



MOOWR: Redefining India's trade

Manufacturing and Other Operations in Warehouse Regulations (MOOWR)

Overview



Benefits

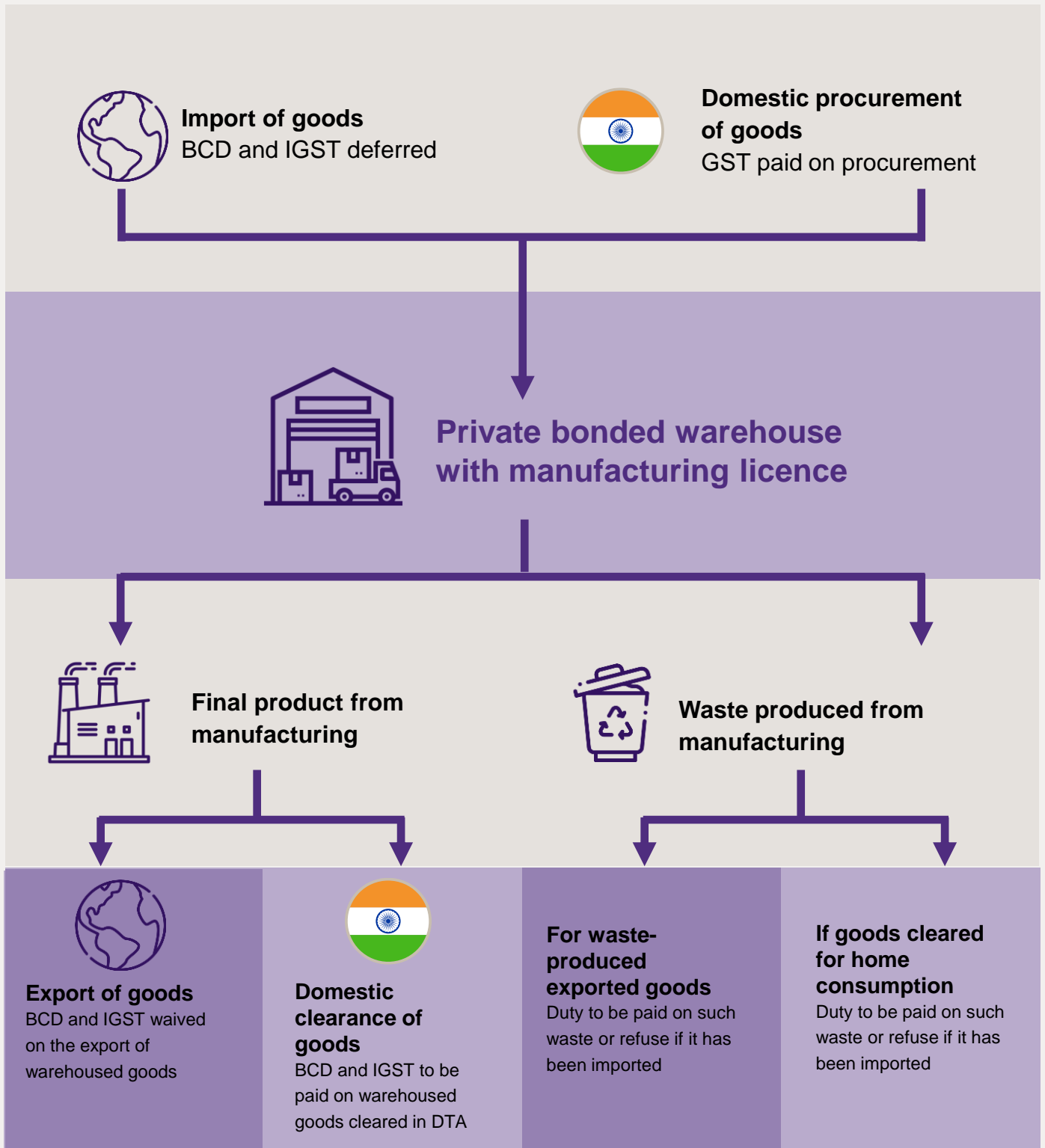
- Single point of approval
- Automatic enhancement in working capital
- No geographical restriction
- No restriction on sale of manufactured goods in DTA subject to payment of Customs duty for imported inputs used
- Customs duties on capital goods is payable only on capital goods cleared in DTA



Key features

- Deferment of Customs duty on imported capital goods and raw materials
- Seamless transfer within warehouse with prior approval from a bond officer
- No fixed export obligation

Scheme at glance



BCD- Basic Custom Duty
 IGST- Integrated Goods and Service Tax
 DTA- Domestic Tariff Area
 GST- Goods and Services Tax



The scheme allows businesses to defer the Customs duties till clearance

The Central Board of Indirect Taxes and Customs (CBIC) launched the scheme with amendments to warehousing, Chapter IX of Customs Act, where it notified regulations and issued circulars followed by frequently-asked questions (FAQs) for ease of operating under the scheme with various benefits.

