

Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit

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D.O.F.No.334/4/2018-TRU
New Delhi, the 1st February, 2018.

Dear Principal Chief Commissioner / Chief Commissioner/ Principal Commissioner,

The Finance Minister has introduced the Finance Bill, 2018 in Lok Sabha today, that is, 1st February, 2018. Changes in Customs and Central Excise law and rates of duty have been proposed through the Finance Bill, 2018. To prescribe effective rates of duty following notifications are being issued:

CUSTOMS	Notification Nos.	Date
Tariff	6/2018-Customs to No.23/2018-Customs	2nd February, 2018
CENTRAL EXCISE		
Tariff	1/2018-CE to No.13/2018-CE	2nd February, 2018

Unless otherwise stated, all changes in rates of duty take effect from the midnight of 1st February / 2nd February, 2018. A declaration has been made under the Provisional Collection of Taxes Act, 1931 in respect of clauses 101(a), 102(b), 108, 109 and 110 of the Finance Bill, 2018, so that changes proposed therein take effect from the midnight of 1st February / 2nd February, 2018. The remaining legislative changes would come into effect only upon the enactment of the Finance Bill, 2018.

2. Important changes in respect of Customs and Central Excise duties rates and legislative changes are contained in the five Annexures appended to this letter:

- 1) Annex I contains details of Chapter wise changes in Basic Customs Duty, Social Welfare Surcharge [Clause 108 of the Finance Bill, 2018] and Road and Infrastructure Cess [Clause 109 of the Finance Bill, 2018];
- 2) Annex II contains details of Chapter wise changes relating to Central Excise Duty and Road and Infrastructure Cess [Clause 110 of the Finance Bill, 2018];
- 3) Annex III contains details of amendments proposed in the Customs Act, 1962;
- 4) Annex IV contains details of other amendments proposed in the Customs Tariff Act, 1975; and
- 5) Annex V Miscellaneous provisions in the Finance Bill, 2018.

2.1 The above stated Annexures provide a summary of the changes made and should not be used in any quasi-judicial or judicial proceedings, where only the relevant legal texts need to be referred to. Such details are contained in the Finance Bill and notifications, which alone have legal force.

3. My team and I have made every possible effort to avoid the occurrence of errors or mistakes in the Budget documents. However, inadvertent errors cannot be ruled out. I shall be grateful if the provisions of the Finance Bill and notifications are studied carefully and feedback on issues that may need clarification is provided urgently.

4. It may kindly be ensured that the changes are implemented in a smooth manner without causing any inconvenience to the taxpayers and other stakeholders. All possible efforts may be made to guide the taxpayers by holding interactive sessions/ seminars for their benefit. In case of any doubt or difficulty, I would request you to kindly bring it to my notice immediately or to the notice of Sh. G. D. Lohani, OSD (TRU) (Tel. No. 011-23092687) email: gd.lohani@nic.in, Sh. Reyaz Ahmad, Director (TRU) (Tel. No. 011-23092236), email: ahmad.reyaz@nic.in, Sh. Gaurav Singh, OSD(TRU) (Tel No. 011-23092753), e-mail: gaurav.singh80@nic.in, or Sh. Rahil Gupta, Budget Officer (TRU) (Tel No. 011-23095547), e-mail: rahil.gupta@gov.in . We can also be reached at budget-cbec@nic.in.

5. Copies of Finance Bill, 2018, Finance Minister's Budget Speech, Explanatory Memorandum to the Bill, relevant notifications can be downloaded directly from www.indiabudget.nic.in as well as www.cbec.gov.in.

6. To conclude, my team and I would like to express my gratitude to you for the valuable suggestions, feedback and support and would look forward to your comments/ suggestions.

With warm regards,

Yours sincerely,



(Alok Shukla)

Joint Secretary (TRU-I)

To,

All Principal Chief Commissioners / Principal Directors General

All Chief Commissioners / Directors General

All Principal Commissioners,

All Commissioners

Director DPPR/ Logistics/Legal Affairs/ Data Management.

CUSTOMS

Note:

- a) "Basic Customs Duty" [BCD] means the customs duty levied under the Customs Act, 1962.
- b) "Export Duty" means duty of Customs leviable on goods specified in the Second Schedule to the Customs Tariff Act, 1975.
- c) Clause 101 (a) of the Finance Bill, 2018 seeks to amend the First Schedule of the Customs Tariff Act, 1975 so as to increase Tariff rate of Basic Customs Duty on certain goods.
- d) Clause 102 (b) of the Finance Bill, 2018 seeks to amend the Second Schedule of the Customs Tariff Act, 1975 so as to prescribe rate of Export Duty on certain goods.

These increases will come into effect immediately [from 00 hours on 02.02.2018 owing to a declaration under the Provisional Collection of Taxes Act, 1931.

Chapter 1 to 7: No change

Chapter 8:

- 1) BCD on cashew nuts in shell (raw cashew) falling under tariff item 0801 31 00 is being reduced from 5% to 2.5%. S. No.22 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February 2018 refers.

Chapter 9 to 14: No change

Chapter 15:

- 1) BCD on crude edible vegetable oils like Ground nut oil, Olive oil, Cotton seed oil, Safflower seed oil, Saffola oil, Coconut oil, Palm Kernel/Babassu oil, Linseed oil, Maize corn oil, Castor oil, Sesame oil, other fixed vegetable fats and oils is being increased from 12.5% to 30%. S. No. 63 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.
- 2) BCD on refined edible vegetable oils like Ground nut oil, Olive oil, Cotton seed oil, Safflower seed oil, Saffola oil, Coconut oil, Palm Kernel/Babassu oil, Linseed oil, Maize corn oil, Castor oil, Sesame oil, fixed vegetable fats and oils, edible margarine, Sal fat, modified Linseed oil, modified Castor oil; specified goods of heading 1518 is being increased from 20% to 35%. S. Nos. 64, 77 and 79 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refer.

Chapter 16 to 19: No change

Chapter 20:

- 1) BCD on orange fruit juice falling under tariff items 2009 11 00, 2009 12 00 or 2009 19 00 is being increased from 30% to 35%. S. No. 101 of notification No.50/2017-Customs, dated 30th June, 2017, is being omitted by notification No. 6/2018-Customs, dated 2nd February, 2018. Consequently, orange fruit juice will attract tariff rate of 35%.
- 2) BCD on all goods falling under tariff items 2009 21 00 to 2009 90 00 is being increased from 30% to 50% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers].
- 3) Further, S. No. 100 of notification No.50/2017-Customs, dated 30th June, 2017, is being amended by notification No. 6/2018-Customs, dated 2nd February, 2018 to exclude the cranberry juice from the ambit of this entry. Consequently, Cranberry juice falling under tariff heading 2009 81 00 or 2009 90 00 will also attract 50% BCD at tariff rate.

Chapter 21:

- 1) BCD on all goods (excluding compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% by volume, determined at a temperature of 20 degrees centigrade) falling under sub-heading 2106 90 is being increased from 30% to 50%. S. No. 103 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.

Chapter 22-26: No change.

