

Import duty on gold jewellery increased to 15%

In a move aimed at protecting the domestic jewellery industry, the Centre on Tuesday increased the Customs duty on gold and silver jewellery by five percentage points to 15 per cent.

Traders had been exploring the possibility of importing jewellery, especially gold, as it is hassle-free and does not attract the Reserve Bank of India's 80:20 norms, under which 20 per cent of imported gold has to be re-exported. There also was a plan to import only crude jewellery, manufacturing cost of which is hardly one per cent, to avoid the 80:20 rule. The traders were exploring imports from Singapore and Dubai.

However, the government has plugged this loophole by increasing import duty to 15 per cent.

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