01

Any business can operate under the scheme and enjoy the deferment of Customs duties.

02

The scheme comes with unique features and conditions to comply with Customs provisions.

03

Manufacturing, job-work, trading and other operations are allowed in the facility.

04

New businesses or existing business can opt for the scheme.

Key highlights



Single application for permission/licence to operate warehouse under Section 58 and 65 of the Customs Act 1962.



Any existing business or new facility can be converted to a bonded premise with no specific eligibility criteria (product, investment)



No time limit for storage of imported goods/DTA sourced materials subject to use in process of manufacture or other operations



- Unit is allowed to carry trading of goods, provided goods are moved within 90 days of import.
- Beyond 90 days and till a year, interest will be charged on the duty deferred



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



No export obligation in case of a bonded warehouse, unlike other schemes such as AA, SEZ, EOU, EPCG, etc.



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

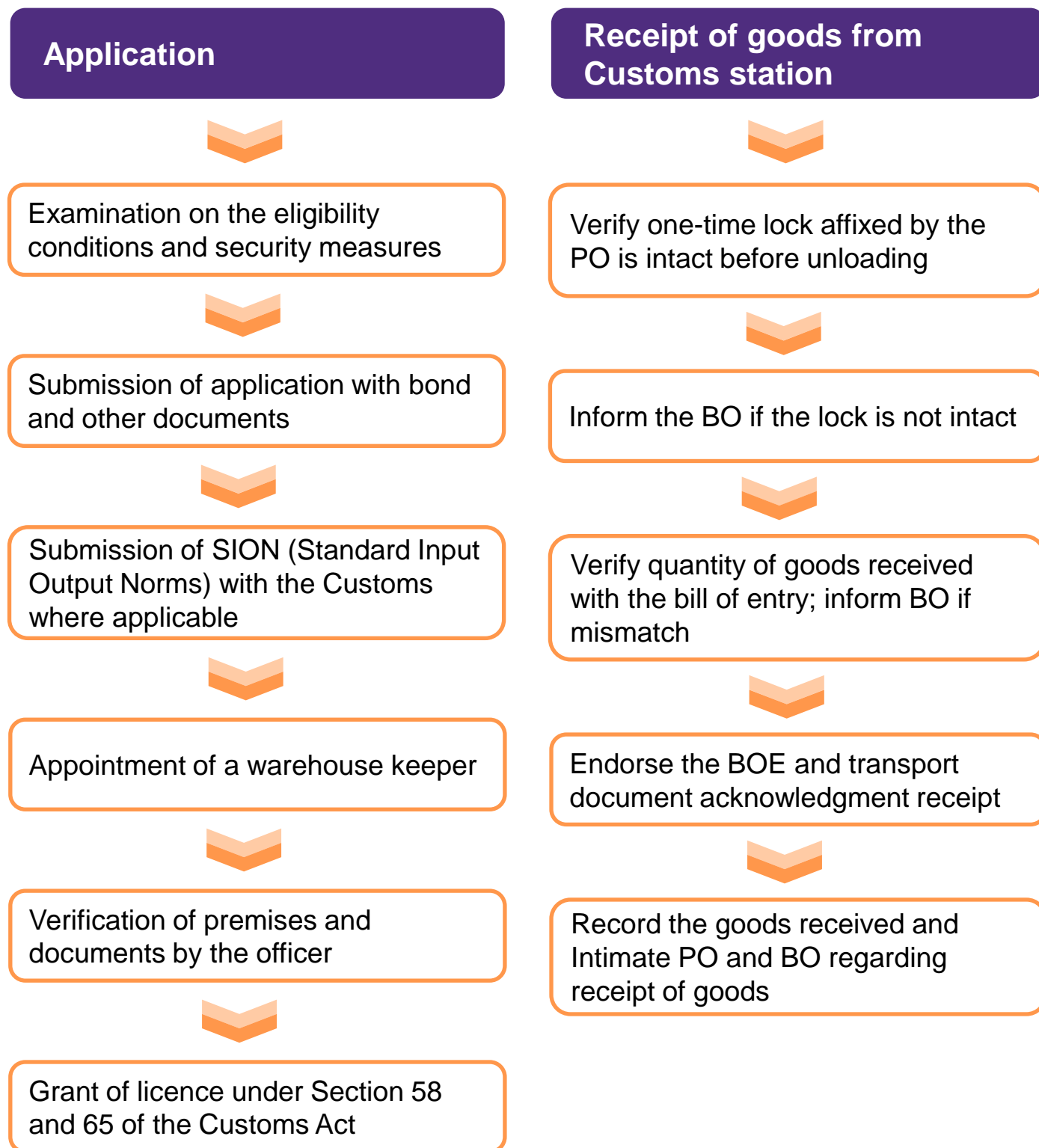


Units operating under the MOOWR scheme are not eligible to claim RoDTEP and AIR of drawback under Customs/Foreign Trade Policy