Chapter 27:

- 1) A Road and Infrastructure Cess, as an Additional Duty of Customs, at the rate of Rs. 8 Per litre, is being imposed on imported motor spirit commonly known as petrol and high speed diesel oil falling under heading 2710, Clause 109 read with the Sixth Schedule of the Finance Bill, 2018 refers. This levy of Road and Infrastructure Cess will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.
- 2) Simultaneously, the Additional Duty of Customs leviable (CVD) under section 3(1) of the Customs Tariff Act, 1975 in lieu of Additional Duty of Excise (Road and Infrastructure Cess) leviable under clause 110 of the Finance Bill, 2018 is being exempted on imported motor spirit commonly known as petrol and high speed diesel oil vide notification No. 21/2018-Customs dated 02.02.2018.
- 1) Further, the Additional Duty of Customs (Road Cess), at the rate of Rs. 6 Per litre, leviable on imported motor spirit commonly known as petrol and high speed diesel oil, are being abolished, by omitting the relevant sections in Finance (No.2) Act, 1998 and Finance Act,

1999, respectively. [Clause 106 of the Finance Bill, 2018 refers]. Till the enactment of the Finance Bill, 2018, the Additional Duty of Customs (Road Cess) leviable on imported motor spirit commonly known as petrol and high speed diesel oil are being fully exempted. [Notification No. 19/2018-Customs and 20/2018-Customs both dated 02.02.2018 refer.] Consequently, notification Nos 57/98-Customs, dated 01-08-1998, 59/99- Customs, dated 11-05-1999, 06/2015–Customs, dated 01-03-2015, 07/2015–Customs, dated 01-03-2015 related to Additional Duty of Customs [Road Cess] are being rescinded vide notification Nos 15/2018-Customs, 16/2018-Customs, 17/2018-Customs, 18/2018-Customs all dated 2nd February, 2018.

- 3) Education Cess and Secondary & Higher Education Cess levied on imported goods, including motor spirit commonly known as petrol and high speed diesel oil [at the rate of 2% and 1% respectively of the aggregate of duties of customs], are being abolished by omitting Chapter VI in Finance (No.2) Act, 2004 and Finance Act, 2007, respectively. [Clause 106 of the Finance Bill, 2018 refers]. Till the enactment of the Finance Bill, 2018, Education Cess and Secondary & Higher Education Cess leviable on imported goods are being fully exempted by way of notification. [Notification Nos.7/2018-Customs and 8/2018-Customs dated 02.02.2018 refer]
- 4) Motor spirit commonly known as petrol and high speed diesel oil are being exempted from the newly imposed Social Welfare Surcharge in excess of an amount calculated at 3% of the aggregate of duties of customs [Notification No.12 /2018-Customs dated 02.02.2018 refers.]

Chapter 28-32: No change.

Chapter 33:

- 1) BCD on all goods falling under heading 3303 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers].
- 2) BCD on all goods falling under heading 3304 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers].
- 3) BCD on all goods falling under heading 3305 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers].
- 4) BCD on all goods falling under heading 3306 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers].
- 5) BCD on all goods falling under heading 3307 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers].

Chapter 34:

- 1) BCD on all goods falling under heading 3406 is being increased from 10% to 25% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers].

Chapter 35-38: No Change

Chapter 39:

- 1) BCD on specified parts or sub-parts or accessories of cellular mobile phones, namely, Heat Dissipation Sticker Battery Cover, Sticker-Battery Slot, Protective Film for main Lens, Mylar for LCD FPC, Film-Front Flash, falling under tariff item 3919 90 90, is being increased from 10% to 15% by increasing the tariff rate [Clause 101 (a) of the Finance Bill, 2018 refers]. However, BCD on goods, other than these specified parts or sub-parts or accessories of cellular mobile phones, falling under tariff item 3919 90 90 is being retained at 10%. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [new S. No. 9 refers].
- 2) BCD on specified parts or sub-parts or accessories of cellular mobile phones, namely, Battery Cover, Front Cover, Front Cover (with Zinc Casting), Middle Cover, Back Cover, Main Lens, Camera Lens, falling under tariff item 3920 99 99, is being increased from 10% to 15% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers]. However, BCD on goods, other than these specified parts or sub-parts or accessories of cellular mobile phones, falling under tariff item 3920 99 99 is being retained at 10%. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [new S. No. 10 refers].
- 3) BCD on specified parts or sub-parts or accessories of cellular mobile phones, namely, PU case, Sealing Gasket, falling under tariff item 3926 90 91, is being increased from 10% to 15% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers]. However, BCD on goods, other than these specified parts or sub-parts or accessories of cellular mobile phones, falling under tariff item 3926 90 91, is being retained at 10%. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [new S. No. 11 refers].
- 4) BCD on specified parts or sub-parts or accessories of cellular mobile phones namely Sealing Gaskets / Cases from PE, PP, EPS, PC and all other individual polymers or combination / combination of polymers, SIM Socket / Other Mechanical items (Plastic), Conductive Cloth, LCD Conductive Foam, LCD Foam, BT Foam, falling under tariff item 3926 90 99, is being increased from 10% to 15% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers]. However, BCD on goods, other than these specified parts or sub-parts or accessories of cellular mobile phones, falling under tariff item 3926 90 99 is being retained at 10%. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [new S. No. 12 refers].

Chapter 40:

- 1) BCD on truck and bus radial tyres falling under tariff item 4011 20 10 is being increased from 10% to 15% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers].
- 2) BCD on Cushion/ Gasket of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV panels falling under heading 4016 is being increased from Nil to 10%. S. No. 516 of notification No.50/2017-Customs, dated 30th June, 2017, is being amended by notification

No. 6 /2018-Customs, dated 2nd February, 2018. Consequently, Cushion/ Gasket of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV panels will attract 10% BCD at the tariff rate, without any actual user condition

- 3) BCD on Microphone Rubber Case, Sensor Rubber Case / Sealing Gasket including sealing gaskets / cases from Rubbers like SBR, EPDM, CR, CS, Silicone and all other individual rubbers or combination / combination of rubbers for use in the manufacture of cellular mobile phones, falling under tariff item 4016 99 90, is being increased from 10% to 15%. S. No.1 of notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 and S. No 284 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refer.

Chapter 41-47: No Change

Chapter 48:

- 1) BCD on kites falling under tariff item 4823 90 90 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers]. However, BCD on all goods other than kites, falling under tariff item 4823 90 90, is being retained at 10%. Notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 [new S. No. 297A] refers.

Chapter 49: No Change

Chapter 50:

- 1) BCD on silk fabrics falling under heading 5007 is being increased from 10% to 20%, by amending Notification No. 82/2017-Customs dated 27th October, 2017, vide notification No.14/2018-Customs, dated the 2nd February, 2018 [new S.No.2A refers].

Chapter 51-63: No Change

Chapter 64:

- 1) BCD on all goods falling under heading 6401 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers]
- 2) BCD on all goods falling under heading 6402 is being increased from 10% to 20% by increasing the tariff rate [Clause 101 (a) of the Finance Bill, 2018 refers]
- 3) BCD on all goods falling under heading 6403 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers]
- 4) BCD on all goods falling under heading 6404 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers]
- 5) BCD on all goods falling under heading 6405 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers]

- 6) BCD on all goods falling under heading 6406 is being increased from 10% to 15% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers]

Chapter 65-67: No Change

Chapter 68:

- 1) BCD on all goods falling under tariff item 6815 91 00 is being reduced from 10% to 7.5%. S.No.338 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.

Chapter 69:

- 1) BCD on all goods falling under heading 6901 is being reduced from 10% to 7.5%. S.No.338 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.
- 2) BCD on all goods falling under heading 6902 is being increased from 5% to 7.5%. S.No.338 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.
- 3) BCD on all goods falling under heading 6903 is being increased from 5% to 7.5%. S.No.338 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.

Chapter 70:

- 1) BCD on solar tempered glass or solar tempered (anti-reflective coated) glass for manufacture of Solar cells/panels/modules, is being reduced from 5% to Nil, subject to actual user condition. S. No. 340 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.
- 2) BCD on Preform of Silica for use in the manufacture of telecommunication grade optical fibres or optical fibre cables is being increased from Nil to 5%, subject to actual user condition. S. No. 341 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.

