

Trade facilitation Circulars: Takeaways

March 01, 2016

In order to further improve the trade-enabling environment, CBEC (vide Circular No. 1016-1019/5/2016-CX) has issued four Central Excise related Circulars. This is in line with CBEC's assurance to create and maintain a trade environment by not just simplifying, standardizing and harmonizing the trade procedures and formalities, but also by adopting streamlined and transparent policies.

Excise Duty

Circular No. 1016/5/2016-CX dt. February 29, 2016

- CBEC clarifies that Circular No. 586/23/2001-CX dated September 12, 2001 and Central Excise Manual of Supplementary Instructions, 2005 to stand amended as per amendment made vide Notification No. 19/2016-Central Excise(NT), dt. March 01, 2016.
- Notification No. 19/2016-Central Excise(NT) provides for registration of two or more premises as one registrant in Central Excise subject to certain conditions.

Circular No. 1017/5/2016-CX dt. February 29, 2016

- CBEC extends benefit of issuing of Certificate as proof of payment of Central Excise duty to entire industry as a matter of trade facilitation, w.e.f. March 1, 2016.

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- Facility was extended to SSIs vide Boards circular 620/11/2002-CX dt. February 20, 2002 where Board directed that even though no provision present in Central Excise Rules or Central Excise Manual to issue certificate of proof of payment of duty, certificates may be issued by Superintendents as trade facilitation.

Circular No. 1018/5/2016-CX dt. February 29, 2016

- CBEC to file applications before HC to withdraw from prosecution of cases where evasion of Central Excise duty less than Rupees five lakhs and prosecution pending for more than fifteen years.
- Directs Chief Commissioner to give direction to Central Excise Officer to request Public Prosecutor to file an application requesting to allow withdrawal from prosecution.
- On filing of such applications HC to decide whether or not to pursue prosecution.
- Draws attention to circular no. 1010/17/2015-CX to direct withdrawal of cases where quasi-judicial proceedings on identical facts failed.
- Grounds for withdrawal of prosecution to apply equally on co-noticees.
- If valid grounds for continuation of prosecutions proceedings exist, same to be examined by Chief Commissioner and brought to notice of Central Excise wing in Board with necessary justification.

Circular No. 1019/5/2016-CX dt. February 29, 2016

- CBEC reduces rate of interest on goods warehoused for export, when cleared to DTA.

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- Clarifies that exporter to pay interest @15% per annum, reduced from 24% per annum, when goods diverted for home-consumption in full or in part, w.e.f. April 01, 2016.
- Interest to be paid on amount of duty payable on such goods from date of clearance from factory of production or any other premises approved, till date of payment of duty and clearance.

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