

Instruction No. 15/2022-Customs, CBIC-190341/22/2022-TRU Section-CBEC, Dated, 20th July, 2022

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

To

All Principal Chief Commissioner/Chief Commissioner of Customs/Customs (Preventive).

All Principal Chief Commissioner/Chief Commissioner of Customs & Central Tax

All Principal Commissioner/ Commissioner of Customs/Customs (Preventive).

All Principal Commissioner/Commissioner of Customs & Central Tax

All Principal Director Generals/Director Generals under CBIC

Subject: Amendment to S. No. 515A of notification No. 50/2017-Customs

Reference is invited to S. Nos. 515A and 515B of notification No. 50/2017-Customs dated 30.06.2017 that provides a concessional basic custom duty (BCD) rate of 5% for specified parts and sub-parts of Liquid Crystal Device (LCD) and Light Emitting Diode (LED) TV panels.

2. Representations have been received regarding the above mentioned exemption entries stating that while the description in the said entries provide a concessional BCD rate of 5% on import of Open cell (15.6" and above) for use in the manufacture of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV panels as well as on specified parts for the manufacture of Open Cells for use in manufacture of LCD and LED TV Panels, these exemption entries do not refer to the proper tariff classification in view of the newly introduced heading 8524 for "Flat Panel Display Modules" in the Customs Tariff Act, as amended with effect from 01.01.2022. It may be noted that the issue has arisen in view of the new HSN 2022 introduced by the World Customs Organisation (WCO) to replace the HSN 2017 nomenclature for classification.

3. The matter was examined. The entry S. No. 515A of notification No. 50/2017-Customs referred to the heading 8529 and provided a concessional BCD rate for Open Cells used in the manufacture of TV panels, while the exemption entry S. No. 515B of notification No. 50/2017-Customs referred to the heading 8529 and provided a concessional BCD rate for specific parts used in the manufacture of Open Cells for use in manufacture of LCD and LED TV Panels, subject to conditions.

4. Till 31.12.2021, the Open Cells of LCD and LED TV Panels were classified under heading 8529 in HSN 2017, while the transposition from HSN 2017 to HSN 2022 came into effect from 01.01.2022. As per the explanatory notes to the heading 8524 published in HSN 2022 by WCO, the heading 8524, inter alia, includes Flat panel display modules without drivers or control circuits, which are generally referred to as 'cells'. Accordingly, the Open Cells would be classified under the heading 8524 in this version of Harmonised System of Nomenclature (HSN) made effective from 01.01.2022. However, the parts of Open Cells are still classified under the heading 8529, which covers 'Parts suitable for use solely or principally with the apparatus of headings 8524 to 8528', provided that such parts are not specifically excluded from the heading 8529 based on the General Rules of Interpretation.

5. In view of the above, notification No. 39/2022-Customs dated 12.07.2022 has been issued to amend the entry under S. No. 515A of notification No. 50/2017-Customs in order to align the HSN

codes provided therein with the explanatory notes to the heading 8524 as published by the WCO in HSN 2022.

6. For the removal of doubts, it is clarified that this change is only technical in nature. There is no change in the applicable BCD rate of 5% for Open cell (15.6" and above) for use in the manufacture of LCD and LED TV Panels of heading 8524. Therefore, the benefit of the concessional BCD rate available under the exemption entry S. No. 515 A of the notification No. 50/2017-Customs should not be denied, for the period since 01.01.2022 till the date of amendment of the said entry, on the mere ground that the classification used by the importer for the goods imported was 8529, provided that the goods imported conform to the description provided in the said exemption entry (i.e. Open Cells for use in manufacture of LCD and LED TV Panels), which is verifiable as the said exemption is subject to the condition that the importer follows the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.

7. These instructions would apply only in respect to the imports made under S. No. 515A of the notification No. 50/2017-Customs dated 30.06.2017 for the period of 01.01.2022 till 12.07.2022.

8. Difficulty faced, if any, in the implementation of the instructions, may be brought to the notice of the board.

Hindi version will follow.

Vinay V Nayak

Technical Officer