Circular No. 67/97
dated 2/12/97

F.No. 428/ 4/ 95-Cus. IV

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

Subject: Clearance of goods imported by United Nations and its agencies for execution of the projects financed by them - Reg.

I am directed to refer/ notification 84/97-Cus. dated 11.11.97 which exempts goods imported into India by the United Nations or, an International Organisation for execution of the projects financed by them from the duty of customs and additional duty and special Customs duty.

2. The importer is required to produce a Duty Exemption Certificate issued by an officer, not below the rank of Deputy Secretary to the Government of India as given in the Notification.

3. In the notification the term "International Organisation" has been used for organisations which have been declared as such under section 3 of United Nations (Privileges and Immunities Act, 1947 (46 of 1947) as ewligible for privilages. Under section 7 of Article II of Schedule to the said Act.

4. In this connection attention is drawn to Board's earlier circular 79/ 95-Cus., dated 6.7.95 under which clarifications were issued regarding the exemptions to the imports made for the projects funded by United Nations or its agencies. It may be seen that section 7(b) of the UN(P & I) Act, 1947 provides for exemptions from customs duties and prohibitions and restrictions on imports and exports in respect of articles imported or exported by the UN and its agencies for its official use. The implication is that if the import is by the UN agency in its own name and goods are meant for its official use the exemption would be available. At times the imports are being made by third parties on account of UN agency for a project being funded by the said UN agencies. It was observed that the imports in such cases are not by the UN agencies and also not for their official use. Hence, it was decided that the exemption from customs duty in such cases will not be available under UN (P & I) Act.

5. The issue of duty free clearance of goods imported by UN and its agencies was examined in detail. It was observed that in the Central Excise side, Notification No. 108/ 95-CE, dated 28.8,95 exempts goods supplied to the United Nations or international organisations for their official use or supplied to the projects financed by the United Nations or international organisations and approved by the Government of India, from the levy of Central Excise duties. On the same analogy it has been decided that the United Nations and its agencies who are presently bringing the goods for different projects under agreements with appropriate administrative Ministry of the Government of India will be exempted from the whole of the duties of customs including additional duty and special duty of Customs.

6. In view of above, the goods imported by United Nations or International Organisations as mentioned above for execution of projects funded by them and approved by Government of India may be allowed after accepting duty exemption certificates issued by nodal ministry in terms of notification 84/ 97-Cus. dated 11.11.97.

7. Difficulty, if any, in implementation of said notification may be brought to the notice of Board immediately.

Sd/-
(Vijay Kumar)
Under Secretary to the Govt. of India

IndiaCode