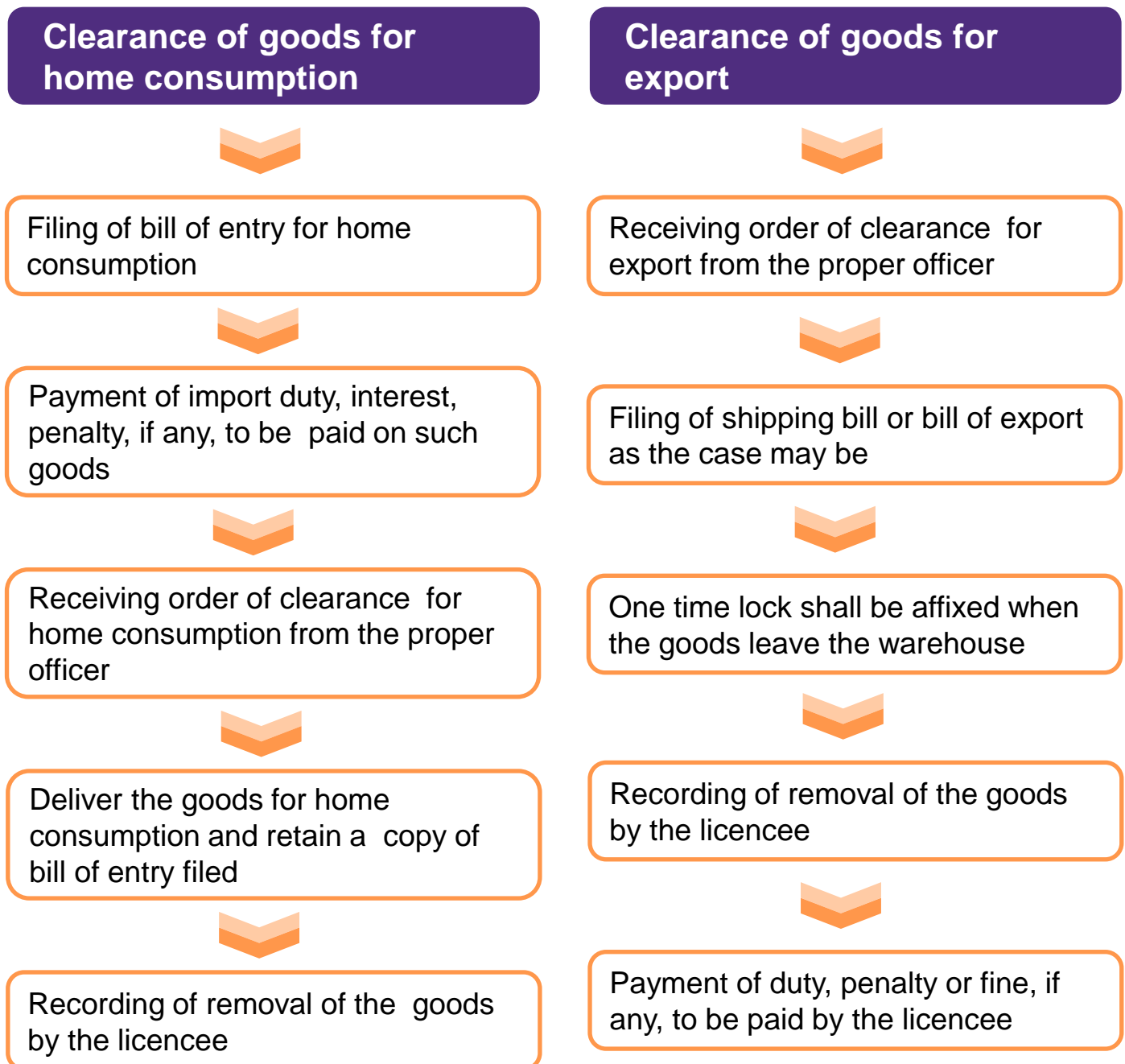
Monthly return of the receipt, storage, operations and removal of the goods in the warehouse

Process flow



PO- Proper Officer
BO- Bond Officer
BOE- Bill of Entry

Process flow (contd.)



How can we help?



Analysis

Identify and analyse focus areas for transition of existing unit into Customs bonded premises



Identify opportunity

Quantify the availability of high-level opportunities



File application

End-to-end assistance in filing application, representation before authorities and receiving licence.



Assist in implementing process for receipts

Review of receipt of goods from Customs station (import), DTA, bonded warehouse, job-work, etc..



Assist in implementing the process for clearance

Review of process adopted in transfer of goods from one warehouse to another, job-work and exports from job-worker



Periodic review

Assistance in compliances and review of records maintained. Advise on calculation of Customs duty on DTA clearance



Advice on maintenance of records

Advice on filing monthly returns, track on bond register maintained at Customs and maintenance of records.



Our experts

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