Circular No. 04/2001 - Customs

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8th January, 2001

F.NO. 446/118/2000-CUS (IV)

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise & Customs

Sub: Imports by United Nations and its Agencies - Regarding.

I am directed to refer to Board"s Circular No.79/95 dated 6.7.95 on the subject mentioned above. It was clarified in the said Circular that Section 7(b) of the United Nations (P&I) Act, 1947 provides for exemption 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. It was also clarified that the exemptions from customs duty should be granted only to such imports which are directly

made by the United Nations for its official use not withstanding production of any exemption certificate from the Ministry of

External Affairs (MEA).

2. In the recent past, several representations have been received from certain international organisations stating that

even though they have been notified under UN (P&I) Act, 1947 by MEA, the Customs authorities are not allowing them exemption

from duties of customs on the goods imported by them for their official use. In particular it has also been brought to the

notice of the Ministry by MEA that some Custom Houses have stopped extending customs duty exemption to goods imported by

Indian Crops Research Institute for the Semi-Arid Tropics (ICRISAT), even though it is a recognised international

organisation which has been granted privileges and immunities under UN (P&I) Act, 1947, vide notification No. UI/222(66)171

dated 28th October, 1972.

3 . The matter has been examined. It may be noted that to give effect to Convention conferring certain privileges and

immunities to United Nations and other international organisations (and their representatives and officials). Act

No.XLVI of 1947 termed "United Nations (Privileges & Immunities) Act, 1947" was enacted in this country. The various

privileges and immunities are mentioned in the Schedule to the aforesaid Act and these have force of Law notwithstanding

anything to the contrary contained in any other Law. In the Schedule to the aforesaid Act, there are a number of Articles

having different sections, and section 7 under Article II - Sub section (b) exempts UN from Customs duties and prohibitions and

restrictions on imports and exports in respect of articles imported or exported by United Nations for its official use.

This is subject to condition that articles will not be sold in the country in which they were imported except under conditions

agreed with the Government of concerned country.

4. Section 3 of the aforesaid UN (P&I) Act, 1947, empowers the Central Government to amend the schedule of the said Act for

conferring certain privileges on any other international organisation and after issue of the appropriate notification,

these international organisations become entitled to similar privileges in terms of the UN (P&I), 1947, notwithstanding

anything to the contrary contained in any other law for the time being in force. It is therefore clarified that once an

`international organisation" has been notified under section 3 of the UN (P&I) Act, 1947, and made eligible for the specified

privileges under the provisions of the schedule to the said Act, subject to the modification as the government deems fit, as

mentioned in the notification itself, such privileges shall be extended to the organisation. What is relevant is in such cases

is to see if provisions of section 7(b) under Article II of the Schedule have been extended or not. The Custom Houses may clear

goods imported by such international organisations for their official use, after verifying the privileges conferred by the

notification issued by the MEA under UN (P&I) Act, 1947.

5. In so far as ICRISAT notification is concerned (copy enclosed for ready reference), whole Article II has been extended and,

therefore, the exemption for official use where claimed subject to same conditions as for United Nation mentioned in section 7(b) will be admissible. Please acknowledge receipt of this Circular. Difficulties faced if any, in the implementation of

the instructions may be brought to the notice of the Board.

(Rajendra Singh)
Under Secretary (Cus.IV)

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