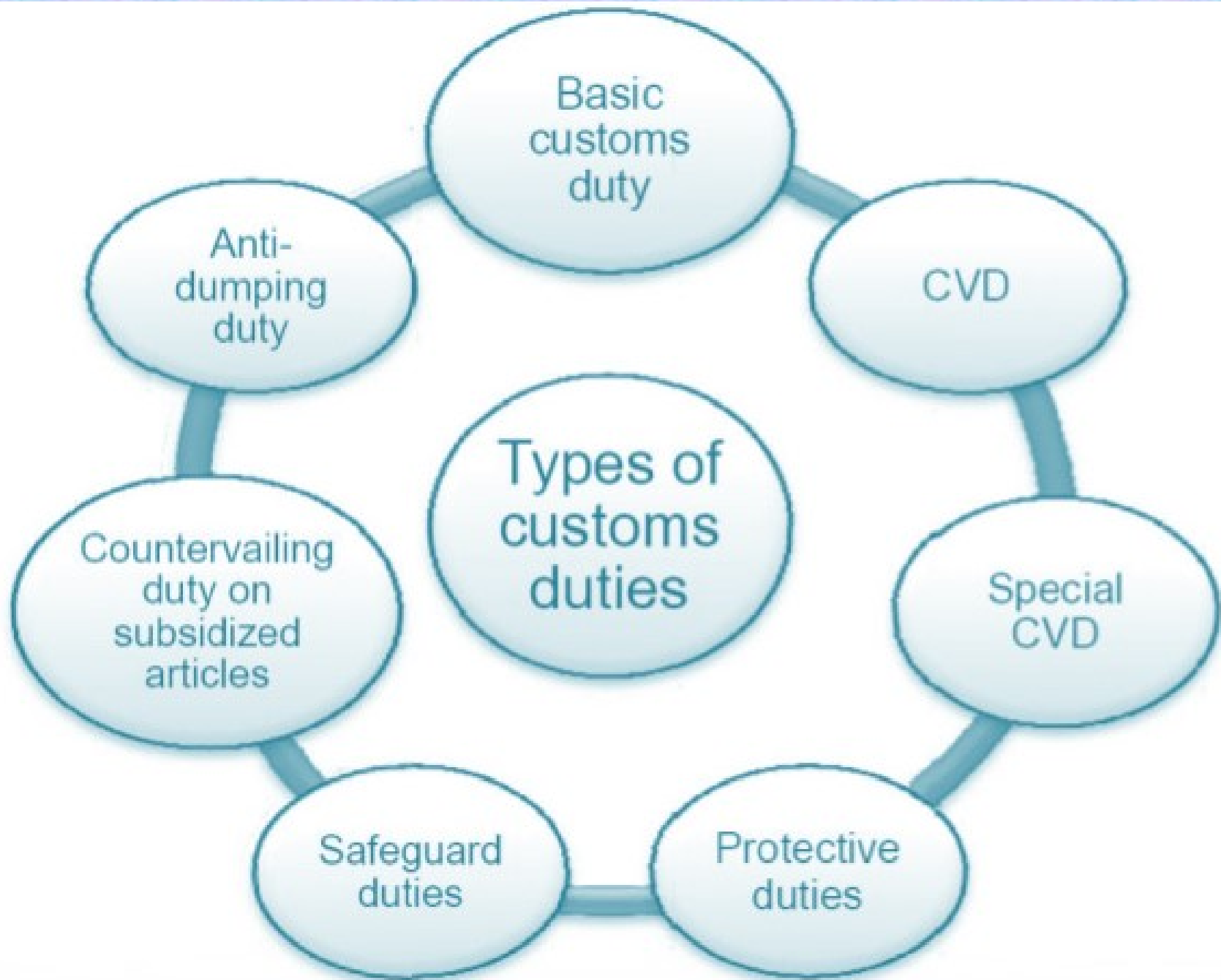


Customs duty



Meaning of Customs Duty

- Custom duty refers to the tax that is imposed on the transportation of goods across international borders. It is a kind of indirect tax that is levied by the government on the import and exports of goods. Companies that are into the export-import business need to abide by these regulations and pay the customs duty as required.



Types of Customs duty

Basic Customs duty :

This is levied on imported items that are part of section 12 of the customs act 1962. The tax rate is levied as per first schedule to customs tariff act 1975.

Countervailing duty (CVD)

This duty is imposed by the central government when a country is paying the subsidy to the exporters who are exporting goods to India.

This amount of duty is equivalent to the subsidy paid by them. This duty is applicable under section 9 of the customs tariff act.

Types of Customs duty

Additional Customs Duty

It is levied on goods that are stated under section 3 of the customs tariff act 1975. The tax rate is more or less similar to the central excise duty charged on goods produced within India. This tax is subsumed under GST now.

Protective Duty

This is levied for the purpose of protecting indigenous businesses and domestic products against overseas imports. The rate is decided by the tariff commissioner.

Types of Customs duty

Anti dumping duty

This is levied if a particular goods is being imported is below fair market price.

Safeguard duty

This is levied if the customs authorities feel that the exports of a particular good can damage the economy of the country.

Thank
you!