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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE: CHENNAI-III
26/1, Mahatma Gandhi Road: Nungambakkam: Chennai 600 034.

TRADE NOTICE.NO.2/2016

DATED:16.08.2016

Sub :- Central Excise-Imposition of Central Excise Duty on Jewellery-
Prescribing of procedures-Reg.

1. The Board has issued various Notifications and Circulars as detailed below (Annexure I & II) in connection with levy on Jewellery. The JS, TRU-I has explained the salient features of the changes brought into effect such as exclusive set of new rules for jewellery, prescribing tariff value, duty on first sale, maintenance of accounts, optional scheme etc. Further, the Board has also issued various clarifications vide the Circulars on computation of SSI exemption limit, export related procedures, taxability of stock as on 29.02.2016, etc.

ANNEXURE I - NOTIFICATIONS

Notification No.	Subject in brief
26/2016 - Central Excise	Prescribes 1% excise duty (without input and capital goods credit) on parts of articles of jewellery and prescribes a criteria for classification of an article of jewellery or part of articles of jewellery or both as that of a particular precious metal.
27/2016 - Central Excise	Seeks to partially exempt Excise duty on articles of jewellery manufactured by: (a) re-conversion of jewellery given by the retail customer, or (b) mounting of precious stone given by the retail customer.
28/2016 - Central Excise	Seeks to amend notification No.8/2003-Central Excise,dated 1 st March,2003, so as to increase for articles of jewellery or parts of articles of jewellery or both, (a) the SSI Exemption limit from Rs.6crore to Rs.10 crore; and (b) the SSI Eligibility limit from Rs.12 crore to Rs.15 crore.
33/2016 - Central Excise (N.T.)	Seeks to amend notification No. 17/2011-Central Excise, dated the 1 st March, 2011, so as to exclude handicrafts falling under heading 7113 of the Central Excise Tariff Act, 1985 (5 of 1986), from the purview of excise duty exemption for 'handicrafts'.
34/2016 - Central Excise (N.T.)	Seeks to notify 'Tariff Value' for articles of jewellery or parts of articles of jewellery or both (a) for articles of jewellery or parts of articles of jewellery or both (other than those which are manufactured from the precious metal provided by the retail customer) and (b) for articles of jewellery or parts of articles of jewellery or both manufactured from the precious metal provided by the retail customer
35/2016 - Central Excise (N.T.)	Seeks to notify an exclusive set of new Rules viz. the Articles of Jewellery (Collection of Duty) Rules, 2016, applicable to articles of jewellery or parts of articles of jewellery
36/2016 - Central Excise (N.T.)	Pertains to filing of quarterly return (ER.8) to be filed by the manufacturers or principal manufacturers of parts of articles of jewellery, falling under heading 7113, date of submission, etc
37/2016 - Central Excise (N.T.)	Seeks to amend the CENVAT Credit Rules, 2004 in relation to articles of jewellery or parts of articles of jewellery or both to include a principal manufacturer of articles of jewellery or parts of articles of jewellery or both as manufacturer for the purposes of the CENVAT Credit Rules, 2004
38/2016 - Central Excise (N.T.)	Seeks to provide a modified format for quarterly return ER-8
39/2016 - Central Excise (N.T.)	Pertains to registration and exemption from the requirement to submit plan of the factory premises under simplified registration procedure
40/2016 - Central Excise (N.T.)	Provides for exemption to a manufacturer or principal manufacturer of articles of jewellery or parts of articles of jewellery or both from filing of annual financial information statement
	Exempts a manufacturer or principal manufacturer of articles of jewellery or parts of articles of jewellery or both, from taking central excise registration upto the full exemption limit, which is being increased to Rs. 10 Crore

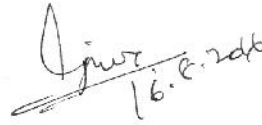
ANNEXURE-II -CIRCULARS

Circular No.	Gist of circulars
1040/28/2016-CX	Clarification on computation of exemption and eligibility and exemption limits and other related issues for small scale industries (SSI) exemption under Notification No.8/2003-CE dated 1 st March 2003 in respect manufacturer or principal manufacturer of articles of jewellery or parts of articles of jewellery or both.
1041/29/2016-CX	Guidelines for Excise Audit of Manufacturers/Principal Manufacturers of articles of jewellery or parts of articles of jewellery.
1042/30/2016-CX	Export related procedural simplifications-excise duty on articles of jewellery falling under heading 7113.
1043/31/2016-CX	General procedures regarding excise duty on articles of jewellery or parts of articles of jewellery or both falling under heading 7113.
1044/32/2016-CX	Guidelines for issue of summons, visits, search, seizure, arrest and prosecution regarding manufacturers or principal manufacturers of articles of jewellery or parts of articles of jewellery or both.
1045/33/2016-CX	Taxability of stock on February 29, 2016-Excise duty imposition on articles of jewellery in the Budget 2016-17.

2. Board's Circular No.1041/29/2016-CX dated 26.07.2016, guidelines for Excise Audit of manufacturers/principal manufacturers of jewellery have been prescribed. No transit checks shall be conducted for movement of articles of jewellery.
3. Consequent to the notification of new set of rules and various procedures, the manufacturers/ principal manufacturers from the jewellery industry may seek guidance and clarification in obtaining online registration, valuation aspect, payment of duty, job work procedure, etc. Therefore, appropriate trade facilitation measures are available for the benefit of the trade for ease of doing business. The Taxpayer Service Centre functioning in the Headquarters and the Officers working in the field formations will facilitate the manufacturers about the new procedures and ensure delivery of quality services to the prospective taxpayers.
4. The contents of this Trade Notice may be brought to the notice of all the members of trade, exporters and other stakeholders.

This issues with the approval of Commissioner.

(ISSUED IN FILE C.NO IV/16/82/2014 -Ex.Pol)



(K.B. RAJU)

ADDITIONAL COMMISSIONER

Encl: As above

To

1. TRADE/DEPARTMENT as per Mailing List.
2. The Madras Jewellers & Diamond Merchants Association,
No.2/10, Car Street, NSC Bose Road, Sowcarpet, Chennai-600 079.
3. RAC Members.
4. ✓ Superintendent, Computer Section, Chennai I Commissionerate - For uploading on the website.