Chapter 71:

- 1) BCD on cut and polished coloured gemstones falling under chapter 71 is being increased from 2.5% to 5%. S.No.349 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.
- 2) BCD on diamonds including lab grown diamonds-semi processed, half-cut or broken falling under chapter 71 is being increased from 2.5% to 5%. S.No.350 of notification No.50/2017-

Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.

- 3) BCD on non-industrial diamonds including lab-grown diamonds (other than rough diamonds) falling under chapter 71 is being increased from 2.5% to 5%. S.No.351 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.
- 4) Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured form, or in powder form is being exempted from the newly imposed Social Welfare Surcharge in excess of an amount calculated at 3% of the aggregate of duties of customs. [Notification No.12/2018-Customs dated 02.02.2018 refers.]
- 5) Gold (including gold plated with platinum), unwrought or in semi-manufactured form, or in powder form is being exempted from the newly imposed Social Welfare Surcharge in excess of an amount calculated at 3% of the aggregate of duties of customs. [Notification No. 12/2018-Customs dated 02.02.2018 refers.]
- 6) BCD on all goods falling under heading 7117 is being increased from 15% to 20% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers]

Chapter 72: No Change

Chapter 73:

- 1) BCD on screws of cellular mobile phone falling under tariff item 7318 15 00 is being increased from 10% to 15%, by omitting S.No.2 of notification No.57/2017-Customs, dated 30th June, 2017, vide notification No.22/2018-Customs, dated 2nd February, 2018. Consequently, screw for of cellular mobile phone falling under tariff item 7318 15 00 will attract BCD at tariff rate of 15%, without any actual user condition.
- 2) BCD on SIM socket/ Other Mechanical items (Metal) of cellular mobile phone falling under tariff item 7326 90 99 is being increased from 10% to 15%, by omitting S.No.3 of notification No.57/2017-Customs, dated 30th June, 2017, vide notification No. 22/2018-Customs, dated 2nd February, 2018. Consequently, SIM socket/ Other Mechanical items (Metal) of cellular mobile phone falling under tariff item 7326 90 99 will attract at tariff rate of 15%, without any actual user condition.

Chapter 74-83: No Change

Chapter 84 and 85:

- 1) BCD on spark ignition engines, falling under heading 8407, of motor vehicles falling under headings 8702, 8703, 8704 or 8711, is being increased from 7.5% to 15% by increasing the tariff rate. [Clause 101 (a) of the Finance Bill, 2018 refers]. However, the existing BCD rates/concession rates on engines of aircraft (8407 10 00), marine propulsion engines (8407 21 00 and 8407 29 00), or engines of motor vehicles [other than motor vehicles falling under headings 8702, 8703, 8704 or 8711] shall continue [New S. Nos. 448 A and 448 B of

notification No. 50/2017-Cus, dated the 30th June, 2017, as amended by notification No.6 /2018-Cus, dated 2nd February, 2018, and other existing entries in the notification No. 50/2017-Cus refer].

- 2) BCD on compression ignition engines, falling under heading 8408, of motor vehicles falling under headings 8702, 8703, 8704 or 8711, is being increased from 7.5% to 15% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. However, the existing rates of 7.5% of BCD on all goods [other than the engines of motor vehicle falling under headings 8702, 8703, 8704 or 8711] shall continue [New S. Nos. 448 C of notification No. 50/2017-Cus, dated the 30th June, 2017, as amended by notification No. 6/2018-Cus, dated 2nd February, 2018 refers].
- 3) BCD on parts falling under heading 8409 and suitable for use solely or principally with the engines, of heading 8407 or 8408, of a kind used in motor vehicles, falling under heading 8702 or 8704, motor cars falling under heading 8703, or motor cycles falling under heading 8711 is being increased from 7.5% to 15%, by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. However, BCD of 7.5% for all other parts [other than parts of engines of said motor vehicles/ motor cars/ motor cycles] falling heading 8409 shall continue [New S. No. 448 D of notification No. 50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers].
- 4) BCD on Crank shaft falling under tariff items 8483 10 91 and 8483 10 92 for engines falling under headings 8407 and 8408 respectively and used in motor vehicles falling under headings 8702, 8703 8704 and 8711 is being increased from 7.5% to 15% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. However, BCD of 7.5% on Crank shaft [other than for engines of said motor vehicles/ motor cars/ motor cycles] shall continue. [New S. Nos. 448 E and 448 F of notification No. 50/2017-Customs, dated 30th June, 2017, as amended by notification No.6 /2018-Customs, dated 2nd February, 2018 refer].
- 5) BCD on electrical ignition or starting equipment and cut-outs falling under heading 8511, of motor vehicles falling under headings 8702, 8703, 8704, 8711, is being increased from 7.5% to 15% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. However, BCD of 7.5% on such goods [other than for engines of said motor vehicles/ motor cars/ motor cycles] shall continue. [New S. No. 489 A of notification No. 50/2017-Customs, dated 30th June, 2017, as amended by notification No.6/2018-Customs, dated 2nd February, 2018 refers].
- 6) BCD on cellular mobile phones is being increased from 15% to 20% by increasing the tariff rate of BCD for tariff items 8517 12 10 and 8517 12 90 from 15% to 20%. [Clause 101(a) of the Finance Bill, 2018 refers].
- 7) BCD on charger or adapter of cellular mobile phones is being increased from 10% to 15%. For this purpose, the tariff rate of BCD for goods falling under sub-heading 8504 40 (other than 8504 40 21) is being increased from 10% to 15% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. However, BCD on goods other than charger or adapter of cellular mobile phones, falling under sub-heading 8504 40, is being retained at 10%. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [new S. No. 13 refers].

- 8) BCD on cell/battery of cellular mobile phones is being increased from 10% to 15% by increasing the tariff rate on goods falling under heading 8506 (other than tariff item 8506 90 00). [Clause 101(a) of the Finance Bill, 2018 refers]. Further, effective rate of BCD on goods [other than cell/battery of cellular mobile phones], falling under heading 8506, is being retained at 10%. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [new S. Nos. 14 refer].
- 9) BCD on battery pack [other than Lithium-ion battery] of cellular mobile phones is being increased from 10% to 15% by increasing the tariff rate on goods falling under heading 8507 (other than tariff item 8507 60 00 and sub-heading 8507 90). [Clause 101(a) of the Finance Bill, 2018 refers]. Further, effective rate of BCD on goods [other than battery pack of cellular mobile phones], falling under heading 8507, is being retained at 10%. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [new S. Nos. 15 refer].
- 10) BCD on Lithium-ion battery falling under tariff item 8507 60 00 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. The effective rate on lithium ion battery of cellular mobile phones is being increased from 10% to 15%. However, the effective rate of BCD on goods, other than lithium ion battery of cellular mobile phones, falling under tariff item 8507 60 00, is being retained at 10%. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [New S. Nos. 16, 17 refer].
- 11) BCD on microphone, wired headset, receiver of cellular mobile phones is being increased from 10% to 15% by increasing the tariff rate on goods falling under tariff items 8518 10 00, 8518 29 00, 8518 30 0, 8518 40 00. [Clause 101(a) of the Finance Bill, 2018 refers]. However, BCD on goods [other than microphone, wired headset, receiver of cellular mobile phones], falling under tariff items 8518 10 00, 8518 29 00, 8518 30 0, 8518 40 00, is being retained at 10%. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [New S. No. 18 refers].
- 12) BCD on key pad, GSM antenna or antenna of any technology, of cellular mobile phones, falling under tariff item 8517 70 90 is being increased from 10% to 15%. For this purpose, the tariff rate of BCD for goods falling under tariff item 8517 70 90 is being increased from 10% to 15%. [Clause 101(a) of the Finance Bill, 2018 refers]. BCD on goods [other than parts of cellular mobile phones] falling under this tariff item will remain unchanged.
- 13) BCD on side key of cellular mobile phones, falling under tariff item 8538 90 00, is being increased from 10% to 15% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. However, BCD on goods [other than side key of cellular mobile phones], falling under tariff item 8538 90 00, is being retained at 7.5%. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [new S. No. 19 refers].
- 14) BCD on USB cable of cellular mobile phones, falling under heading 8544, is being increased from 7.5/10% to 15% by increasing the tariff rate on goods falling under tariff item/sub-headings 8544 19 10, 8544 19 20, 8544 19 30, 8544 19 90, 8544 49 from 10% to 15% and tariff rate of items falling under 8544 42 91, 8544 42 92, 8544 42 93, 8544 42 99 from 7.5% to 15%. [Clause 101(a) of the Finance Bill, 2018 refers]. However, the effective rate of BCD on goods [other than USB cable of cellular mobile phones], falling under heading 8544 is being

