Circular No. 70/98 - Customs (TU)

dated 15/9/1998

F. No. 528/121/ 98- Cus (TU)

Government of India

Ministry of Finance

Department of Revenue, New Delhi

(Tariff Unit)

Subject : Import of wireless Local Loop System for basic Telecom Service Projects. - regarding.

Your attention is invited to the Sl. No. 171 of Notification No. 23/98- Customs dated 02.6.08 wherein goods specified in List 29 Sl. No. (i) (a), Wireless in local loop system (excluding Terminal equipment) for basic Telecom Service Project, are extended the concessional duty @ 20% basic & NIL additional duty.

2. The Network Interface Unit (NIU), also called as Fixed Wireless Terminal (FWT), is one of the components of the system. The NIU/FWT is fixed at the customers premises and receives and transmits signals form and to the Central Receiver giving connectivity to the subscribers. To this terminal the customer can connect his telephone, tax or computer. Eligibility of this unit for the concessional duty under Sl. No. 171 of 23/98-Customs has been in question. The matter has been examined in the Board in consultation with the assessment practice followed in various Custom Houses.

3. The Association of Basic Telecom Operators have provided a letter from the Department of Tele communication stating that the Network Interface Unit is a part of the Wireless Local Loop (WLL) system. The dispute in the instant case is whether the equipment in question viz. the Network Interface Unit is in the nature of terminal equipment or not. The equipment is the end unit of the WLL system to which the users lead wires/ equipment have to be connected. It is therefore in the nature of a terminal equipment of the WLL system. The Notification clearly excludes the terminal equipment of WLL system from the scope of the concessional duty. In view of this, the NIU of fixed wireless terminal under discussion is not eligible to the concessional rate of duty under Sl. No. 171 of Notification No. 23/ 98- Customs.

Sd/ -
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