

GENERAL EXEMPTION NO. 63

Exemption to cut and polished diamonds and Gem Stones, as the case may be, when imported into India by the holders of Diamond Imprest Licences

[Notfn. No. 42/99-Cus., dt. 28.4.99 as amended by Notfn. Nos. 64/02, 87/04 dt. 6.9.2004, 106/09, 33/15, 26/17]

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government being satisfied that it is necessary in the public interest so to do, hereby exempts the **cut and polished diamonds and Gemstones** falling under Chapter 71 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) hereinafter referred to as the said Act, **upto five per cent of the Free on Board (FOB) value of the preceding financial year of the exports of cut and polished diamonds or studded Jewellery**, as the case may be, when imported into India by the holders of Replenishment Authorisation for Gems referred to in Paragraph 4.35 of the Foreign Trade Policy referred to in para 4.58 of the HOP, as the case may be, from the **whole of the duty of customs** leviable thereon under the First Schedule to the said Act and from the **whole of the additional duty and special additional duty**, if any, leviable thereon under sub-sections (1), (3) and (5) of section 3 and section 3A respectively of the said Act, subject to the following conditions, namely:-

- (i) the importer, in case of cut and polished diamonds, shall have any status of Star Export House as categorized in para 3.5.2 of the Foreign Trade Policy and in respect of the goods imported, the importer is the actual user within the meaning of para 9.5 of the Foreign Trade Policy;
- (ii) the maximum weight of any individual piece, in a consignment, of cut and polished diamonds so imported shall not be more than 25 cents or 1/4th of a carat and the entitlement of exemption under this notification shall not be allowed to be carried forward;
- (iii) the importer executes a bond in such form and for such sum as may be specified by the Assistant Commissioner of Customs undertaking -
 - (a) to re-export the goods so imported within one year from the date of import or during such extended period as the Assistant Commissioner of Customs may allow;
 - (b) to pay on demand duty of customs as leviable and the penalty and fine, if any, on the quantity of diamond and gemstones which are not exported, within the specified period of one year or extended period under (a) above, as the case may be.

Explanation.- for the purposes of this notification,-

- (i) 'Foreign Trade Policy' means Foreign Trade Policy, 2015-2020 notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii) vide notification No. 01/2015-2020, dated the 1st April, 2015.
- (ii) 'Handbook of Procedures' means Handbook of Procedures notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-I, Section 1 vide Public Notice No. 01/2015-2020, dated the 1st April, 2015.
- (iii) cut and polished diamonds shall include semi-processed diamonds, half-cut diamonds and broken diamonds in any form.