retained at 7.5%. S. No.491 of notification No.50/2017-Customs, dated 30th June, 2017, amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.

- 15) BCD on wrist wearable devices (commonly known as smart watches) falling under tariff item 8517 62 90 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. However, the effective rate of BCD on goods [other than wrist wearable devices], falling under tariff item 8517 62 90, is being retained at 10%. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [new S. No. 20 refers].
- 16) Concessional 5% BCD on parts of Cellular Phones under S. No 499 of notification No 50/2017 is being withdrawn. Consequently, parts of Cellular Phones will attract applicable BCD. S.No.499 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018, refers.
- 17) Exemption from BCD on Printed Circuit Board Assembly (PCBA) falling under tariff item 8504 90 90 for manufacture of charger or adapter of cellular mobile phone is being withdrawn, and they will now attract at tariff rate of 10% BCD, without any actual user condition. S.No.7 and 7A of notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No. 22/2018-Customs, dated 2nd February, 2018 refer.
- 18) Exemption from BCD on moulded plastics falling under tariff items 3926 90 99 or 8504 90 90 for manufacture of charger or adapter of cellular mobile phone is being withdrawn, they will now attract 10% of BCD without actual user condition. S. No.7, 7A and 7B of notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 refer.
- 19) BCD on inputs or parts for manufacture of Printed Circuit Board Assembly (PCBA) and moulded plastics of charger or adapter of cellular mobile phone is being exempted, subject to actual user condition. Notification No.57/2017-Customs, dated 30th June, 2017, as amended by notification No.22/2018-Customs, dated 2nd February, 2018 [new S. No. 7C refers].
- 20) BCD on LCD/LED/OLED panels of television falling under heading 8529 is being increased from 7.5% to 15% and on other parts of LCD/LED/OLED TVs falling under heading 8529 is being increased from 10% to 15%. The tariff rate of BCD for goods falling under tariff items 8529 10 99 and 8529 90 90 is being increased from 10% to 15%. [Clause 101(a) of the Finance Bill, 2018 refers]. S.No.514 of notification No.50/2017-Customs, dated 30th June, 2017, is being omitted by notification No.6/2018-Customs, dated 2nd February, 2018. However, BCD on parts of goods of heading 8525, 8526 and 8527, falling under tariff items 8529 10 99 or 8529 90 90, is being retained at 10%. Notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 [new S. Nos. 516A refers].
- 21) BCD on parts of other cathode ray tube monitors; other monitors; other projectors; reception apparatus for television, whether or not incorporating radiobroadcast receivers or sound or video recording or reproducing apparatus, not designed to incorporate a video display or screen and other Monochrome of heading 8528, falling under tariff items 8529 10 99 or 8529 90 90, is being retained at 10%. Notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No.6/2018-Customs, dated 2nd February, 2018 [new S. No. 516B refers].

- 22) BCD on 11 specified parts of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV panels is being increased from Nil to 10%. S. No. 516 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.
- 23) Concessional 2.5% BCD is being extended to Ball Screws [8483 40 00], Linear Motion Guides [8466 93 90] and CNC Systems [8537 10 00] for manufacture of all types of CNC machine tools falling under headings 8456 to 8463, subject to actual user condition. S. No. 462, 463 and 464 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers.
- 24) The Second Schedule (Export Tariff) to the Customs Tariff Act, 1975, is being amended so as to prescribe a tariff rate of export duty of 20% for 'Carbon Electrodes of a kind used for furnaces' falling under tariff item 8545 11 00. [Clause 102(b) of the Finance Bill, 2018 refers]. The effective rate of Export duty on Carbon Electrodes of a kind used for furnaces' falling under tariff item 8545 11 00, however, will be Nil. Notification No.27/2011-Customs, dated 1st March, 2011, as amended by notification No.23/2018-Customs, dated 2nd February, 2018 [new S. No. 62A refers].

Chapter 86: No Change

Chapter 87:

- 1) BCD on CKD (completely Knocked Down) imports of motor vehicles falling under headings 8702, 8704 is being increased from 10% to 15% [S. No. 524 of notification No.50/2017-Customs, dated 30thJune, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers].
- 2) BCD on CBU (Completely Build Unit) imports of motor vehicles falling under headings 8702, 8704 is being increased from 20% to 25% [S. No. 524 of notification No.50/2017-Customs, dated 30thJune 2017, as amended by notification No.6/2018-Customs, dated 2nd February, 2018 refers].
- 3) BCD on CKD (completely knocked down) imports (with engine, gearbox and transmission not in pre-assembled condition) of motor cars falling under heading 8703 is being increased from 10% to 15% [S. No. 526 of notification No.50/2017-Customs, dated 30thJune, 2017, as amended by notification No.6 /2018-Customs, dated 2nd February, 2018 refers].
- 4) BCD on parts and accessories, falling under heading 8708, of motor vehicles falling under headings 8702, 8703 and 8704, is being increased from 10% to 15% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. However, BCD on other parts and accessories [other than those of motor vehicles falling under headings 8702, 8703 and 8704], is being retained at 10% [S. No. 530 A of notification No. 50/2017-Customs, dated 30thJune, 2017, as amended by notification No.6 /2018-Customs, dated 2nd February, 2018 refers].
- 5) BCD on CKD (completely knocked down) imports (with engine, gearbox and transmission not in pre-assembled condition) of motor cycles falling under heading 8711, is being increased from 10% to 15% [S. No. 531 of notification No.50/2017-Customs, dated 30thJune, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers].

- 6) BCD on parts and accessories, falling under sub-heading 8714 10, of motor cycles (including mopeds) falling under heading 8711, is being increased from 10% to 15% by increasing the tariff rate [Clause 101(a) of the Finance Bill, 2018 refers].

