearance:** Facility of online filing of documents for Customs clearance is available through EDI System in 130 Indian Customs sites which includes 25 Seaports, 83 ICDs, 18 Airports and 4 Land Customs Stations. Of these 130 sites, 24X7 Customs clearance for specified imports,

namely, goods covered under 'facilitated' Bills of Entry is made available at 19 Seaports including Tuticorin and for specified exports of factory stuffed containers and goods exported under free Shipping Bills is made available at 17 Airports. This will help in faster clearance of such imported and export goods, reduce dwell time and lower the transaction cost.

- **Single Window Project – Online Message exchange:** Single Window provides a common platform to EXIM trade to meet requirements of all regulatory agencies (such as Animal Quarantine, Plant Quarantine, Drug Controller, Textile Committee etc) through message exchange. It is basically a network of cooperating facilities bound by trust and set of agreed interface specifications in which trade has seamless access to regulatory services delivered through electronic means. Benefits of Single Window Scheme include ease of doing business, reduced costs, enhanced transparency, reduced duplicity and cost of compliance and optimal utilisation of resources. In this direction, with effect from 01.04.2015 an electronic online message exchange facility has been established between Customs and the Food Safety and Standards Authority of India (FSSAI) and the Department of Plant Protection, Quarantine and Storage (PQIS) providing for real time seamless online exchange of information, including no objections, with/from these agencies. From February 2016 Animal Quarantine, Textile Committee, Drug Controller of India and the Wildlife authorities at 5 major locations namely, JNPT (Nhava Sheva), ICD, Tughlakabad and ICD, Patparganj and Air Cargo, Delhi are also on board Single Window Project.
- **Special Notified Zone for trading of rough diamonds:** Consequent to Hon'ble Prime Minister's announcement to make India into a hub for trading of rough diamonds, a 'Special Notified Zone' has been operationalised at Bharat Diamond Bourse at Mumbai. The procedure envisages major diamond mining companies bringing in rough diamonds for display and/or auctions to be conducted within the customs area and re-exporting the unsold consignments.
- **Adoption of Digital Signature:** Use of Digital Signature for ACP clients had been made mandatory w.e.f. 1<sup>st</sup> May, 2015 vide Circular No.10/2015 dated 31.03.2015 which was implemented successfully. Again, vide Circular No. 26/2015 dated 23<sup>rd</sup> October, 2015, Digital Signature for all Importers, Exporters, Customs Brokers, Shipping lines, Airlines who are required to file any documents at Customs EDI Systems has been made mandatory from 1<sup>st</sup> January, 2016 except for individual users. This has also been implemented and all documents are now filed by the users with their DSC. Customs would not insist on physical signing of documents wherever documents are filed with digital signatures. The reliance on digitally signed Customs process documents shall result in the reduction of submission of hard copies of Bills of Entry, Shipping Bills, Import General Manifests, Export General manifests and Consol Manifests.
- **Reduction in mandatory documents for imports and exports:** To facilitate trade and to simplify procedures, number of mandatory documents

have been reduced and only three mandatory export and import documents prescribed. However, for import and export of special nature under preferential agreements etc., the requisite documents will be required to be submitted.

- **Setting Up of Customs Clearance Facilitation Committee (CCFC):** To ensure expeditious clearance and identifying and resolving bottlenecks in clearance of EXIM goods a high level administrative Committee i.e. 'Customs Clearance Facilitation Committee' (CCFC) has been put in place at every major Customs seaport and airport under the chairmanship of Chief Commissioner of Customs/Commissioner of Customs. This Committee would include the senior-most functionary of the other government departments/agencies, such as the Food Safety Standards Authority of India / the Port Health Officer (PHO); the Plant Quarantine, Animal Quarantine Authorities; the Drug Controller of India (CDSO); the Textile Committee; the Port Trust / the Airport Authority of India / Custodians; the Wild Life Authorities; the Railways/CONCOR; the Pollution Control Board. Members from trade can be co-opted to this Committee on need basis.
- **Mobile App for International Passengers:** A mobile app "Indian Customs – Guide to Travellers" has been developed by Customs. It contains a ready reckoner of the Customs baggage rules and entitlement of passengers. It contains 24X7 contact details of Customs officers of major Airports. The app is presently available for free download on Google Play Store and will soon be available on other online stores.

**B. Upgraded CBEC Website launched:** The upgraded CBEC website is a one-stop shop for all the information needs of the taxpayers and other stakeholders. It provides easy access to the Acts, Rules, Regulations, Notifications, Circulars and Instructions relating to Indirect Taxes. It also provides for a host of other facilities like feedback channel, social media connectivity, grievance handling facility, etc. It also provides duty calculator and compulsory compliance requirements pertaining to various allied Acts administered by Customs in relation to cross-border movements of goods.

**C. Initiatives in the area of dispute resolution:** A number of initiatives have been taken to enable effective and speedy dispute resolution and to facilitate the Trade and Industry. Some of the important initiatives are:

- The threshold limits below which appeals are not be filed by the department in CESTAT (Tribunal) and High Courts have been raised to Rs. 10 lakhs and Rs. 15 lakhs respectively.
- Withdrawal of cases in High Court and CESTAT where there is precedent Supreme Court decision, against which no review is contemplated.
- Zonal Chief Commissioners / Principal Commissioners shall hold monthly / bi-monthly meetings with all the adjudicating / appellate authorities in his zone and advice/counsel them on how to pass good adjudication/appellate orders.

- Training Institute to impart intense training to train officers on the qualities of a good adjudication order, advocacy, interpretation of statute, etc.
- D. **Rationalisation of penal provision:** Penalty provisions in Customs have been rationalised to encourage compliance and early dispute resolution.
- E. **Scope of Advance Ruling Scheme expanded:** The ambit of the Advance Ruling Scheme has been enlarged by including 'resident firm' as an eligible class of persons.
- F. **Improved System of Audit:** Concept of integrated audit has been implemented covering all the three taxes – as against three separate audits being conducted earlier.



के.सी.जोणी / (K.C. JOHNY)  
आयुक्त / **COMMISSIONER**

C.No.VIII/48/06/2016 – Cus. Pol.  
Customs Policy Section,  
Custom House, Tuticorin.

Date 6.04.2016

To

As per Mailing List I, II and III.

Notice Board

EDI Section, Custom House, Tuticorin for uploading in the website

Copy submitted to: The Chief Commissioner of Customs (Preventive), Trichy.