केन्द्रीय उत्पाद शुल्क, सीमा शुल्क एवं सेवा कर आयुक्त का कार्यालय
OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE, CUSTOMS & SERVICE TAX
केन्द्रीय राजस्व भवन, आई.एस.प्रेस रोड, कोचिन -682018
C.R.BUILDING, I.S.PRESS ROAD, COCHIN-682018

प.सं.C. No. IV/16/02/2015-Tech दिनांक/Date: 22.04.2016

व्यापार सूचना सं./ TRADE NOTICE NO.: 02/2016 Central Excise

Subject: Imposition of Central Excise duty on jewellery-Constitution of sub-committee of the High Level Committee- regarding.

In the budget 2016-17, Central Excise duty at the rate of 1% (without input tax credit) and 12.5% (with input tax credit) has been imposed on all articles of jewellery (except for silver jeweler, other than those studded with diamond, ruby, emerald or sapphire).

2. In this regard, the Union Government has decided to constitute a Sub-Committee of the High Level Committee to Interact with Trade & Industry on Tax Laws, chaired by Dr. Ashok Lahiri, which will consist of:

a. three representatives of the trade [to be decided by the Government];
b. one legal expert [to be decided by the Government];
c. officer concerned from the ministry of Commerce & Industry [MoC&I] to be nominated by the MoC&I; and
d. high level officials from the central excise department to be nominated by the Central Board of Excise and Customs.

The composition of the Sub-Committee will be circulated once the names of its members are finalized.

3. All associations will be given an opportunity to submit representation before the sub-committee in writing and the all India associations to state their case in person.

4. Terms of reference of the Sub-Committee will include the issues related to compliance procedure for the excise duty, including records to be maintained, forms to be filled including Form 12AA, operating procedures and any other issued that may be relevant. The Sub-Committee will submit its report within 60 days of its constitution.

5. Till the recommendations of the Sub-Committee are finalized, the following shall be adhered to:

a) All payments of central excise duty will be based on first sale invoice value.
b) The central excise authorities will not challenge the valuation given in the invoice provided the caratage/purity and weight of the gold/silver with precious stones; and carats if diamond/precious stones are mentioned on the invoice;
c) The central excise officer will not visit the manufacturing units/shops/place of business residence of the jewelers;
d) No arrest or criminal prosecution of any jeweler will be done;
e) No search or seizure of stocks by any central excise official will be effected;
f) Exporters will be allowed to export on self declaration and submission of LUT to customs without the need to get LUT ratified by central excise. Prevailing system will continue.

6. The registration of the establishment with the central excise department can be taken within 60 days from 1st March, 2016. However, the liability for payment of central excise duty will be with effect from 1st March, 2016, and as a special case for the month of March, 2016, the assessee jewelers will be permitted to make payment of excise duty along with the payment of excise duty for the month of April, 2016.

7. Any further communications with the regard to the aforesaid Sub-Committee may be addressed to the Office of the High Level committee (HLC), Suite No. 215, the Janpath Hotel, Janpath Road. Opp. BSNL building, New Delhi-110001.

All trade associations are requested to bring the content of this Trade Notice to the attention of their members in particular and the trade in general.

Board Circular No. 1021/9/2016-CX dated 21.03.2016 [F.No. 354/25/2016-TRU] may be referred for clarification and other legal purposes.

Reshma Lakhani

रेश्मा लखानी /RESHMA LAKHANI
आयुक्त / COMMISSIONER

सेवा में/ To

1. प्रेषण सूची -1 व 2 के अनुसार / As per DL-I & II of Cochin Commissionerate

प्रति प्रस्तुत है / Copy submitted to :-

मुख्य आयुक्त कार्यालय / The Chief Commissioner's office