Chapter 88-89: No Change

Chapter 90

- 1) BCD on medical devices falling under headings 9018, 9019, 9020, 9021 or 9022 is being increased from 7.5% to 10% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. There is, however, no change in effective rates of BCD on medical devices falling under headings 9018, 9019, 9020, 9021 or 9022. For example, medical devices [falling under tariff lines 9018 32 30, 9018 50 20, 9018 90 21, 9018 90 24, 9018 90 43, 9018 90 95, 9018 90 96, 9018 90 97, 9018 90 98, 9019 10 20, 9022 90 10 or 9022 90 30 will continue to attract BCD of 5%. [S. No. 563 of notification No.50/2017-Customs, dated 30th June, 2017 refers]. Other medical devices falling under 9018, 9019, 9020, 9021 or 9022 will also continue to attract 7.5% effective rate of BCD. Notification No. 50/2017 -Customs, dated 30th June, 2017, as amended by notification No.6/2018-Customs, dated 2nd February, 2018 [new S. No. 563A refers]. There is no change in effective rate of BCD for other goods falling under these headings also.
- 2) BCD on raw materials, parts or accessories for the manufacture of Cochlear Implants, is being reduced from 2.5% to Nil, subject to actual user condition. Notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No.6/2018-Customs, dated 2nd February, 2018 [New S. No 578A of refers].
- 3) BCD rate on sunglasses, falling under tariff item 9004 10 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]

Chapter 91:

- 1) BCD on all goods falling under heading 9101 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers].
- 2) BCD on all goods falling under heading 9102 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]
- 3) BCD on all goods falling under heading 9103 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]
- 4) BCD on all goods falling under heading 9105 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]

Chapter 92-93: No Change

Chapter 94:

- 1) BCD on seats whether or not convertible into beds, and parts thereof (other than aircraft seats and parts thereof), falling under heading 9401 is being increased from 10% to 20% by

increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. The existing concessional / exemptions on parts of aircraft seats and parts thereof shall continue.

- 2) BCD on all goods falling under heading 9403 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers].
- 3) BCD on all goods falling under heading 9404 is being increased from 10% to 20%. [Clause 101(a) of the Finance Bill, 2018 refers].
- 4) BCD on all goods (other than solar lantern or solar lamps) falling under chapter heading 9405 is being increased from 10% to 20%. S.No.586A of notification No.50/2017-Customs, dated 30th June, 2017, is being omitted by notification No.6/2018-Customs, dated 2nd February, 2018. Consequently, all goods, except solar lantern or solar lamps falling under heading 9405 will attract 20% tariff rate.

Chapter 95:

- 1) BCD on all goods falling under heading 9503 (goods falling under tariff item 9503 00 90 is already at 20%) is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. With this change, all goods falling under heading 9503 will attract BCD of 20% (Balloons falling under this heading already attract 20% BCD). S. No. 284 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No. 6/2018-Customs, dated 2nd February, 2018 refers
- 2) BCD on all goods falling under heading 9504 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers].
- 3) BCD on all goods falling under tariff item 9505 90 10 is being increased from 10% to 20% by increasing the tariff rate [goods falling under tariff items 9505 10 00 and 9505 90 90 are already at 20%]. [Clause 101(a) of the Finance Bill, 2018 refers]. With this change, all goods falling under heading 9505 will attract BCD of 20% (Balloons falling under this heading already attract 20% BCD). S. No. 284 of notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No.6/2018-Customs, dated 2nd February, 2018 refers.
- 4) BCD on all goods falling under heading 9506 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers]. However, effective rate of BCD on articles and equipment for general physical exercise, gymnastics or athletics falling under sub-heading 9506 91 is being retained at 10%. Notification No.50/2017-Customs, dated 30th June, 2017, as amended by notification No.6/2018-Customs, dated 2nd February, 2018 [new S. No. 594A refers].
- 5) BCD on all goods falling under heading 9507 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers].
- 6) BCD on all goods falling under heading 9508 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers].

Chapter 96:

- 1) BCD on all goods falling under heading 9611 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers].

- 2) BCD on all goods falling under heading 9613 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers].
- 3) BCD on falling under heading 9616 is being increased from 10% to 20% by increasing the tariff rate. [Clause 101(a) of the Finance Bill, 2018 refers].

Chapter 97-98: No Change

Miscellaneous:

- 1) Social Welfare Surcharge is being levied on imported goods with effect from 2nd February, 2018, to provide and finance education, health and social security. Clause 108 of the Finance Bill refers. By virtue of a declaration under the Provisional Collection of Taxes Act, 1931, the levy of Social Welfare Surcharge will come into immediate effect, that is with effect from 2nd February, 2018.
- 2) Education Cess and Secondary & Higher Education Cess leviable on imported goods are being abolished by omitting Chapter VI in Finance (No.2) Act, 2004 and Finance Act, 2007, respectively. [Clause 106 of the Finance Bill refers]. Till the enactment of the Finance Bill, 2018, Education Cess and Secondary & Higher Education Cess leviable on imported goods are being fully exempted by way of notification. [Notification Nos. 7/2018-Customs and 8/2018-Customs dated 02.02.2018 refer] Consequently, Notification Nos. 69/2004-Customs dated 09.07.2004 and 28/2007-Customs dated 1st March 2007 exempting specified goods from levy of Education cess and SHE cess are being rescinded vide notification Nos.9/2018-Customs and 10/2018-Customs dated 02.02.2018.
- 3) Specified goods, which were exempt from levy of Education cess and SHE cess under notification Nos. 69/2004-Customs dated 09.07.2004 and 28/2007-Customs dated 1st March 2007 respectively, are being fully exempted from the levy of Social Welfare Surcharge. Notification No.11/2018-Customs dated 02.02.2018 refers].
- 4) Levy of Social Welfare Surcharge on Integrated Tax and GST Compensation Cess on imported goods is being fully exempted by way of notification. Notification No. 13/2018-Customs dated 02.02.2018 refers]
- 5) Motor spirit commonly known as petrol and high speed diesel oil are being exempted from the newly imposed Social Welfare Surcharge in excess of amount calculated at 3% of the aggregate of duties of customs [Notification No.12/2018-Customs dated 02.02.2018 refers.]
- 6) Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured form, or in powder form is being exempted from the newly imposed Social Welfare Surcharge in excess of amount calculated at 3% of the aggregate of duties of customs [Notification No. 12/2018-Customs dated 02.02.2018 refers.]
- 7) Gold (including gold plated with platinum), unwrought or in semi-manufactured form, or in powder form is being exempted from the newly imposed Social Welfare Surcharge in excess of amount calculated at 3% of the aggregate of duties of customs [Notification No.12/2018-Customs dated 02.02.2018 refers.]

