

Customs authorities to monitor imports under FTAs to curb duty evasion

Benefits of duty waiver may be denied to importers of mobile phones, white goods, set-top box, agarbatti, camera and other electronic products if misuse of free trade agreements (FTAs) is found during verification based on rules of origin.

Customs authorities would be closely watching imports of these products coming from countries with which India has FTAs, from September 21, officials in the finance ministry said, in order to curb evasion of custom duty and rampant misuse of such agreements that was hurting domestic industry.

Products like smartphone, TVs, set-top box, digital camera, parts of mobiles, etc coming from this route from Vietnam, Thailand and Malaysia, for instance, have not met with rules of origin criteria, investigations have revealed.

In last five years, the Customs have detected fraudulent claims under FTA to the tune of Rs 1,200 crore.

Finance ministry issued new rules for administration of Rules of Origin under FTA - which will come into effect from September 21 - which puts the onus of verification on importers, so that they must satisfy the origin criterion for availing duty concession.

Source : The Economic Times