

Instruction No. 15 /2018-Customs

F. No. 450/214/2015-Cus IV
Government of India
Ministry of Finance
Department of Revenue
(Central Board of Indirect Taxes & Customs)

Room No. 229 A, North Block
New Delhi, dated the 4th October, 2018

To

All Principal Chief Commissioner/Chief Commissioner of Customs/ Customs (Preventive),
All Principal Chief Commissioner/ Chief Commissioner of Customs and GST,
All Principal Commissioner/ Commissioner of Customs/ Customs (Preventive)

Sub: Clarification in relation to applicability of provisions of Customs Act to Cruise Tourism-reg.

Sir/Madam,

Ministry of Shipping has taken initiative to promote Cruise Tourism Industry in India. In meetings held in Shipping Ministry, various issues related to Cruise Tourism were discussed. Also, Cruise Companies have sought clarifications with regard to applicability of Customs provisions.

2. CBIC has already clarified on various issues related to Cruise Tourism to industry and field formations. Now, it has been decided to re-iterate such policy decisions for all stakeholders.

(i) While no Customs officer will escort the Cruise Ship on the domestic legs, this will not preclude the jurisdictional Chief Commissioner to send an escort in situations where there is necessity to do so.

(ii) Further it is clarified that cruise ships have the legal obligation to pay the customs duty and Customs will go by the self-assessment and declaration of cruise vessels regarding consumption of products including alcohol and on payment of appropriate duty thereon.

(iii) Domestic passengers sailing on domestic sector are not entitled to buy any duty-free products on the Cruise Ship and in case where such passengers make any on board purchases, they will have to pay appropriate customs duty when they disembark at the next port.

(iv) The international passengers and tourists will be entitled to avail baggage allowance as per Baggage rules, 2016.

(v) The definition of Indian Customs waters has been extended upto EEZ in Finance Act, 2018. 'Indian Customs Water' finds mention in various sections of Customs Act primarily related to enforcement. Dutiability of an imported product is governed by Section 12 of the Customs Act which is unaffected by the impact of said amendment. A cruise vessel calling on an Indian port would, therefore, be liable to pay duty on liquor and other consumed stores during its transit through territorial waters or its period of stay at port in India. Mere passage through Indian customs water without calling on at any of the Indian ports would not attract customs duties.

3. Any difficulties faced by field formations pertaining to above issues may kindly be referred to the Board.

Yours faithfully,



(Maninder Kumar)
OSD (Cus IV)