

F. No.: W-38/20/2022-IPHW
Government of India
Ministry of Electronics and Information Technology
(IPHW Division)

Electronics Niketan, 6, CGO complex,
Lodhi Road, New Delhi-110003.

Dated: 11.09.2023

OFFICE MEMORANDUM

Subject: Operationalization of Section 65A of the Customs Act and exemption to the Electronics and Semiconductor manufacturing sector- reg.

This is in reference with representation received from industry stakeholders for seeking exemption for Electronics and Semiconductor Industry from the provisions of section 65A introduced in the Customs Act, 1962.

2. The issue has been examined in consultation with Central Board of Indirect Taxes & Customs (CBIC), Department of Revenue, Ministry of Finance.

3. CBIC has conveyed that a decision has been taken to exempt the Electronics and Semiconductor manufacturing sector from application of Section 65A of the Customs Act, as and when its subsection (1) is notified.

4. The broad modality of exemption would be as follows:

- i. Units engaged in manufacturing electronic goods, semiconductor chips/devices (including Assembly, Testing, Marking and Packaging) and all types of Displays (including LCD/LED/OLED/AMOLED/Micro LED) falling under Chapters 84, 85, 90, 91 and 95 will be eligible for Section 65A (3) exemption on import of inputs and capital goods.
- ii. Units supplying their finished products as inputs or capital goods, only to the units of electronics and semiconductor sector at (i) above, will also be considered for Section 65A (3) exemption on imports.
- iii. MeitY will examine the exemption request of such units [(i) and (ii) above] and certify the eligibility to Customs for recognizing them as exempted units.

5. This issues with the approval of Secretary, Ministry of Electronics and Information Technology.


11/09/2023
(Amitesh Kumar Sinha)
Joint Secretary
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To
The Concerned Stakeholders of Electronics and Semiconductor Industry