EXCISE**Chapter 24: No change.****Chapter 27:**

- 1) A Road and Infrastructure Cess, as an Additional Duty of Excise, is being imposed on motor spirit commonly known as petrol and high speed diesel, falling under heading 2710, at the rate of Rs. 8 per litre. [Clause 110 read with the Sixth Schedule of the Finance Bill, 2018 refers.] This levy of Road and Infrastructure Cess will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.
- 2) Simultaneously, the Basic Excise Duty on motor spirit commonly known as petrol (both branded and unbranded) and high speed diesel oil (both branded and unbranded) is being reduced by Rs. 2 per litre. [S. Nos. 2 and 3 of the Notification No. 11/2017-CE dated 30th June, 2017 as amended vide Notification No. 9/2018-CE dated 02.02.2018 refer.]
- 3) The Additional Duty of Excise (Road Cess) leviable on motor spirit commonly known as petrol and high speed diesel oil are being abolished by omitting the relevant sections in Finance (No.2) Act, 1998 and Finance Act, 1999, respectively. [Clause 106 of the Finance Bill, 2018 refers]. Till the enactment of the Finance Bill, 2018, the Additional Duty of Excise (Road Cess) leviable on domestically manufactured and produced motor spirit commonly known as petrol and high speed diesel oil are being fully exempted. [Notification No. 7/2018-CE and 8/2018-CE both dated 02.02.2018 refer.]. Consequently, notification Nos. 10/2015-CE dated 01.03.2015, 11/2015-CE dated 01.03.2015 are being rescinded. Further, notification Nos. 38/2004 –Central Excise dated 04.08.2004, 62/2008 –Central Excise dated 24.12.2008, 21/2009-Central Excise, dated 7.7.2009 exempting petrol blended with ethanol and diesel blended with bio-diesel from the levy of Additional Duty of Excise [Road Cess] are also being rescinded. [Notification No. 1/2018-CE, No. 2/2018-CE 3/2018-CE, 4/2018-CE and 5/2018-CE all dated 02.02.2018 refer.]
- 4) The Road and Infrastructure Cess on ethanol blended petrol and diesel blended with bio-diesel is being exempted, subject to the condition that appropriate duties of excise have been paid on petrol or diesel and appropriate GST has been paid on ethanol or bio-diesel used for making such blend. [Notification No.11/2018-CE, No.12/2018-CE and No.13/2018-CE, all dated 02nd February, 2018 refer.]
- 5) Notification No. 29/2002–Central Excise, dated 13.05.2002 prescribing effective rate of Basic Excise Duty, Additional Excise Duty (Road Cess) and Special Additional Excise Duty on petrol and diesel manufactured in and cleared from specified refineries in the North East Region is being rescinded vide Notification No. 6/2018-CE dated 02.02.2018 and a new notification No. 10/2018-CE dated 02.02.2018 is being issued exempting 50% of Basic Excise Duty, Road and Infrastructure Cess and Special Additional Excise Duty on petrol and diesel manufactured in and cleared from four specified oil refineries located in the North East Region.
- 6) Table below summarizes the changes in various duties applicable to petrol and diesel:

Item	Duty rates applicable prior upto 01.02.2018 [Rs. per litre]				Duty rates applicable with effect from 02.02.2018 [Rs. per litre]			
	Basic Excise Duty (BED)	AED (Road Cess)	SAED	Total Excise Duty	Basic Excise Duty (BED)	Road and Infrastructure Cess	SAED	Total Excise Duty
Petrol (unbranded)	6.48	6	7	19.48	4.48	8	7	19.48
Petrol (branded)	7.66	6	7	20.66	5.66	8	7	20.66
Diesel (unbranded)	8.33	6	1	15.33	6.33	8	1	15.33
Diesel (branded)	10.69	6	1	17.69	8.69	8	1	17.69

Thus, total excise duty on motor spirit commonly known as petrol and high speed diesel oil remains unchanged.

AMENDMENTS IN THE CUSTOMS ACT, 1962:

S. No.	Amendment	Clause of the Finance Bill, 2018
1.	Reference to import manifest and export manifest, wherever they occur in the Customs Act, to include Arrival Manifest and Departure Manifest respectively.	[54]
2.	Section 1 is being amended so as to expand the scope of the Customs Act to any offence or contravention committed thereunder outside India by any person.	[55]
3.	Section 2 is being amended so as to: <ul style="list-style-type: none"> (a) substitute the definition of assessment in sub-section (2); (b) to extend the limit of 'Indian Customs Waters' into the sea from the existing 'Contiguous zone of India' to the 'Exclusive Economic Zone (EEZ)' of India in sub-section (28); (c) provide that 'notification' would mean a 'notification published in the Official Gazette' and the word notify would be construed accordingly (new sub-section 30AA refers). 	[56]
4.	Section 11 is being amended so as to- <ul style="list-style-type: none"> (a) insert sub-section (3) providing that prohibition or restriction or obligation relating to import or export of any goods or class of goods or clearance thereof provided in any other law for the time being in force, or any rule or regulation made or any order or notification thereunder shall be executed only if such prohibition or restriction or obligation is notified under the provisions of Customs Act subject to such exceptions, modifications or adaptations as the Central Government may deem fit. This change would come into force from a date to be notified.	[57]
5.	Section 17 is being amended so as to: <ul style="list-style-type: none"> (a) expand the scope of verification beyond self-assessment to all the entries made under section 46 or section 50 by amending sub-section (2) along with consequential changes in sub-section (3); (b) insert a new sub-section (2A) to provide legal backing for the risk-based selection of self-assessed Bill of Entry or Shipping Bill through appropriate selection criteria; (c) extend the scope of re-assessment by omitting specific reference to valuation, classification and exemption or concessions of duty availed consequent to any notification issued therefor under this Act from sub-section (5); (d) omit sub-section (6), in view of the new dedicated Chapter for Audit; 	[58]
6.	Section 18 is being amended so as to: <ul style="list-style-type: none"> (a) cover export consignments under provisional assessment of duty by amending sub-section (1); 	[59]

	<p>(b) insert a new sub-section (1A) to empower the Board to issue regulation for providing time-limit for the importer or exporter to submit the documents and information, if required, for finalization of provisional assessments and for the proper officer to finalize the provisional assessment;</p> <p>(c) substitute the reference to section 28AB [which does not exist] with the reference to section 28AA retrospectively;</p>	
7.	A new section 25A is being inserted, so as to empower the Central Government to exempt goods imported for repair, further processing or manufacture ['Inward Processing of Goods'] from payment of whole or any part of duty of customs, leviable thereon subject to certain conditions.	[60]
8.	A new section 25B is being inserted so as to empower Central Government to exempt goods re-imported after export for repair, further processing or manufacture ['Outward Processing of Goods'] from payment of whole or any part of duty of customs, leviable thereon subject to certain conditions.	[60]
9.	<p>Section 28 is being amended so as to:</p> <p>(a) insert a proviso in clause (a) of sub-section (1) to provide pre-notice consultation in cases not involving collusion, willful mis-statement, suppression etc. before issue of demand notice. The manner of pre-notice consultation shall be provided in the regulations;</p> <p>(b) insert a new sub-section (7A) to provide for issuance of supplementary show cause notice in circumstances and in such manner as may be prescribed within the existing time period;</p> <p>(c) amend the existing sub-section (9) to:</p> <p>a. provide a definite time frame of six months and one year for adjudication of demand notices depending upon whether charges of collusion, willful mis-statement, suppression have been invoked. These time periods shall be extendable by the officer senior to adjudicating authority for a further period of <u>six months</u> and <u>one year</u> respectively.</p> <p>b. It also seeks to provide that if the demand notice is not adjudicated even within the extended period, it would be deemed as if no demand had been issued.</p> <p>(d) insert a new sub-section (9A) to provide certain grounds on account of which the time limit of six months or one year shall remain suspended and that the proper officer shall inform the person concerned the reasons for non-determination of duty or interest under sub-section (8) and in such cases the time specified in sub-section (9) shall apply not from the date of notice, but from the date when such reasons cease to exist.</p> <p>(e) insert a new sub-section (10A) to provide that where an order for refund is modified in appeal and the amount of refund so determined is less than the amount refunded, the excess amount so refunded shall be recovered along with interest thereon at the applicable rate, from the date of refund up to the date of recovery, as a sum due to the Government.</p>	[61]

