

# Disclosing end-use of goods on portal must while claiming concessional import duties

**INDIVJAL DHASMANA**

New Delhi, 12 September

Those importing goods at concessional rates will have to submit information on end use of these products on a portal developed by the Customs Department on monthly as well as annually bases.

This has been done to enable the tracking of these goods by the authorities to ensure that the goods are used in specified manufacturing and not in the replacement market. If these goods are used for the replacement market, normal tariffs will apply, said Abhishek Jain, partner indirect

tax at KPMG. The lower rates under The Customs (Import of Goods at Concessional Rate of Duty for Specified End Use) Rules apply for sectors such as telecom, electronics, and electric vehicles.

The information will have to be provided on the Indian Customs and Central Excise Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway (ICEGATE), an online portal. While ICEGATE has existed for many years now, this has been specified in the Customs (Import of Goods at Concessional Rate of Duty for Specified End Use) Rules, 2022, now. There were, however, com-

plaints earlier that the ICEGATE did not function properly. "Proper functioning of the common portal would need to be seen and challenges in the current portal needs to be addressed by the government for the success of the new rules," said Saurabh Agarwal, tax partner at EY.

Claiming depreciation Customs duty on disposal of capital goods has also been provided under these rules. This means that if an entity imports capital goods worth ₹100 crore and sells it after three years, it will be charged duty on only ₹40 crore and not ₹100 crore, given the rate of depreciation of 20 per cent a year.