

AEPC Circular No. - 89

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Secretary General, AEPC

AEPC/HO/SG/R&PA/2022

22.04.2022

Dear Members,

Sub: **Implementation of IGCR in SEZ Clearances for DTA supplies**

1. The Department of Revenue, Ministry of Finance vide its Notification No. 02/2022- dated 01.02.2022 had allowed import of Trimmings and Embellishments and has carried out changes in facility of import of Tags, labels, stickers, belts, buttons, hangers or printed bags and import of lining and interlining material. These items have been allowed to be imported under Serial No 257 / 257B of Custom Notification No 02/2022 dated 1.2.2022, without any duty and without any limit and are governed under condition 108 and condition No.9, details of which have been given in our earlier circulars.

2. Condition no. 9 requires importers to follow the procedure set out in Import of Goods at Concessional Rate of Duty (IGCR) Rules 2017.

3. Attention of the trade is invited to AEPC's Circular no. 79 dated 08.03.2022 on 'Recent changes in Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (IGCR Rules, 2017).

4. The Council had been receiving concerns from exporters on the procedural problem in clearance of trimmings and embellishments etc from SEZ to apparel units in DTA under the new IGCR rules.

5. Accordingly, the Council had taken up the issue with Directorate General of Systems and Data Management, Central Board of Indirect Taxes and Customs. We are happy to share with the trade that the issue has been resolved now and the Directorate General of Systems and Data Management has issued necessary Advisory No 06/2022 dated 18.04.2022 (copy enclosed) for the benefit of the trade.

6. The implementation part of the **IGCR in SEZ Clearances for DTA supplies are as follows:**

(a) The Bill of Import for DTA supplies will be filed at SEZ Online and will be processed at SEZ end, as per the procedures adopted by SEZ.

(b) After assessment by SEZ officers, the details of duty foregone amount on account of IGCR would be sent to the jurisdictional EPC / customs preventive officers in whose jurisdiction the IGCR unit is located, for debit of the IGCR Bond (EI Bond type) maintained on ICES. The details should include the SEZ B/E number and date and duty foregone.

(c) The proper officer at EPC shall debit the corresponding IGCR bond (i.e. EI bond which was registered online at ICEGATE against the respective IIN) in ICES under ACP role. The facility to debit the IGCR bond (bond type EI) manually for supplies under bill of import has been provided under ACP role in ICES.

(d) After debiting the bond, the officer in charge of the concerned EPC/Preventive Division will convey the same offline to the SEZ officer for release of goods by the SEZ i.e. for grant of out of charge.

(e) This offline system shall continue until this mechanism is integrated with SEZ Online.

7. Any issue faced by the trade in following the above procedure may be forwarded to saksham.seva@icegate.gov.in and team.ices@iecagte.gov.in .

This is issued for the information of the trade.

With warm regards,

Yours sincerely,

Dr. L.B. Singhal

Secretary General