	<p>(f) insert a new sub-section (10B) to provide a safeguard whereby a demand notice issued under sub-section (4) is held not sustainable in any proceeding, including at any stage of appeal for the reason that the charges of collusion, willful mis-statement etc. have not been established against the person to whom the demand notice has been issued, then the said notice shall be deemed to have been issued under sub-section (1).</p> <p>(g) insert an explanation that a notice issued for non-levy, not paid, short-levy or short paid of duty or erroneous refund after 14th May, 2015 but before the date on which the Finance Bill, 2018 receives the assent of the President, shall continue to be governed by the provisions of section 28 as it stood immediately before the date on which such assent is received.;</p>	
10.	<p>Section 28E is being amended so as to, -</p> <p>(a) omit clause (a) defining ‘activity’ as it is no longer relevant;</p> <p>(b) substitute the existing definition of advance ruling so as to cover subjects beyond mere determination of duty;</p> <p>(c) include a definition of ‘appellate authority’;</p> <p>(d) substitute the definition of ‘applicant’ in order to make it broad based;</p> <p>(e) define ‘authority’ as Customs Authority for Advance Ruling as referred to in section 28EA;</p> <p>(f) substitute “Appellate Authority” in place of “authority” in clause (f) and (g).</p>	[62]
11.	<p>A new section 28EA relating to ‘Customs Authority for Advance Rulings’ is being inserted, which provides for the Board to appoint officers of the rank of Principal Commissioner of Customs or Commissioner of Customs as Customs Authority for Advance Rulings by way of notification. Till such appointment by the Board, existing Authority shall continue to pronounce Advance Rulings.</p>	[63]
12.	<p>Section 28F is being amended so as to substitute the word "Authority" with the words "Appellate Authority" and to provide that on appointment of Customs Authority for Advance Rulings, the applications and proceedings pending before the erstwhile Authority shall stand transferred to Customs Authority for Advance Rulings.</p>	[64]
13.	<p>Section 28H is being amended so as to, -</p> <p>(a) amend clause (d) of sub-section 2 to include the word “tax” in addition to “duty” mentioned therein;</p> <p>(b) insert clause (f) in sub-section 2 to enable Central Government to notify any other matter on which advance ruling can be sought by an applicant;</p> <p>(c) insert sub-section (5) to provide that an applicant may be represented by a duly authorized person who is resident in India;</p> <p>(d) add an explanation stating that the definition of resident shall be same as provided in clause (42) of section 2 of Income Tax Act, 1961.</p>	[65]
14.	<p>Sub-section (6) of section 28-I is being amended to reduce the time from six months to three months within which the authority shall pronounce its advance ruling.</p>	[66]
15.	<p>Section 28K is being amended so as to, -</p>	

	<p>(a) omit the expression ‘after excluding the period beginning with the date of such advance ruling and ending with the date of order under this sub-section’ in sub-section (1);</p> <p>(b) insert a proviso to sub-section (1) so as to add a corresponding proviso to sub-section (7) of section 28 stating that the period beginning with the date of such advance ruling and ending with the date of order under this sub-section shall be excluded from the time period of two years and five years respectively specified in section 28.</p>	[67]
16.	<p>A new section 28KA [relating to Appeal provisions in respect of Advance Ruling] is being inserted so as to-</p> <p>(a) provide for appeal by an officer duly authorized by Board by notification, or by an applicant against the ruling or an order passed by Customs Authority for Advance Rulings to the Appellate Authority constituted under Section 245-O of the Income Tax Act;</p> <p>(b) provide that the sections 28I and 28J shall apply mutatis mutandis to appeal proceedings.</p> <p>(c) provide that the changes inserted vide this section shall come into force only when customs authority for advance ruling is appointed under section 28EA.</p>	[68]
17.	Section 28L is being amended so as to substitute the word "Authority" with the words "Authority or Appellate Authority"	[69]
18.	<p>Section 28M is being substituted so as to, -</p> <p>(a) provide that the procedure to be followed by the Authority shall be as prescribed.</p> <p>(b) provide that Appellate Authority shall, subject to provisions of this chapter, have power to regulate its own procedure in all matters arising out of the exercise of its powers under this act.</p>	[70]
19.	<p>Section 30 is being amended so as to:</p> <p>(a) include export goods in addition to imported goods as part of the information provided in the manifest;</p> <p>(b) provide for prescribing the manner of delivery of manifest through regulations.</p>	[71]
20.	<p>Section 41 is being amended so as to:</p> <p>(a) include imported goods in addition to export goods as part of the information provided in the manifest;</p> <p>(b) provide penalty provisions for late filing of manifest;</p> <p>(c) provide for prescribing the manner of delivery of manifest through regulations.</p>	[72]
21.	Section 45 is being amended so as to provide for clearance of goods by other ways as may be prescribed in addition to existing system of clearance by the proper officer.	[73]
22.	<p>Section 46 is being amended so as to:</p> <p>(a) amend sub-section (1) to insert a reference to Customs Automated System and the manner of presentation of bill of entry;</p> <p>(b) amend the proviso to sub-section (1) to insert a reference to Customs Automated System; and</p>	[74]

	<p>(c) clarify the time limit for the prior presentation of bill of entry, by substituting the words, 'within thirty days of' with the words, 'at any time not exceeding thirty days prior to' in first proviso to sub-section (3);</p> <p>(d) provide for such other documents, as may be prescribed in addition to invoice, by necessary insertion to that effect in sub-section (4);</p> <p>(e) insert a new sub-section (4A) so as to provide for observance of the accuracy, authenticity, validity of the declarations made by the importer under this section and compliance to the prohibitions or restrictions under this act or any other law for the time being in force.</p>	
23.	Section 47 is being amended so as to have a provision for clearance of goods by Customs Automated System in addition to existing clearance by the proper officer.	[75]
24.	Section 50 is being amended so as to: <p>(a) amend sub-section (1) to insert a reference to Customs Automated System and the manner of presentation of shipping bill or bill of export;</p> <p>(b) amend the proviso to sub-section (1) to insert a reference to Customs Automated System; and</p> <p>(c) insert a new sub-section (2A) so as to provide for observance of the accuracy, authenticity, validity of the declarations made by the exporter under this section and compliance to the prohibitions or restrictions under this act or any other law for the time being in force.</p>	[76]
25.	Section 51 is being amended so as to have a provision for clearance of goods by Customs Automated System in addition to existing clearance by the proper officer.	[77]
26.	To insert Chapter VIIA on payments through electronic cash ledger with governing provisions in Section 51A to have a provision for advance deposit which would enable payment of duties, taxes, fee, interest, and penalty through electronic cash ledger.	[78]
27.	Section 54 is being amended so as to empower the Board to make Regulations provide manner of presenting a bill of transshipment and declaration for transshipment.	[79]
28.	Section 60 is being amended so as to have a provision for clearance of goods by Customs Automated System in addition to existing clearance by the proper officer.	[80]
29.	Section 68 is being amended so as to have a provision for clearance of goods by Customs Automated System in addition to existing clearance by the proper officer.	[81]
30.	Section 69 is being amended so as to have a provision for clearance of goods by Customs Automated System in addition to existing clearance by the proper officer.	[82]
31.	Clause (iii) of sub-section (1) of Section 74 is being amended so as to substitute the reference to section 82 with the reference to clause (a) of section 84, as section 82 stands omitted vide section 104 of Finance Act, 2017;	[83]

