



UNION BUDGET 2022-2023 UPDATE

The Union Finance Minister presented the Union Budget 2022 and proposed the Finance Bill, 2022 in the Lok Sabha on February 1, 2022. An overview of post-budget Customs and Central Excise notifications as well as changes to Customs and GST laws are listed below.

Customs Notifications

- **February 1, 2022-** The Central Government vide notification No. 02/2022 – Customs, has amended notification no. 50/2017- Customs dated 30th June, 2017 so as to prescribe effective rate of Basic Customs Duty (BCD). This notification shall come into force on February 2, 2022.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cus0222.pdf>

- **February 1, 2022-** The Central Government vide notification No. 03/2022 – Customs, has amended, notification No. 11/2018- Customs dated 2nd February, 2018 so as to exempt certain goods from Social Welfare Surcharge (SWS) and to withdraw SWS exemption on certain textile items. This notification shall come into force on 2nd February, 2022.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cus0322.pdf>

- **February 1, 2022-** The Central Government vide notification No. 04/2022 – Customs, has rescinded notification nos. 190/1978-Customs and 191/1978-Customs both dated 22th September, 1978, prescribing additional duty of customs on imports of transformer oil equivalent to such portion of the excise duty leviable on the raw material commonly known as transformer oil base stock or transformer oil feedstock. This notification shall come into force on 2nd February, 2022.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cus0422.pdf>

- **February 1, 2022-** The Central Government vide notification No. 05/2022 – Customs, has rescinded Notification nos. 10/95-Customs, 26/99-Customs, 27/2004-Customs, 14/2006-Customs, 48/2006-Customs, 90/2007-Customs, 8/2011-Customs, 24/2011-Customs, 49/2013-Customs, 23/2014- Customs, 37/2015-Customs, 11/2016-Customs, 20/2020-Customs, 40/2020-Customs which have become redundant.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cus0522.pdf>

- **February 1, 2022-** The Central Government vide notification No. 06/2022 – Customs, has amended notification nos. 52/2017- Customs dated 30.06.2017 and 37/2017-Customs dated 30.06.2017 to remove entries which are being operated from the First Schedule to the Customs Tariff Act and certain redundant entries.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cus0622.pdf>

- **February 1, 2022-** The Central Government vide notification No. 07/2022 – Customs, has amended notification no. 82/2017- Customs dated October 27, 2017 to prescribe effective rate on certain Textile items up to April 30, 2022.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cus0722.pdf>

- **February 1, 2022-** The Central Government vide notification No. 08/2022 – Customs, has amended notification nos. 104/2010-Customs, 38/96-Customs, 40/2017-Customs, 60/2011-Customs, 148/94-Customs to exempt AIDC/Health cess/RIC on goods imported under the said notifications. This notification shall come into force on the 2nd February, 2022.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cus0822.pdf>

- **February 1, 2022-** The Central Government vide notification No. 09/2022 – Customs, has amended notification nos. 146/94-Customs, 147/94-Customs, 39/96-Customs, 50/96-Customs, 30/2004-Customs, 81/2005-Customs, 5/2017-Customs, 16/2017-Customs, 32/2017-Customs to prescribe end dates as per Section 25(4A) of Customs Act, 1962. This notification shall come into force on the 2nd February, 2022.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cus0922.pdf>

- **February 1, 2022-** The Central Government vide notification No. 10/2022 – Customs, has amended notification no. 27/2011-Customs dated March 01, 2011 to omit redundant entries and reduce export duty raw hides and skins of buffalo. This notification shall come into force on the 2nd February, 2022.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cus1022.pdf>

- **February 1, 2022-** The Central Government vide notification No. 11/2022 – Customs, has implemented a graded BCD structure for wearable devices and its parts, sub-parts and subassembly.

Notification Link:

N/A

- **February 1, 2022-** The Central Government vide notification No. 12/2022 – Customs, has implemented a graded BCD structure for hearable devices and its parts, sub-parts and sub assembly.

Notification Link:

N/A

- **February 1, 2022-** The Central Government vide notification No. 13/2022 – Customs, has implemented a graded BCD structure for smart meters and its parts, sub-parts and sub-assembly.

Notification Link:

N/A

- **February 1, 2022-** The Central Government vide notification No. 14/2022 – Customs, has amended notification no. 25/1999-Customs dated February 28, 1999 to omit redundant and obsolete entries. This notification shall come into force on the 2nd February, 2022.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cus1422.pdf>

- **February 1, 2022-** The Central Government vide notification No. 15/2022 – Customs, has amended various notifications giving exemption to electronic items and medical devices. This notification shall come into force on the 2nd February, 2022.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cus1522.pdf>

Customs (N. T.) Notifications

- **February 1, 2022-** The Central Government vide notification No. 07/2022 - Customs (N. T.), has amended Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 so as to simplify and automate the procedures. The said rules will come into force on 2nd February, 2022.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cusnt0722.pdf>

