

F. No. 450/129/2023-Cus.IV
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
(CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS)

New Delhi, the 6th April 2023

Customs (Waiver of Interest) Order, 2023

Order No. 01/2023-Customs (N.T.)

WHEREAS, Sub-section (2) of section 47 of the Customs Act, 1962 (52 of 1962) (hereafter in this Order referred to as the said Act) provides –

“(2) The importer shall pay the import duty -

- (a) on the date of presentation of the bill of entry in the case of self-assessment; or
- (b) within one day (excluding holidays) from the date on which the bill of entry is returned to him by the proper officer for payment of duty in the case of assessment, reassessment or provisional assessment; or
- (c) in the case of deferred payment under the proviso to sub-section (1), from such due date, as may be specified by rules made in this behalf;

and if he fails to pay the duty within the time so specified, he shall pay interest on the duty not paid or short-paid till the date of its payment, at such rate, not less than ten per cent. but not exceeding thirty-six per cent. per annum, as may be fixed by the Central Government, by notification in the Official Gazette :”.

AND WHEREAS, the Central Government, by virtue of notification no. 28/2002-Customs (N.T.) dated the 13th May, 2002 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R 359(E) dated the 13th May, 2002, fixed the rate of interest at fifteen per cent per annum for the purposes of the section 47;

AND WHEREAS, the third proviso below sub-section (2) of section 47 of the said Act is

“PROVIDED ALSO that if the Board is satisfied that it is necessary in the public interest so to do, it may, by order for reasons to be recorded, waive the whole or part of any interest payable under this section”:

AND WHEREAS, the provisions of section 51A of the said Act, read with Customs (Electronic Cash Ledger) Regulations, 2022 are made applicable to deposits from 1st April, 2023, other than those exempted by virtue of notification no.18/2023-Customs (N.T.) dated

30th March, 2023 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) vide number S.O. 1528(E) dated the 30th March, 2023;

AND WHEREAS, alongside the Directorate General of Systems is also revamping integration mechanisms for data exchange between ICES and ICEGATE, ICEGATE and Banks and ICEGATE with other stakeholders;

AND WHEREAS, the trade has, in a large number of cases, faced the difficulty of being unable to complete the process whereby accounting is made in the duty payment process initiated by them because of unanticipated technical difficulties on the Common Portal and with the authorized banks, from 01.04.2023 onward, as a result whereof, the interest is arising.

AND WHEREAS, the said technical difficulties, arising notwithstanding prior testing, are being resolved by the Directorate General of Systems, as they are encountered, and the new framework is being stabilized, while in the interim, because of said difficulties the interest also accumulates daily in the technical system in giving effect to the provisions of the sub-section (2) of section 47;

AND WHEREAS, had the said difficulties not arisen, the legitimate trade would not have been subjected to calculation of interest on the Common Portal;

AND WHEREAS, in terms of Section 143AA of the said Act, the Board may also for the purposes of facilitation of trade take measures to reduce the transaction cost of clearance;

NOW, THEREFORE, in exercise of the powers conferred by the third proviso below sub-section (2) of section 47 of the Customs Act, 1962, the Central Board of Indirect Taxes and Customs, being satisfied that it is necessary in the public interest so to do, hereby makes the following Order, namely:-

1. Short title. — This Order may be called the Customs (Waiver of Interest) Order, 2023.
2. The Central Board of Indirect Taxes and Customs, hereby waives the whole of interest payable under sub-section (2) of section 47 of the said Act, for the period from 1st April, 2023 upto and including the 10th April, 2023, in respect of such goods, where the payment of import duty is to be made from the amount available in electronic cash ledger:
3. The waiver would be applied on the Common Portal. In respect of Bills of Entry for which import duty payment has already occurred and integrated in ICES during the said period, a claim for refund of interest shall be subject to the provisions of Section 27 of the said Act.

Ananth Rathakrishnan,
Director (Customs)