

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3428

ANSWERED ON:05.08.2016

Change in Customs Rules

Chavan Shri Ashok Shankarrao;Gaikwad Dr. Sunil Baliram;Gupta Shri Sudheer;Kirtikar Shri Gajanan Chandrakant;Mahato Shri Bidyut Baran;Radhakrishnan Shri T.;S.R. Shri Vijay Kumar;Singh Shri Kunwar Haribansh

**Will the Minister of FINANCE be pleased to state:**

3428: SHRI T. RADHAKRISHNAN, SH. ASHOK SHANKARRAO CHAVAN, SH. BIDYUT BARAN MAHATO, SH. SUDHEER GUPTA, SH. GAJANAN KIRTIKAR, KUNWAR HARIBANSH SINGH, SH. S.R.VIJAYAKUMAR, DR. SUNIL BALIRAM GAIKWAD

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has recently brought changes in custom rules which have added various complexities in the manufacturing of mobile phones and its parts and if so, the details thereof along with the aims and objectives thereto;

(b) whether the Mobile handset vendors have urged the Government to reinstate the old rules of submitting an undertaking with bond or bank guarantee for importing parts for mobile manufacturing;

(c) if so, the details thereof and the reasons mentioned by the mobile handset vendors in support of their request; and

(d) the response of the Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI SANTOSH KUMAR GANGWAR)

(a) In the Budget 2016-17, Central Government had notified the 'Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2016' (IGCR Rules, 2016). The new Rules, which are applicable to all sectors including manufacturers of mobile phones, are intended to facilitate the manufacturing sector at large. Several procedural simplifications like doing away with certification of the Central Excise authorities, clearance of unutilized or defective goods into domestic market within a specified period of import have been put in place.

(b)&(c) A reference was received from the Indian Cellular Association (ICA) wherein they suggested that earlier rules which required only a bond along with an undertaking from the manufacturer should suffice. Further, ICA also suggested that the period of usage of the imported goods should be restored to six months as against three months made in the new Rules.

(d) Both the suggestions of ICA have been agreed to; the Central Government has amended the IGCR Rules, 2016 vide Notification No.100/2016- Customs (N.T.) dated 14.07.2016 whereby the manufacturer importer is now required to submit a continuity bond with such surety or security as deemed appropriate by the exercising authority and a period of six months instead of the earlier three months for utilization of imported goods has been provided for.