

CBIC waives interest on duty payable in respect of goods where duty is not paid due to technical inability

The Central Board of Indirect Taxes and Customs (CBIC) recently enabled the Electronic Cash Ledger (ECL) functionality in phases from 1 April 2023. Pursuant to this, 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, 1962 (Customs Act).

To address these concerns, the CBIC issued two orders waiving off the interest for the period from 1 April 2023 to 13 April 2023. However, in view of technical difficulties persisting for certain Bills of Entry (BoE), the CBIC has issued the **Customs (Waiver of Interest) Third Order, 2023) (Order No. 3/2023-Customs (N.T.) dated 17 April 2023).**

Vide the said order, the whole of interest payable u/s 47(2) of the Customs Act for the period from **14 April 2023 till the date of removal of system inability and thereafter up to three days (including holidays)** has been waived off. This waiver is in respect of such goods relating to those BoE on which the duty payment was initiated without depositing in the ECL on or before 13 April 2023 but was not successful due to technical issues and was further not possible to be re-initiated from the ECL.

The waiver shall be subject to the fulfilment of the following conditions:

- The duty and interest shall be paid within three days (including holidays) from the date of removal of such system inability at the common portal and certified by the DG Systems;
- The importer undertakes not to pass on the incidence of such interest paid;
- Consequential refund of such interest paid shall be subject to Section 27 of the Customs Act.