32.	Sub-section (1) of Section 75 is being amended so as to substitute the reference to section 82 with the reference to clause (a) of section 84, as section 82 stands omitted vide section 104 of Finance Act, 2017;	[84]
33.	Nomenclature of Chapter XI is being amended so as to include reference to courier.	[85]
34.	Section 83 is being amended so as to include reference to goods imported or exported by courier through the authorized courier. The extant provisions in the section relate to goods imported or exported by post only.	[86]
35.	Section 84 is being amended so as to empower the Board to make regulations in relation to goods imported or exported by courier. The extant provisions in the section relate to goods imported or exported by post only.	[87]
36.	A new Chapter XIIA and section 99A thereunder, is being inserted relating to provisions relating to Audit.	[88]
37.	A new section 109A relating to 'Controlled Delivery' is being inserted, which seeks to authorize the proper officer or any other officer authorized by him to undertake Controlled Delivery of any consignment of goods to any destination in India or a foreign country. The section also provides, through an explanation, definition of controlled delivery. It also seeks to provide that controlled delivery shall be applicable on such consignment of goods and in such manner as may be prescribed in the Regulations.	[89]
38.	Section 110 of the Customs Act, 1962 is being amended so as to: (a) substitute the existing proviso to sub-section (2) to provide that the Principal Commissioner of Customs or Commissioner of Customs may, for reasons to be recorded in writing, extend the six months period by a period not exceeding six months and inform the person from whom such goods have been seized before the expiry of the time mentioned in the said sub-section; (b) insert second proviso to sub-section (2) providing that where any order for provisional release of the seized goods has been passed under Section 110A, the aforesaid period of six months, mentioned in sub-section (2), shall not apply.	[90]
39.	Section 122 is being amended so as to substitute the existing clauses (b) and (c) to empower the Board to fix monetary limits for adjudication of cases by officers below the rank of Joint Commissioner by way of notification.	[91]
40.	Section 124 is being amended so as to insert a second proviso to provide for issuance of supplementary show cause notice under such circumstances and in such manner as may be prescribed through regulations.;	[92]
41.	Section 125 of the Customs Act is being amended so as to: (a) insert a proviso to sub-section (1) to provide that where the demand proceedings against a noticee / co-noticees have been closed on grounds of having paid the dues mentioned in section 28, then the provisions of this section shall not be applicable if the goods are not prohibited or restricted; (b) insert sub-section (3) to provide that where redemption fine has not been paid within a period of one hundred and twenty days	[93]

	<p>from the date of option given under sub-section (1), then such option shall become void, except in cases where any appeal against such order is pending.;</p> <p>(c) insert an explanation that for an order passed under sub-section (1) before the date on which the Finance Bill, 2018 receives the assent of the President, and no appeal against such order is pending, such option may be exercised within one hundred and twenty days from the date on which such assent is received.;</p>	
42.	<p>Section 128A is being amended to allow Commissioner (Appeals) to remand back the matters to original adjudicating authority in specified categories of cases, namely:</p> <p>i. where an order or decision has been passed without following the principles of natural justice; or</p> <p>ii. where no order or decision has been passed after re-assessment under section 17; or</p> <p>iii. where an order of refund under section 27 has been issued crediting the amount to the Fund without recording any finding on the evidence produced by the applicant.;</p>	[94]
43.	<p>A new section 143AA is being inserted to empower the Board to prescribe trade facilitation measures or separate procedure or documentation for a class of importers or exporters or for categories of goods or on the basis of the modes of transport of goods for:</p> <p>(a) maintenance of transparency in import and export documentation and procedure; or</p> <p>(b) expeditious clearance or release of goods entered for import or export; or</p> <p>(c) reduction in the transaction cost of clearance of importing or exporting goods; or</p> <p>(d) maintenance of balance between customs control and facilitation of legitimate trade.;</p>	[95]
44.	<p>A new section 151B on reciprocal arrangement for exchange of information is being inserted so as to:</p> <p>(a) authorize the Central Government to enter into an agreement or any other arrangement with the Government of any country or with such competent authorities of that country, as it deems fit, for facilitation of trade, enforcing the provisions of Customs Act and exchange of information for trade facilitation, effective risk analysis, verification of compliance and prevention, combating and investigation of offences under the provisions of this Act or under the corresponding laws in force in that country;</p> <p>(b) authorize the Central Government to provide by a notification that the application of this section in relation to a contracting state with which reciprocal agreement or arrangements have been made, shall be subject to such conditions, exceptions or qualifications as are specified in the said notification.;</p> <p>(c) utilize the information received under sub-section (1) as evidence in investigations and proceedings under this Act subject to provisions of sub-section (2).;</p>	[96]

	<p>(d) where the Central Government has entered in to a multilateral agreement for exchange of information or documents for purposes of verification of compliance in identified cases, the Board shall specify the procedure for such exchange, the conditions subject to which such exchange shall be made and designation of the person through whom such information shall be exchanged.;</p> <p>(e) insert a deeming provision that any agreement entered into or any other arrangement made by the Central Government prior to the date on which the Finance Bill, 2018 receives the assent of the President, shall be deemed to have been done or taken under the provisions of this Section.;</p> <p>(f) insert a definition of “contracting state” and “corresponding law” referred to in this section.;</p>	
45.	Section 153 is being substituted so as to align it with the provisions of the section 169 of the CGST Act to include Speed Post, Courier, and registered email as valid modes of delivery and in case of non-service by such means, to also provide for affixing it at some conspicuous place at the last known place of business or residence in addition to affixing it on the notice board of the Customs House etc.	[97]
46.	<p>Section 157 is being amended so as to empower the Board to make regulations relating to:</p> <p>(a) manner to deliver or present, a bill of entry, shipping bill, bill of export, import manifest, import report, export manifest, export report, bill of transshipment, declaration for transshipment, boat note and bill of coastal goods;</p> <p>(b) time and manner of finalization of provisional assessment;</p> <p>(c) manner of conducting pre-notice consultation;</p> <p>(d) circumstances under which, and the manner of issuing supplementary notice;</p> <p>(e) form and manner in which an application for advance ruling or appeal shall be made, and the procedure for the authority, under Chapter VB;</p> <p>(f) manner of clearance or removal of imported or export goods;</p> <p>(g) documents to be furnished in relation to imported goods;</p> <p>(h) conditions, restrictions and the manner for deposits in electronic cash ledgers, the utilization and refund therefrom and the manner of maintaining such ledger;</p> <p>(i) manner of conducting audit;</p> <p>(j) goods for controlled delivery and the manner thereof;</p> <p>(k) measures and the simplified or different procedures or documentation for a class of importers or exporters or categories of goods or on the basis of the modes of transport of goods.</p>	[98]

ANNEXURE IV

OTHER AMENDMENTS IN THE CUSTOMS TARIFF ACT, 1975

S. No.	Amendment	Clause of the Finance Bill, 2018
1.	Section 3 is being amended so as to: (a) amend sub-section (7) to include reference to sub-section (8A); (b) insert a new sub-section (8A) to provide for value of goods when they are sold within the warehousing period for calculation of integrated tax; (c) amend the sub-section (9) to include reference to sub-section (10A); (d) insert a new sub-section (10A) to provide for value of goods when they are sold within the warehousing period for calculation of goods and services tax compensation cess.	[100]
2.	To insert a new Note to specify Nil rate of duty in respect of all other goods which are not covered under column (2) of the Schedule.	102 (a)
3.	Electrodes of a kind used for furnaces [Introduction of 20% Tariff rate of Export Duty on Electrodes of a kind used for furnaces, falling under tariff item 8545 11 00. The effective rate of Export duty on such electrodes will, however, remain Nil. Notification No. 27/2011-Customs as amended vide 23/2018-Customs dated 02.02.2018, New S. No.62A refers]	102 (b)

ANNEXURE V

MISCELLANEOUS

S. No.	Amendment	Clause of the Finance Bill, 2018
A	Renaming of Central Board of Excise and Customs as the Central Board of Indirect Taxes and Customs	
1.	Name of Central Board of Excise and Customs is being changed to Central Board of Indirect Taxes and Customs, with consequential amendments in the following Acts: - i. The Central Boards of Revenue Act, 1963 (54 of 1963) ii. The Customs Act, 1962 (52 of 1962) iii. The Central Goods and Services Tax Act, 2017 (12 of 2017) This amendment will be effective from the date of enactment of the Finance Bill 2018.	[157 and 218]