F.No. 528/128/98-Cus.(TU)

Circular No. 50/99-Cus
(TU) dated 10/8/1999

Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs, New Delhi

Subject : Customs duty exemption for medical equipment imported under S.No. 270 of the table annexed to Notification No. 20/99-Cus. dated 28/2/99 - Reg.

It was clarified in Ministry"s letter F.No. 354/28/99-TRU dated 18/3/99 that except in the case of hospitals run or controlled by a State Government, a Union Territory Administration or a Local Authority where certificate can be issued by the concerned State Government, U.T. Administration or Local Authority, in all other cases covered by the exemption notification, the certification continues to remain with the Directorate General Health Services (DGHS) or the Ministry of Health & Family Welfare. In this connection, a doubt has been raised as to whether the certification of category from DGHS or the Ministry of Health & Family Welfare is a one-time requirement only or the certificate is to be obtained separately for every consignment. It has been brought to the notice of Board by the Ministry of Railways that at present, hospitals run by that Ministry have to approach the DGHS for seeking customs duty exemption (CDE) certificates individually for each item of equipment imported by them. This leads to large amount of paper work, loss of time, delayed issue of CDE certificates and often payment of demurrage on medical equipment for which CDE could not be obtained.

2. The matter has been examined by Board. Keeping in view that timely import of medical equipment is of utmost importance to any medicare system, it is clarified that the certification of category from DGHS or the Ministry of Health and Family Welfare is a one-time requirement and it is not necessary that the same has to be obtained each that a consignment is imported. In other words, once the DGHS has issued such a certificate, the authority to issue customs duty exemption certificate for individual items of equipment stands delegated to the head of he hospital importing the equipment. No further reference to DGHS or Ministry of Health & Family Welfare should be necessary.

3. Ministry of Health & Family Welfare has raised a point whether such certification in respect of institutions run or controlled by Central Government Ministries/Departments other than DGHS could be done on the basis of a specific certification of their category under Notification No. 20/99-Cus. by their respective controlling authority, by an officer not below the rank of Deputy Secretary to the Government of India with the approval of the concerned Secretary to the Government of India. This is to confirm that this Department has no objection to the adoption of the above procedure or to any other procedure which ensures the fulfullment of the objectives of the notification. In fact, by adopting the above procedure it should be possible to give a one-time categorization for all the hospitals under the administrative control of a Central Government Ministry / Department provided a list of such hospitals is made available by the latter.

4. Kindly acknowledge receipt of this Circular. In case there is any difficulty in implementing the aforesaid instructions, the same may please be brought to the notice of the Board at an early date.

Sd-
(C.P.Goyal)
Sr. Technical Officer (TU)

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