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 राजस्व विभाग /DEPARTMENT OF REVENUE
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F.No. GEN/68/2020-EDI-O/o Commr-Cus-Goa

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PUBLIC NOTICE NO. 06/2021

DIN-20210268MG0000722814

Subject: ICES Advisory on BUDGET 2021 RELATED Changes in EDI System – reg

Attention of Importers/Exporters, Custom Brokers, Trade and other stakeholders is invited to ICES Advisory No. 07/2021 dated 02.02.2021 issued by CBIC on the above subject.

2. Union Budget 2021-22 announced on 1st February 2021 has introduced some key changes on the Customs front. Changes in the duty structure and introduction of new levies has come into effect from 02-02-2021. All the notifications on rate changes have been duly updated in ICES and System will be restored for Bill of Entry filing in due course on 03.02.2021. The application of newly introduced levy in System as detailed below is being publicized among officers and trade in this Zone to ensure correct filing of BEs once the System is restored.

3. **Agriculture Infrastructure and Development Cess (AIDC)**

(a) One of the major changes in the duty structure is the introduction of Agriculture Infrastructure and Development Cess (AIDC) on **Import goods** vide clauses 115 and 116 (wherever excisable) of the Finance Bill, 2021. Clause 115 states:

*“Where on the goods specified in the First Schedule to the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), being the goods imported into India, at the **rate not exceeding the rate of customs duty** as specified in the said Schedule, for the purposes of financing the agriculture infrastructure and other development expenditure.”.*

(b) Further, for the calculation for AIDC, sub-clauses (3) and (4) state:

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“(3) Where the duty is leviable on the goods at any percentage of its value, then, for the purposes of calculating the Agriculture Infrastructure and Development Cess under this section, the value of such goods shall be calculated in the same manner as the value of goods is calculated for the purpose of customs duty under section 14 of the Customs Act, 1962.

“(4) The Agriculture Infrastructure and Development Cess on imported goods shall be in addition to any other duties of customs chargeable on such goods, under the Customs Act, 1962 or any other law for the time being in force.”

- (c) Similarly, Clause 116 levies AIDC as a duty of excise on excisable goods mentioned in the Seventh Schedule to the Finance Bill. In sub-clause (3), it is clarified that:

“(3) The cess leviable under sub-section (1), chargeable on the scheduled goods, shall be in addition to any other duties of excise chargeable on such goods under the Central Excise Act, 1944 or any other law for the time being in force.”

- (d) Necessary changes have been done in the System to include the new levy. **AIDC as a duty of Customs** will be applicable for all items unless exemption is claimed by relevant notification. For all items falling under the Sl No 1 to 16 of the Notification 11/2021 – Customs dated 01.02.2021, the relevant notification and sl no will have to be mentioned by the importer in the Bill of Entry for the applicable effective rate. Even for all other items which are completely exempted from AIDC, relevant Sl Nos (17 to 19) must be quoted in the Bill of Entry. Thus, the claim of AIDC notification **shall be mandatory** in the Bill of Entry.
- (e) **Excise AIDC** is applicable only for Petrol and High Speed Diesel. Importer can claim the benefit of relevant Central Excise exemption notification(s), wherever applicable.
- (f) While filing Bills of Entry through service centre or online through ICEGATE, following declarations will have to be made in the **BE_DUTY** table of the bill of entry to claim the above Exemption Notifications with following flags:
- Flags for Customs AIDC Notification: NOTN TYPE as ‘C’ and Additional Duty Flag as ‘A’
 - Flags for Excise AIDC Notification: NOTN TYPE as ‘E’ and Additional Duty Flag as ‘A’
- Necessary changes have also been made in other modules of ICES for facilitating changes in the assessment and duty calculation.
- (g) Further it is clarified in Para I (3) of Annexure C of the letter dated 01.02.2021 issued by JS(TRU-1) that SWS would be levied on AIDC. For the exemption mentioned for gold and silver in the same para, Notification 13/2021 – Customs dated 01.02.2021 has been issued exempting SWS calculation on AIDC for all goods falling under CTH 7106 and 7108.

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Necessary changes have been made in the System to automatically give the benefit of this Notification and calculate SWS accordingly for the goods falling under the mentioned CTHs.

4. Since most budgetary changes are effective from 02.02.2021, it is also requested to check the correctness of duty calculation for bills of entry which were cleared on 2nd and 3rd Feb before the System is restored for BE filing with new rates and levy. Further, considering that the above new levy brings a calculation change in the duty logic, the imposition of AIDC on the relevant goods and the calculation of duty by the EDI system may also be verified manually for the first few days. Any discrepancy found may immediately be brought to the notice of Directorate General of Systems and Data Management, CBIC by email to **team.ices@icegate.gov.in**.
5. Difficulties, if any, faced in implementation of this Public Notice may be brought to the notice of the Joint Commissioner through email at (meena.ms@gov.in)
6. This Public Notice should be considered as Standing Order for the purpose of officers & staff of the department

(MIHIR RANJAN)

COMMISSIONER