

F. No. 524/8/2011-STO (TU)

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs**

North Block, Room No.229A
New Delhi, the 11th May, 2011.

Subject:- Regarding imports of goods under Chapter 84 of ITC (HS) and the requirement of compliance to Chapter 87 Import License Notes.

Attention is drawn to Directorate General of Foreign Trade (DGFT) Policy Circular No. 21/2007, dated 14/12/2007, on applicability of Licensing Note No.1 and 2, of Chapter 87 of ITC (HS) classification on import of special purpose vehicles used in off-highway operations such as mining, industrial undertakings, irrigation, general construction etc. Doubts have been raised by field formations whether licensing Note 1 and 2 of Chapter 87 of ITC (HS) will apply to goods which though classifiable under Chapter 84 of the ITC (HS) are falling within the definition of vehicle as explained in the policy. Accordingly, matter was referred to DGFT for suitable clarification.

2. DGFT Policy Circular No. 30/2010, dated 27/04/2011, has clarified that for goods like Reach Stackers / Fork Lifts specifically covered under Chapter 84 of ITC (HS), the Import Licensing Note No.1 and 2 of Chapter 87 of ITC (HS) Classification are not applicable to goods covered under Chapter 84 of ITC (HS) as such goods, that are in the nature of machine and equipment are covered under Chapter 84 of ITC (HS), cannot be classified under Chapter 87 of ITC (HS). It has also clarified that Policy Circular No. 21 (RE-2007)/ 2004-09 dated 14th December, 2007 quoted "Special Purpose Vehicles" which are classified under Code: 8705 at 4 digit level. Thus, Policy Circular No. 21 dated 14th December, 2007 is limited to goods covered under Chapter 87 of ITC (HS) only.

3. Suitable instructions may be issued to the field formations.

**(Subodh Singh),
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