

GENERAL EXEMPTION NO. 128

Exemption to Imports by U.N. or International Organisation for execution of projects in India - [Notfn. No. 84/97-Cus. dt. 11.11.97 as amended by Notfn. Nos. 85/99, 119/99, 75/01, 107/01 and 24/08, 22/14, 44/17].

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), read with sub-section (4) of section 68 of the Finance (No.2) Act, 1996 (33 of 1996), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts all the goods imported into India for execution of **projects financed by the United Nations or an international organisation** and approved by the Government of India, from the **whole of the duty of customs** leviable thereon under First Schedule to the customs Tariff Act, 1975 (51 of 1975), and the whole of the **special duty of customs** leviable under section 68 of the Finance (No.2) Act 1996 (33 of 1996):

Provided that the importer, at the time of clearance of the goods, produces before the Assistant Commissioner of Customs or Deputy commissioner of Customs, as the case may be, having jurisdiction,-

- (i) in case the said goods are -
 - (a) **imported by an international organisation** listed in the Annexure appended to this notification and intended to be **used in a project** that has been **approved by the Government of India and financed (whether by a loan or a grant) by such an organisation**, a certificate from such organisation that the said **goods are required for the execution of the said project** and that the said project has duly been approved by the Government of India; or
 - (b) **imported for use in a project** that has been **approved by the Government of India and financed (whether by a loan or a grant) by an international organisation listed in the said Annexure**, a certificate from an officer not below the rank of **Deputy Secretary** to the Government of India, in the **Ministry of Finance** (Department of Economic Affairs) that the said **goods are required for the execution of the said project** and that the said **project** has duly been **approved by the Government of India**;
 - (ii) in case the said goods are intended to be used in a project financed (whether by a loan or a grant) by the **World Bank, the Asian Development Bank or any international organisation**, other than those listed in the Annexure and the said project has been **approved by the Government of India**, a certificate from the **executive head of the Project** Implementing Authority and countersigned by an officer not below the rank of a **Joint Secretary** to the Government of India, **in the concerned Line Ministry** in the Government of India, that the said goods are required for the execution of the said project and that the said project has duly been approved by the Government of India, and
 - (iii) in case the said goods are intended to be used in a project financed (whether by a loan or a grant) by the World Bank, the Asian Development Bank or any international organisation other than those listed in the Annexure and the said project has been approved by the Government of India for implementation by the Government of a State or a Union Territory, a certificate from the **executive head of the Project Implementing Authority and countersigned by the Principal Secretary or the Secretary (Finance)**, as the case may be, in the concerned State Government or the Union Territory, that the said goods are required for the execution of the said project, and that the said project has duly been **approved by the Government of India for implementation by the concerned State Government**.
2. Where the goods are imported prior to the 1st March, 2008, the importer may-
- (a) transfer the goods to a new project subject to the condition that the importer produces before

the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, having jurisdiction over the port of import, a certificate from the officer concerned of the Central Government, State Government or Union territory Administration, as the case may be, that the goods are no longer required for the project and a declaration from the United Nations, the World Bank, the Asian Development Bank or any other international organization listed in the Annexure to the said notification that the said goods are required for the said new project which has duly been approved by the Government of India; or

(b) re-export the goods when the goods are no longer required for the existing project subject to the condition that the identity of the goods is established and no export incentive is claimed against such re-export; or

(c) pay the duty of customs which would have been payable but for the exemption contained herein on the depreciated value of the goods subject to the condition that the importer produces before the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, having jurisdiction over the port of import, a certificate from the officer concerned of the Central Government, State Government or Union territory Administration, as the case may be, that the goods are no longer required for the project. The depreciated value of the goods shall be equal to the original value of the goods at the time of import reduced by the percentage points calculated by straight line method as specified below for each quarter of a year or part thereof from the date of clearance of the goods, namely:-

- (i) for each quarter in the first year at the rate of 4 per cent;
- (ii) for each quarter in the second year at the rate of 3 per cent;
- (iii) for each quarter in the third year at the rate of 2.5 per cent; and
- (iv) for each quarter in the fourth year and subsequent years at the rate of 2 per cent, subject to the maximum of 70%.

Explanation 1 - For the purposes of this notification,-

(a) "*international organisation*" means an international organisation to which the Central Government has declared, in pursuance of section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), that the provisions of the Schedule to the said act shall apply;

(b) "*Line Ministry*" means a Ministry in the Government of India, which has been so nominated with respect to a project, by the Government of India, in the Ministry of Finance (Department of Economic Affairs).

Explanation 2 - For the removal of doubts, it is hereby clarified that the benefit under this notification, in the case of goods supplied to the projects financed by the United Nations or an international organisation, is available when the goods brought into the project are not withdrawn by the supplier or contractor and the expression "goods are required for the execution of the project" shall be construed accordingly.

* *Corrigendum vide F.No.605/187/2001-DBK dt.22.10.01.*

ANNEXURE

1. United Nations Development Programme,
2. United Nations International Childrens' Fund,
3. Food and Agricultural Organisation,
4. International Labour Organisation,
5. World Health Organisation
6. United Nations Population Fund.
7. United Nations World Food Programme
8. United Nations Industrial Development Organisation

