

## भारत सरकार

रक्षा मंत्रालय

Government of India Ministry of Defence

रक्षा लेखा महानियंत्रक

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## Instruction Order No. 10 of 2016

No. IFA/109

Dated: 19.07..2016

To

All PIFAs/IFAs (Dedicated & Nominated) (Through *CGDA* Website)

Sub: Payment of Custom Duty on Foreign Procurement (imports) of the Defence Services.

In terms of Ministry of Defence (Acquisition Wing), ID No. 1(11)/D(Acq)/14 dated 06.07.2016 issued with the approval of Raksha Mantri , exemptions on Payment of Custom Duty on Foreign Procurement (imports) of the Defence Services has been withdrawn with effect from 01.04.2016. Due to withdrawal of exemptions, CDEC can no longer be issued for contracts where their issuance is contractually mandated. For all such contracts and the future defence contracts entailing foreign procurements, customs duty will have to be paid by the importing Services/defence organizations at the ports of import. A detailed Standard Operating Procedure (SOP) for payment of Custom duty has also been approved by MoD.

- 2. The guidelines regarding payment of Custom Duty on Foreign Procurement (imports) of the Defence Services have already been examined in this HQrs. Office by Audit Wing and uploaded on CGDA website (<a href="www.cgda.nic.in">www.cgda.nic.in</a>) vide Audit Wing letter ref. No. AT/IX/9504 / Custom Duty dated 13.07.2016.
- 3. All the PIFAs/IFAs may please download (i) MoD ID No. 1(11)/D(Acq)/14 dated 06.07.2016 and (ii) SOP for payment of Custom Duty on Foreign Procurement (imports) of the Defence Services from the CGDA website (www.cgda.nic.in) for necessary information and guidance while examining/processing the procurement proposals.

(Nirupama)

Jt. CGDA (Fin)

Nevupara