



OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE, PUNE-III COMMISSIONERATE
ICE HOUSE, 41/ A, SASSON ROAD, OPP. WADIA COLLEGE PUNE – 411 001

F.No. VGN(30)63/Tech/2016-17
Pune, the 03rd April, 2017

SPEED POST.

To,

Software Exporters' Association of Pune.
C/o Persistent Systems Ltd, Aryabhata-Pingala,
9-A Kashibai Khilare Path,
Pune 411004.

Gentlemen,

Sub: Queries related to the CBEC Circular No. 35/2016-Customs dated 29th July 2016.

Please refer your letter dated 16-09-2016 on the subject matter. The issues mentioned in the aforesaid letter are hereby clarified as under :

- 1) Provisions of circular 35/2016 of Customs are applicable for imported goods only. No reference of Notification No. 22/2003 which means bond register for indigenous capital goods needs to be maintained as it is. Is there any possibility that similar norms are applicable for indigenous goods?

In this regard Notification No. 31/2016 Central Excise dated 24.08.2016 may be referred.

- 2) With the new change will MOT Charges be applicable for STPI units.

Section 65 has been amended to delete the requirement of payment of fees to Customs for supervision of manufacturing facilities under bond. Later on Notification No. 44/2016 Cus dated 29.07.2016 has been issued amending the principal Notification No. 52/2003 Cus dated 31.03.2003. As a consequence, the units have been delicensed as Warehouse under Customs Act, 1962 w.e.f. 13.08.2016. Hence MOT charges will not be applicable.

- 3) It is asked to maintain records in prescribed format. It is also mentioned that a software is to be maintained which should be tamper proof or auditable. We wish to submit that bigger organizations could afford to have a software but for small & mid-size companies we need to consider maintaining the data in an excel sheet.

It is to clarify that Para 5 of Circular No. 35/2016 Cus dated 29.07.2016, has categorically mentioned the requirement of maintaining records of imported goods in digital form, based upon data elements contained in Form A. The prescribed procedure needs to be incorporated by all units. If there is any specific difficulty in following the prescribed procedure by any STPI Unit, the same may be brought out clearly in detail to take up the matter with the CBEC.

- 4) Submitting the report every month through pendrive or CD would be cumbersome. Moreover, there would be no acknowledgement for timely submission or otherwise. Can we set up a portal for reporting OR can we have some email based report submission?

This is a good suggestion and shall be forwarded to the CBEC for consideration. Till that time, any change in CBEC Circular No.35/2016-Customs dated 29.07.2016 is carried out, the said requirements would be required to be followed.

- 5) What is the process for replacement of faulty items, re-export of goods, de-bonding of goods etc.

For re-export of goods, Para 4 of Notification No. 52/2003 as amended is required to be followed. As per Notification No. 44/2016-Customs dated 29.07.2016 and Circular No.35/2016 Cus dated 29.07.2016, the unit stands delicensed as on 13.08.2016 and thus the question of de-bonding does not arise. Re-export of faulty items for replacement will also be as per Notification No. 52/2003-Customs, as amended.

- 6) Circular speaks about obtaining IC/PC from agencies. Is this to be obtained by the receiving unit?

Para 7 of the circular No.35/2016 dated 29.07.2016 to be followed by the units.

- 7) Is there any specific format in which details of goods transferred under IUT is to be maintained?

There is no specific format. However procedure mentioned in para 7.1 of the Circular No.35/2016 dated 29.07.2016 is required to be followed. Also the Procurement Certificate or the pre-authenticated Procurement Certificate should clearly specify the goods, quantity, date of import and other relevant details of import.

- 8) We assume upon receipt of goods units can use the bonded goods directly. Is any intimation to be provided to the jurisdictional officer?

Para 5 of the circular No.35/2016 dated 29.07.2016 says, "In order to maintain records of receipts, storage, processing and removal of goods, imported by units, as required under Notification No. 52/2003-Cus dated 31.03.2003, the Board has prescribed that the units shall maintain records of imported goods, in digital form, based upon data elements contained in Form A". There is no mention about the intimation to be provided to the jurisdictional officer as regards to usage of such goods. However, it is clearly mentioned in Para 5 of the Circular that all units are required to enter data accurately and immediately upon the goods being received in or removed from the unit. The digital records should be kept updated, accurate, complete and available at the unit at all times for verification by the proper officer, whenever required. A digital copy of Form A, containing transactions for the month, shall be provided to the proper Officer, each month (by the 10th of the month) in a CD or Pen drive, as convenient to the unit.

- 9) The circular came into effect on August 14th. How will bonded goods prior to August 14th be treated after this circular is effective. Please elaborate.

Notification No. 44/2016-Customs dated 29.07.2016 came into effect from 13.08.2016. In terms of Para 5.1 of the Circular No. 35/2016-Customs dated 29.07.2016, details of the Bonded goods which were lying with the unit needed to be integrated into the digital record prescribed under the said Circular. As regards Inter unit transfer of capital goods and manufactured goods is required to be done as per Para 7.1 of CBEC Circular No. 35/2016-Customs dated 29.07.2016.

- 10) In the current scenario what if an existing unit wishes to expand / add new bonded premises to the existing licence.

Notification No. 44/2016-Customs dated 29.07.2016, has been issued (w.e.f. 13.08.2016), amending Principal Notification No. 52/2003-Customs dated 31.03.2003. As a consequence, these units stand delicensed as Warehouse under Customs Act, 1962 w.e.f. 13.08.2016. They shall continue to adhere to the provisions of Notification No. 52/2003-Customs dated 31.03.2003, as amended, FTP, HBP and other applicable notifications. Any expansion of the existed Unit will be required to be done accordingly. Further, it is not proper now to use the term 'bonded premises'.

11) What would be the process for partial de-bonding of premises?

When the Units stand delicensed w.e.f. 13.08.2016, where is the question of partial de-bonding. The provisions of above mentioned Notification No.44/2016-Customs dated 29.07.2016, CBEC Circular No.35/2016-Customs dated 29.07.2016 and Notification No. 31/2016-C.E. dated 24.08.2016 may be followed.

Yours sincerely,



(RAJESH PANDEY)

Commissioner, Central Excise
Pune-III Commissionerate