

Budget 2013: Exempt import of X-ray baggage inspection system from custom duty, says FICCI

In its pre-budget 2013 memorandum, Federation of Indian Chambers of Commerce and Industry (FICCI) has asked the government to exempt from **custom duty** the import of X-ray baggage inspection system and other Airport security systems.

Currently, X-ray baggage inspection system and parts there of are eligible for nil basic customs duty when imported by government or its authorized persons for anti-smuggling or by CISF, Police Force, Central Reserve Police Force, National Security Guard (NSG) or Special Protection Group (SPG) for bomb detection and disposal.

FICCI justifies the demand by saying that import of X-ray baggage inspection system at airports is for security purpose and security is a sovereign function (Reserved Activity) as per State Support Agreement (SSA) with Ministry of Civil Aviation (MoCA).

"The import cost is met out of Security Component of Passenger Service Fee. However, since import is not directly undertaken by the above specified agencies but by respective airport operators, duty concession is not available though money is being paid out of funds of Government of India (GoI)," said FICCI.

"Hence, this condition needs to be amended to expand its scope to cover imports by respective Airport operators subject to production of a certificate from Ministry of Civil Aviation," added FICCI.

FICCI also said that this concession should not be limited to X-ray machines alone. "There are other machines, which are used for bomb detection and disposal. The list of goods eligible for exemption should be expanded to cover the items and parts of Security Systems falling under any chapter of the Customs Tariff.

FICCI recommended including explosive detectors, bomb/suspect luggage containment vessels/units, robots for handling of bombs or suspected baggage, parameter security intrusion system and accessories, access control system, hydraulic bollards, boom barriers and cameras for CCTV in the list.

(Economic Times)