

CBIC waives interest on duty payable in respect of goods where payment is to be made from ECL from 1 to 10 April 2023

The Electronic Cash Ledger (ECL) functionality envisaged in Section 51A of the Customs Act, 1961 (Customs Act), provides that the importer, exporter, or any person liable to pay the duty, fees, etc., under the Customs Act has to make a non-interest bearing deposit with the government for the purpose of payment effective from 1 June 2022. The Central Board of Indirect Taxes and Customs (CBIC) recently enabled the ECL in phases from 1 April 2023.

Pursuant to the above, the trade faced difficulty due to unanticipated technical problems on the common portal and with the authorised banks, resulting in interest payable u/s 47(2) of the Customs Act. To address these concerns, the CBIC has issued the Customs (Waiver of Interest) Order, 2023. Vide the said order, the whole of interest payable u/s 47(2) of the Customs Act for the period from 1 April 2023 up to and including 10 April 2023, in respect of such goods where the payment of import duty is to be made from the amount available in the ECL, has been waived on the common portal.

Further, in respect of the bills of entry for which the import duty payment has already been made and integrated with the ICES during the said period, the refund claim for interest shall be subject to the provisions of Section 27 of the Customs Act.