

F. No. 21000/11/2013-Director(ICD)

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
International Customs Division

Room No. 227A, North Block, New Delhi -110001

Dated: 8th December, 2020

To

The Principal Chief Commissioner / Chief Commissioner of Customs,
Ahmedabad/Bengaluru/Chennai/Delhi/Kolkata/Mumbai-I/Mumbai-II/Mumbai-III Zone.
The Principal Chief Commissioner / Chief Commissioner of Customs (Preventive),
Delhi/Patna/Tiruchirapalli.
The Principal Chief Commissioner / Chief Commissioner of Central Goods and Service Tax,
Bhopal/Bhubaneswar/Guwahati/Hyderabad/
Meerut/Nagpur/Pune/Thiruvananthapuram/Visakhapatnam.

Madam / Sir,

Subject: Third Party Invoicing in case of Preferential Certificates of Origin issued in terms of DFTP for “wholly obtained goods”-regarding

The Board has received representations from trade with regard to use of third party invoicing while claiming preferential tariff treatment in terms of Duty Free Tariff Preference Scheme for Least Developed Countries (DFTP) in respect of “wholly obtained goods”.

2. It has been learnt that Certificates of Origin (COOs) issued in terms of customs notification no 29/2015-cus (N.T), dated 10.03.2015 and with third party invoicing were earlier being accepted by the proper officer but that same has been discontinued after implementation of CAROTAR, 2020.

3. The matter has been examined. The notification no 29/2015-cus (N.T), dated 10.03.2015 is silent upon provisions for third party invoicing, i.e. commercial invoice for goods originating in the LDC is issued in the third country and not by the consignor in the exporting country. In some other notified preferential rules of origin, where specific provision for third party invoicing is provided, the origin of the good is nonetheless based upon the value addition done in the country of origin alone, with Free on Board (FoB) in country of origin being the base for arriving at the local value content.

4. With regard to notification no 29/2015-cus (N.T), read with notification no. 96/2008-Cus, dated 13.08.2008, which offers unilateral tariff concessions to LDC, the Board is of the view that where value of goods does not have impact on the originating status, i.e the originating criteria is ‘wholly obtained’, the Certificate of Origin issued in terms of Duty Free Tariff Preference Scheme for Least Developed Countries with third party commercial invoice may be accepted. This is subject to ensuring that the goods referred to in the Certificate of Origin, and the invoice correspond to each other and that the goods satisfy the applicable rules of origin. The normal due diligence to check for authenticity of COO and correctness of claim should continue to be observed. Needless to state the existing stipulation of RBI in regard to third party invoicing, would apply.

5. It is requested that necessary public notice may be issued in this regard.

Yours faithfully,



(Abhishek Kumar Sharma)
Senior Technical Officer (ICD)