



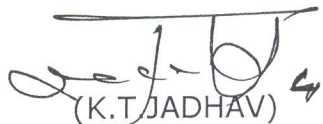
GOVERNMENT OF INDIA
MINISTRY OF FINANCE : DEPARTMENT OF REVENUE
OFFICE OF THE COMMISSIONER OF CUSTOMS
CUSTOM HOUSE : NEW HARBOUR ESTATE : TUTICORIN
Phone : 0461 - 2352964, 2354272 Fax : 0461 - 2352019

Public Notice No: 04 / 2009

The following Circulars issued by the Government of India, Ministry of Finance, Department of Revenue, Central Board of Excise & Customs is enclosed herewith for guidance of the officer / Importers / Exporters / Clearing Agents and Trading Public.

S.No.	Circular No. & Date	Subject
01	CBEC Circular No.02/2009 Dated.15.01.2009 (F.No.609/282/2008-DBK)	Classification of footwear having uppers of a combination of leather and synthetic /textile material under Ch.64 of DBK schedule, 2008-09.
02	CBEC Circular No.03/2009 Dated.20.01.2009 (F.No.605/70/2008-DBK)	Online transmission of Shipping Bills and Licences / authorizations Issued under the Duty Exemption Scheme (DES) and the EPCG Scheme.
03	Ministry's letter F.No.354/188/2008-TRU dated 07.01.2009.	Payment of Additional Excise Duty (AED) and Special Addl.Excise duty (SAED) on Motor Spirit and high speed diesel and National Calamity Contingent Duty (NCCD) on Excisable goods exported from Units located in SEZ.

DATED: 04.09.2009
CUSTOM HOUSE, TUTICORIN


(K.T.JADHAV) 4/2/3
Assistant Commissioner

(Issued from file C.No.VIII/48/11/2008- Cus. Pol)

To
As per Mailing list I & II.

Copy Submitted to the
Chief Commissioner of Customs (prev).
Chennai - for information.

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SL Cus Pol)

F.NO. 605 /70 / 2008 -DBK
Government of India
Ministry of Finance
Department of Revenue

Circular No. 3 /2009-Cus.
OFFICE OF THE
COMMISSIONER OF CUSTOMS
27 JAN 2009
New Delhi, the 20th January, 2009
TUTUCORIN

To

- All Chief Commissioners of Customs,
- All Chief Commissioners of Customs & Central Excise.
- All Commissioners of Customs /Customs (Prev.) / Customs & Central Excise / Central Excise.
- DG, CEIB, New Delhi.
- DG, Central Excise Intelligence/ DGRI/ DG (Export Promotion) /DGI/ DG, NACEN/ DG(Systems & Data Management),
- Chief Departmental Representative, Customs, Excise & Service Tax Appellate Tribunal, West Block-2, R.K. Puram, New Delhi.

Sir/Madam,

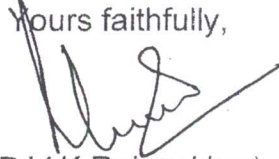
Sub: On line transmission of Shipping Bills and Licences / Authorizations issued under the Duty Exemption Scheme (DES) and the EPCG scheme - reg.

I am directed to refer to Board's Circular No.11/2007-Customs dated 13.02.2007 whereby a procedure for online transmission of DEPB shipping bills from Customs to DGFT and DEPB scrips from DGFT to Customs was put in place.

- The Directorate General of Systems has since designed necessary software for online transmission of shipping bills and Advance Licences /Authorizations under the Duty Exemption Scheme(DES) and the EPCG scheme. These Authorizations and shipping bills shall now be transmitted from DGFT to Customs and vice versa online. Detailed instructions on the subject shall be issued by the Directorate General of Systems separately.
- The Jurisdictional Commissioner of Customs (in charge of EDI enabled ports) may implement the procedures relating to online transmission of shipping bills / Authorizations under the DES and EPCG scheme from a specified date in consultation with the Directorate General of Systems. As regards manual shipping bills at non-EDI station, the existing procedure shall continue.
- These instructions may be brought to the notice of the trade/exporters by issuing suitable Trade / Public Notices. Suitable Standing orders/instructions may be issued for the guidance of the assessing officers. Difficulties faced, if any, may be brought to the notice of the Board at an early date.

Receipt of this Circular may kindly be acknowledged.

