

## **MOOWR Scheme: Deferment of duty (BCD and IGST) on import (Raw material and capital goods)**

1. The Manufacture and Other Operations in Warehouse (no.2) Regulations, 2019 (MOOWR ) Scheme grants a benefit of duty deferment without any interest on capital goods and inputs imported by a person holding a licence under Section 65 of the Customs Act, 1962 for undertaking manufacturing or other operations in a bonded warehouse. The duty deferment is without any time limit.

2. The existing factory / unit of the applicant can be converted into a custom bonded warehouse along with in-bond manufacturing permission vide a single application to be made to the jurisdictional Customs authorities.

3. Inapplicability Of MOOWR Scheme On Solar Power Generating Units -On 20th July 2022 The Delhi High Court has stayed the show cause notice issued by the commissioner to revoke the licence under MOOWR on Solar Power Generating Units. The CBIC issued Instruction No. 13/2022 dated July 09, 2022 regarding the in-applicability MOOWR 2019 under section 65 of the Customs Act, 1962 licence for warehousing of solar power generating units or items like solar panel, solar cell etc. for power plants with resulting goods 'electricity'. The instruction denied the benefit on the basis that the resultant good, i.e., electricity, cannot be stored in a warehouse and cannot be affixed with a one-time lock to the load compartment.

4. The MOOWR Scheme allows importers to import raw materials and capital goods without payment of duties of customs and IGST.

(a) Deferment of duty on import of raw material and capital goods: A person whose MOOWR license has been granted can import raw materials and capital goods for manufacturing and other operations on deferred payment of Customs duty. If the manufactured goods are exported, the Customs duty becomes exempt.

(b) No set-out export obligations

(c ) No restriction on geographical location: The warehouse under this scheme can be set up at any location..

(d) There is no minimum investment threshold, which makes the scheme open for all.

(e) Single point of approval and easy compliance: Commissioner of Customs acts as the single point of contact for all approvals.

(f) Unlimited period of warehousing: Capital and non-capital goods (raw materials, components, etc.) can remain warehoused until clearance or consumption.

(g) Monthly return of the receipt, storage, operations and removal of the goods in the warehouse.

(h) Job work transactions are permitted and Clearance from job-worker premises allowed subject to Regulation 14/15 of MOOWR (no. 2) Regulations, 2019.

(i) The unit is subject to audit by proper officer under Customs in accordance with the provisions of the law