

Brief Note on Customs Bonded Warehouse under MOOWR scheme

Vide Notification No. 69/2019 dt. 1.10.2019, Central Board of Indirect Taxes (CBIT) launched a scheme called MOOWR (**M**anufacture and **O**ther **O**perations in **W**arehouse **R**egulations)

Objective of this Scheme is to allow the manufacturer to import raw material without paying duty. It also allows the manufacturer to conduct Other Operations (like packing, re-packing, blending etc.,) in the Bonded Warehouse.

Who can Apply:

- Any new or existing manufacturer, or any person who intends to have Warehouse with some manufacturing activity can apply for the license. Manufacturing facility itself can be converted into Bonded warehouse under this scheme.

Benefits of the Scheme:

- Both inputs and capital goods can be imported without paying duty. Duty obligation is completed when the imported raw material is converted into finished goods and exported
- There is no time limit for storing the raw materials / finished goods / capital goods in the Warehouse. In case of Advance Authorizations, finished goods should be exported within 18 months from the date of import.
- There is no minimum export obligation required (minimum 15 % value addition is required in case of Advance Authorizations)
- Imported raw material can be exported, as such, without any manufacturing activity
- Import raw material / finished goods can be sold in domestic also, by paying duties on the import component
- There is no direct control of Customs department over the bonded warehouse. One employee with warehousing experience to be designated as responsible person for the Customs.
- Submission of Monthly Returns in a prescribed form before 10th of every month is mandatory

How to apply:

- Application has to be submitted through online (<https://www.investindia.gov.in/bonded-manufacturing/application-form>)
- Once the application is made with all required documents, concerned office will get in touch with the applicant for additional documents, if required.
- If the application process is completed, Customs will come for inspection of the site. If satisfied, they will submit a recommendation report to the Commissioner of Customs, who issues the license.
- There is no fee required for application
- The license is valid till it is surrendered by the applicant