Circular No 40/2004,
Dated: June 4, 2004

F . No. 528/18/2004-Cus. (TU)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

Sub : Concessional rate of duty on import of Gold & Silver under NTF. No. 62/2004-CUS., DT.12/05/2004

I am directed to say that Notification No. 62/2004-Cus., dated 12.5.2004, has been issued allowing import of certain gold and silver items at concessional rate.

2. The Government liberalized the import of gold and silver in the policy initiative announced in January, 2004 vide DGFT"s Notification No. 29 (RE-2004)/2002-07, dated 28.1.2004, in as much as the import of these items was allowed without the requirement of an import license or in order words it was brought under OGL. However, under Notification No. 80/97-Cus. dated 21.10.1997 (now superseded), concessional rate of duty on gold and silver was restricted only to imports by certain agencies, namely MMTC, the Handicraft & Handloom Export Corporation, STC, the PEC Ltd. or any other agency authorized by the Reserve Bank of India for sale in the domestic market. Other importers bringing gold or silver, through the normal import channels were required to pay Customs duty at the applicable Tariff rate.

3. Notification No. 62/2004-Cus. dated 12.5.2004 has been issued to extend concessional rates to all importers. However, this notification does not apply to import of gold or silver through post, courier or baggage which will be governed by other prevailing notifications.

4. It is hereby clarified that "gold in any form" or "silver in any form", will cover all items of gold & silver falling under Ch.71 except gold/silver jewellery or foreign currency coins of gold/silver. Thus, it would cover, for example, findings and mountings of gold, household articles of gold/silver (heading 7114 etc.) so long as they are classified under Chapter 71. The gold need not be of 24 carats.

5. Suitable Public Notice may be issued for the benefit of the trade.

B.L. Garg
A. O. (Tariff Unit)