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## वाणिज्य विभाग



**Customs Duty**

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# Customs Duty

Customs duty refers to the tax imposed on goods when they are transported across international borders. In simple terms, it is the tax that is levied on import and export of goods. The government uses this duty to raise its revenues, safeguard domestic industries, and regulate movement of goods.

- The rate of Customs duty varies depending on where the goods were made and what they were made of.
- Custom duty in India is defined under the Customs Act, 1962, and all matters related to it fall under the Central Board of Excise & Customs (CBEC).
- The Budget estimate of the government's customs revenue for the year 2020-21 was Rs 1,38,000 crore. The revised estimates of customs for the 2019-20 Budget came at Rs 1,25,000 crore, while the actuals for the 2018-19 Budget stood at Rs 1,17,812.85 crore.

# Types of custom duty

- **Basic Customs Duty (BCD)**
- **Countervailing Duty (CVD)**
- **Additional Customs Duty or Special CVD**
- **Protective Duty,**
- **Anti-dumping Duty**

# What are the objectives of custom duty?

- Customs duty is applied to provide protection to the local developing industries against multinational companies by charging them some amount for a fixed period of time.
- It provides a fair and equal opportunity to both entities to expand for their market.
- It proves a source of revenue for the government.
- It promotes the export of the country.
- It saves foreign exchange.

# What are the features of custom duty?

- Customs duty is applied to the movement of goods irrespective of sales or purchase
- Customs duty is a tax which is applied indirectly by government
- Customs duty is applicable only on goods, not on services
- Education cess is applied to it too.

**THANK YOU**