



Kottayam Branch of SIRC of ICAI



Budget 2018 Indirect Tax Proposals

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Sec – 1 Expansion of Scope of Customs Act

- Customs Act extends to whole of **India**
- *Amend – “and, as otherwise provided in this Act. It also applies to offences or contravention thereunder committed outside India by any person.”*
- **New Power of Extra Territorial Jurisdiction**
- **Sharing of Information Exchange for Facilitating Trade - Sec 151 B**

Extension of Limit of Customs Water

- Indian Customs Water – 12 NM – Currently
- *Amend – “To include – Exclusive Economic Zone”*
- Post amendment “Indian Customs Water will extended to 200 NM”
- **New Power to Officers**
 - Search Conveyance, Confiscation & Person
 - Arrest any Person – Offence Committed

Electronic Cash Ledger

- Transaction wise Payment
- Like GST – Electronic Cash Ledger Proposed
- Amount in ECL can be used for making Payment of Customs Duty.
- Refund of Balance in ECL

Sec 11 - Prohibited Goods

- CG - Goods Prohibited for Import or Export of Goods
- Amend – **“Only if such order or notification or regulation is notified”**
- Other act restrictions will not be effective unless it is Notified by CG under Customs Act.

Sec 17 – Expansion in Scope of Verification

- Currently can Verify Self-Assessment of Imported or Export Goods.
- Now it is proposed to broaden the Scope of Verification by including all aspects of Bill of Entry or Shipping Bill in Addition to Self-Assessment.
- Legal Backing for Risk-Based selection of Self-Assessed BoE & SB

Sec 17 Expansion in Scope of Re-Assessment

- Re-Assessment was limited to Valuation, Classification, Exemption and concession availed.
- Now the Scope of Re-Assessment is extended as the above mentioned words are proposed to be omitted.

Sec 25A & 25B – Exemption to Goods Imported for Repair, further Processing and Manufacture

- New Section proposed, which gives powers to CG to Exempt Goods imported for the above purpose.
- Similarly, New Section proposed, which gives powers to CG for Goods Re-Imported into India for above purpose.

Sec 28 Pre-Notice Consultation

- In case of Non Fraud Case of Non Payment of Tax Prior to SCN
- It is proposed that Officer shall hold pre-Notice Consultation with the person who is liable to pay Duty.
- Reduce Litigation

Sec – 28 Time Limit for Adjudication

- In case of non-fraud case time limit was within 6 months or in fraud case time limit to issue notice was 1 year from the relevant date.
- It is proposed the same shall be strictly followed
- Senior officer based on the circumstance extend a further period of 6 months or 1 year

Customs Automated System Based Clearance

- In addition to existing clearance by proper officer
 - Goods cleared for Home consumption
 - Goods cleared for Exportation
 - Goods cleared for Ware housing
 - Clearance of Goods from warehouse or Export
- In addition to above Customs Automated System will be used for clearance.

Advance Ruling

- Advance Ruling a written decision on any question raised by the applicant in his application in respect of any Goods prior to Importation or exportation.
- Expands the term applicant, a person who holds valid IEC or Exporting any Goods to India.

Goods Imported and Exported by Courier

- Section 83 provides for Rate of Duty and Tariff Valuation in respect of Goods Imported or Exported by Post extends to Authorized Courier.
- Section 84 regulation regarding Import or export of Goods by Post also applies to authorized Courier.

Audit

- New Chapter proposed to introduced Chapter – XII A
- Audit may be carried out for Imported Goods or Export Goods either in his office or in the premise of Auditee.

Valuation in case of Transfer of Warehouse Goods

- In case of Sale of warehoused Goods before Clearance for home consumption or Export IGST and Compensation Cess shall be calculated on

- Transaction Value (Sale Value)
- Assessable Value (as per Customs Law)

Whichever is Higher

Social Welfare Surcharge




- A new Surcharge levied on all Imported Goods at the Rate of 10% except incase of Specified Goods, where it is liable at 3%.
- The Cess is calculated on Customs Duty.
- Education Cess and SHE-Cess is removed.

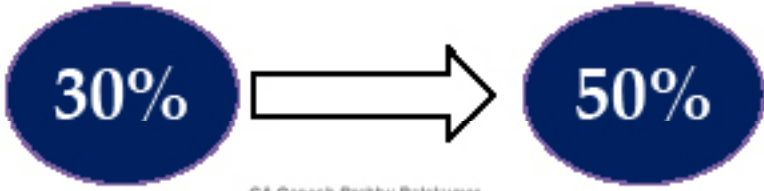
BUDGET 2018

INDIAN BUDGET
Changes in
IMPORT
CUSTOMS DUTY

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CUSTOMS TARIFF-CHAPTER 20

		
Juice	Cranberry	Vegetable Juice



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CUSTOMS TARIFF-CHAPTER 33



Perfume



Make up Care

10% → 20%

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CUSTOMS TARIFF-CHAPTER 33



Hair Care



Dental Care

10% → 20%

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CUSTOMS TARIFF-CHAPTER 33

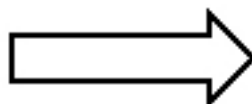


Shaving



Deodorant

10%



20%

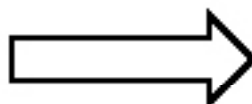
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CUSTOMS TARIFF-CHAPTER 34



Candles and Tappers

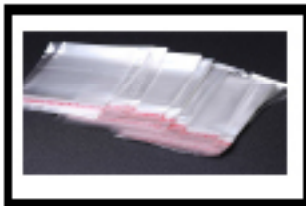
10%



25%

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CUSTOMS TARIFF-CHAPTER 39



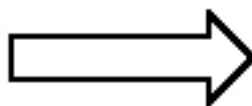
Adhesive Plastics



**Plastics in Cellular
Mobile Phones**



10%



15%

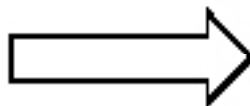
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CUSTOMS TARIFF-CHAPTER 40



Buses or Lorry Radial Tyres

10%



15%

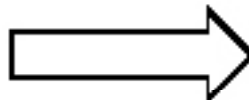
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CUSTOMS TARIFF-CHAPTER 48



Paper (like Kite)

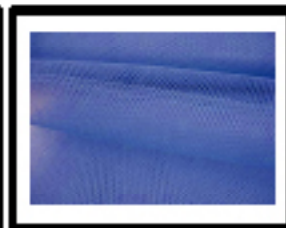
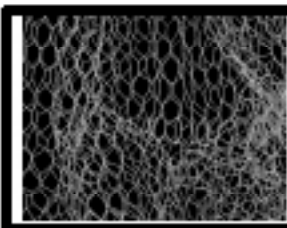
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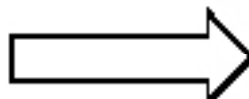
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CUSTOMS TARIFF-CHAPTER 56



Fishing Net & Textile Material

10%



25%

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CUSTOMS TARIFF-CHAPTER 56



Twine

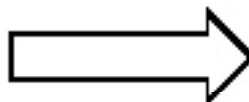


Cordage



Yarn

10%



25%

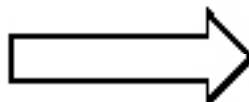
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CUSTOMS TARIFF-CHAPTER 64



Different types of Footwear

10%



20%

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