Pls please

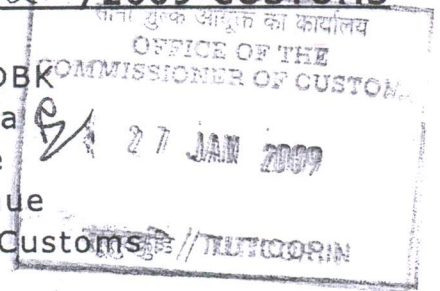
Yours faithfully,

(P.V.K.Rajasekhar)
OSD(Drawback)

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CIRCULAR NO. 2/2009-CUSTOMS

F.NO.609/282/2008-DBK
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs



New Delhi, the 15th January, 2009

To

All Chief Commissioners of Customs
All Chief Commissioners of Customs & Central Excise
All Commissioners of Customs /Customs (Preventive)/
Customs & Central Excise/Central Excise
DG, CEIB, New Delhi
DGRI/DGCEI/DG (Systems & Data Management) DG (Export
Promotion)/ DGI / DG, NACEN
Chief Departmental Representative, Customs, Excise &
Service Tax Appellate Tribunal, New Delhi

Sir/Madam,

Sub: Classification of footwear having uppers of a combination of
leather and synthetic/textile material under Chapter 64 of the
Drawback Schedule, 2008-09

I am directed to say that the Board has received a representation from the Council for Leather Exports (CLE) that exporters are facing problems in classification of footwear having uppers made of a combination of leather and non-leather materials such as synthetic, textile material, etc. It has been stated that footwear in which less than 60% of the outer visible surface area of the upper is of leather and the remaining portion is of non-leather or a combination of leather -cum- synthetic materials, the same are being classified as "other footwear" under heading 6405 of the Drawback Schedule for which the rate of drawback is 1%.

2. The issue has been examined. It is seen that note 15 of the notification No.103/08-Cus (N.T.) dated 29.8.08 vide which the Drawback Schedule for the year 2008-09 was announced states that the term 'article of leather' in Chapter 42 of the said Schedule means any article wherein 60% or more of the outer visible surface area is of leather. It appears that the field formations are applying this criteria for products of chapter 64 also. In this regard, it is hereby clarified that the above mentioned note is applicable only for the purposes of chapter 42 of the Drawback Schedule and not to footwear which fall under chapter 64 of the Drawback Schedule.

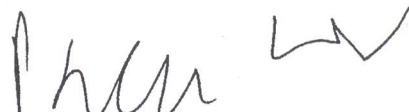
3. Further, according to note 1 of the above mentioned notification the tariff items and description of goods in the Drawback Schedule, 2008-09 are aligned with tariff items and description of goods in the Customs Tariff at four digit level. Also, according to chapter note 4(a) to Chapter 64 of the Customs Tariff, material of the upper shall be taken to be the material having the greatest external surface area, no account being taken of accessories or reinforcements such as ankle patches, edging, ornamentation, buckles, tags, eyelet stays or similar attachments.

4. In view of the above, it is clarified that if the predominant constituent in the upper of footwear is of leather, the upper should be considered to be of leather and the footwear should be classified under the Drawback Schedule tariff item 6403 provided the outer soles of the footwear are of rubber, plastics, leather or composition leather. Further sub-classification under the heading 6403 may be determined in accordance with the description of the goods and the scope of various sub-tariff items under the tariff item 6403. Similar predominance criteria will hold for goods falling under heading 6404 also. Only such footwear which cannot be classified under tariff items 6401, 6402, 6403 and 6404 of the Drawback Schedule are to be classified under the tariff item 6405.

5. A suitable Public Notice and Standing Order may be issued for the guidance of the trade and staff. Difficulties faced, if any, in implementation of the Circular may be brought to the notice of the Board at an early date.

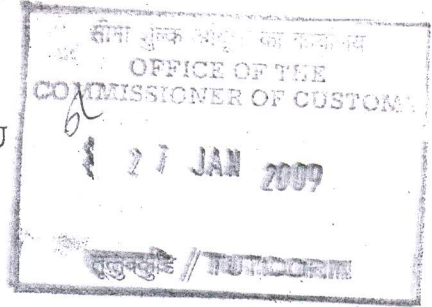
Receipt of this circular may kindly be acknowledged.

