

# CBIC and Customs launches scheme to attract investment and support Make in India programme

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Central Board of Indirect Taxes and Customs has launched a revamped and streamlined programme to attract investments into India and strengthen *Make in India* through manufacture and other operations under bond scheme, under Customs Act, 1962. Section 65 of the Customs Act, 1962 enables conduct of manufacture and other operations in a customs bonded warehouse.

The scheme has been modernized with clear and transparent procedures, simplified compliance requirements ICT-based documentation and account keeping, by issue of Manufacture and Other Operations in Warehouse (no. 2) Regulations, 2019 and Circular 34/2019 both dated 01 October 2019. The main features of the scheme are as below -

- i. A single application cum approval form prescribed for uniformity of practice. The jurisdictional Commissioner of Customs will function as a single point of approval to set up and oversee the operations of such units.
- ii. No geographical limitation on where such units can be set up.
- iii. The unit can import goods (both inputs and capital goods) under a customs duty deferment program. The duties are fully remitted if the processed goods are exported.
- iv. There will be no interest liability and units will benefit through improved liquidity.
- v. GST compliant goods can be procured from the domestic market for use in manufacture and other operations in a section 65 unit.
- vi. A single digital account has been prescribed for ease of doing business and easy compliance.
- vii. The scheme would also enable efficient capacity utilization, as there is no limit on quantum of clearances that can be exported or cleared to the domestic market.

CBIC has collaborated with *Invest India* to launch a dedicated microsite for providing information and promoting the scheme and for facilitation of investors. The site can be accessed at <https://www.investindia.gov.in/bonded-manufacturing>

The scheme is expected to play a critical role in promoting investments in India and in enhancing ease of doing business. It can enable the 'Make in India' programme, encourage exports, create hubs for electronics assembly, repair & refurbishment operations, inward and outward processing, facilitate global e-commerce hubs etc.

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