Customs (ADD) Notifications

- **February 1, 2022-** Rescinding of anti-dumping duty via Notification no. 05/2022- Customs (ADD) on imports of “Straight Length Bars and Rods of alloysteel” originating in or exported from China PR vide Notification No. 54/2018-Cus (ADD) dated October 18, 2018.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cusadd0522.pdf>

- **February 1, 2022-** Rescinding of anti-dumping duty via Notification no. 06/2022- Customs (ADD) on imports of “High Speed Steel of Non-Cobalt Grade” originating in or exported from Brazil, China PR and Germany vide Notification No. 38/2019-Cus (ADD) dated November 25, 2019.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cusadd0622.pdf>

- **February 1, 2022-** Rescinding of anti-dumping duty via Notification no. 07/2022- Customs (ADD) on imports of “Flat rolled product of steel, plated or coated with alloy of Aluminum or Zinc” originating in or exported from China PR, Vietnam and Korea RP vide Notification No. 16/2020-Cus (ADD) dated June 23, 2020.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cusadd0722.pdf>

Customs (CVD) Notifications

- **February 1, 2022-** Rescinding of countervailing duty via Notification no. 01/2022- Customs (CVD) on imports of “Certain Hot Rolled and Cold Rolled Stainless Steel Flat Products” originating in or exported from China PR vide Notification No. 1/2017- Cus (CVD) dated September 07, 2017.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cuscvd0122.pdf>

Central Excise Notifications

- **February 1, 2022-** The Central Government vide notification No. 01/2022 - Central Excise has amended Notification No. 11/2017- Central Excise, dated 30th June, 2017, to

increase Basic Excise Duty on Unblended Petrol and Diesel, in order to promote Blending in the country.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cen0122.pdf>

Central Excise Notifications (N.T.)

- **February 1, 2022-** The Central Government vide notification No. 01/2022 - Central Excise (N.T.) has superseded notification no. 49/2008-Central Excise (N.T.) dated December 24, 2008, in order to align it with the current legal position, post roll-out of GST.

Notification Link:

<https://www.indiabudget.gov.in/doc/cen/cennt0122.pdf>

Legislative changes in the Customs Act, Customs Tariff Act and Rules made thereunder

Certain significant changes are being made in the Customs Act:

- i. The definition of "proper officer" is being modified;
- ii. Officers of DRI, Audit and Preventive formation are being specifically included in the class of officers of Customs;
- iii. Explicit provision is being made for assigning functions to officer of Customs by the Board or Pr. Commissioner/Commissioner of Customs;
- iv. Concurrent jurisdiction is being provided for in certain circumstance, as the Board may specify;
- v. Explicit provision is being made to delineate jurisdiction on cases involving short levy/payment of duty or erroneous refund etc. and to provide for concurrent exercise of powers.

Further, enabling provisions are being added to tackle the menace of systemic undervaluation. Procedures with respect to Advance Ruling are being rationalised. A section is being added to make unauthorised publication of import or export data, an offence under the Customs Act.

Customs Tariff Act, 1975

- i. Custom tariff structure is being simplified by moving the unconditional concessional rates from existing exemption notifications to the First Schedule of Customs Tariff Act.
- ii. In this process, certain tariff lines and rates have also been rationalised. As a result, applicable BCD rates on sectors such as textiles, chemicals, metals etc. will operate almost entirely through tariff.

- iii. Unconditional concessional rates prescribed through various notifications are being moved to Tariff (First) Schedule in the Customs Tariff Act. These changes in tariff rate shall come into effect from 1st May, 2022.
- iv. Accordingly, the respective entries in the concerned notifications will be omitted with effect from the 1st May, 2022. The duty rates on such item shall then operate through First Schedule of Customs Tariff Act, 1975.
- v. It may however be noted that certain rate changes in the Customs Tariff are coming into effect immediately by virtue of declaration under the Provisional Collection of Taxes Act.

Import of Goods Concessional Rate of Duty (IGCR) Rules, 2017

- i. Rules have been comprehensively revised.
- ii. End-to-end automation is being introduced in the entire process;
- iii. Various forms are being standardized and any transaction-based permissions or intimations are being done away with.
- iv. Periodical statement under these rules shall also be submitted on the common portal.

Legislative Changes in the GST Acts:

Certain changes have been made in the GST Acts and the IGST Act on the basis of recommendation made by the GST Council. These changes will come into effect from the date to be notified.

These changes broadly relate to facilitation/simplification and for improving compliance. These changes include rationalisation of return filing procedure, sequential filing of GSTR-1, cancellation of registration of return non-filers/ stop-filers, doing away with two-way communication process in return filing and consequent changes related thereto, certain conditional restrictions on utilisation of input tax credit, allowing transfer in electronic cash ledger of a distinct person, extending the relevant date for rectification of errors, availing input tax credits, issuance of credit or debit note pertaining to a financial year till 30 November of following financial year, etc. Also, section 50 of the CGST Act has been amended to prescribe, with effect from 1 July, 2017, levy of interest on wrongly availed ITC only if it is utilised.

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