Yours faithfully,


(PRAMOD KUMAR)
Technical Officer (DBK)
Tel. No. 2336 2843

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S (com 201)

F.No.354/188/2008-TRU
Government of India
Ministry of Finance
Department of Revenue
(Tax Research Unit)



New Delhi, the 7th January, 2009

To

The Chief Commissioner of Customs (All)
The Chief Commissioner of Central Excise (All)
The Commissioner of Customs & Central Excise (All)
The Commissioner of Customs (All)
The Commissioner of Central Excise (All)
The Chief Commissioner of Large Taxpayers Unit (All)
The Commissioner of Service Tax (All)
The Director Generals/Directorates (All)

Madam/Sir,

Subject: Payment of Additional Excise Duty (AED) and Special Additional Excise duty (SAED) on motor spirit and high speed diesel and National Calamity Contingent Duty (NCCD) on excisable goods exported from units located in Special Economic Zone (SEZ) – regarding.

I am directed to say that a point has been raised whether the Additional Excise Duty (AED) and Special Additional Excise Duty (SAED) are payable on motor spirit and high speed diesel when cleared for export from units located in a Special Economic Zone (SEZ). A similar doubt has also been raised in respect of National Calamity Contingent duty (NCCD) payable on specified excisable goods. The duties in question are leviable under the following statutes:

- (a) Additional Duty of Excise (Motor Spirit) under Section 111 of the Finance (No. 2) Act, 1998 (21 of 1998);
- (b) Additional Duty of Excise (High Speed Diesel) under section 133 of the Finance Act, 1999 (27 of 1999);
- (c) Special Additional Excise Duty on Motor Spirit and HSD under section 147 of the Finance Act, 2002 (20 of 2002); and
- (d) National Calamity Contingent Duty (NCCD) under section 136 of the Finance Act, 2001 (14 of 2001).

2. The matter has been examined. Basic excise duty on goods produced or manufactured in India is levied under section 3 of Central Excise Act, 1944 at the rates set forth in the First Schedule to the Central Excise Tariff Act, 1985. However, goods produced or manufactured in SEZs have been excluded from the purview of this section implying that this duty is not leviable to such goods. Accordingly, excisable goods manufactured and cleared from units located in SEZs whether for export or for home consumption do not attract this levy. Moreover, section 7 of the Special Economic Zones Act, 2005 provides that any goods exported out of a unit in a SEZ shall, subject to such terms, conditions and limitations, as may be prescribed be exempt

from the payment of taxes, duties or cess under all enactments specified in the First Schedule. The First Schedule enlists 21 such statutes including the Additional Duties of Excise (Goods of Special Importance) Act, 1957 and the Additional Duties of Excise (Textile and Textile Articles) Act, 1978. Thus, duties of excise or cesses levied as duties of excise under these enactments are also not chargeable when goods produced by an SEZ unit are exported. However, the relevant statutes/Acts listed at (a) to (d) of para 1 above are neither specified in the First Schedule of the SEZ Act, 2005 nor do they contain any exclusion for goods manufactured by units in a SEZ. Under the circumstances, duties of excise leviable under these statutes are chargeable to goods manufactured by SEZ units. However, it is pertinent that the statutes referred to in para 1 above also provide that the provisions of the Central Excise Act, 1944 and the rules made thereunder shall apply to the levy and collection of these duties as they apply to the levy and collection of excise duty under the Central Excise Act, 1944. The implication is that the machinery provisions for the levy and collection of basic excise duty have been borrowed for the purposes of the Additional Excise Duty, Special Additional Excise Duty and NCCD. Among the machinery provisions of the Central Excise Act and rules are the facilities for export of excisable goods under claim for rebate (rule 18 of the Central Excise Rules) or the facility for export under bond (rule 19). It is evident that owing to the enabling provision these facilities would also be available to SEZ units manufacturing excisable goods in respect of the duties specified in para 1 above.

3. In view of the above, it is clarified that AED or SAED levied on motor spirit and high speed diesel under the respective sections of the Finance Acts and NCCD on goods leviable to it, are not required to be paid for goods exported under bond from a manufacturing unit located in a Special Economic Zone. Similarly, a manufacturer located in a SEZ would be entitled to avail of the facility of export under claim for rebate in terms of rule 18 of the Central Excise Rules in respect of these duties. In both cases, the manufacturer would be required to follow the procedure notified under these rules.

4. Trade and field formations may be informed accordingly.

5. Please acknowledge the receipt.

Yours faithfully,

Vivek Johri
27/1/05

(Vivek Johri)

Joint Secretary (TRU)

Tel: 23092687

PW