

Certain changes in the Concessional Rate Notification on specified handicraft items from January 01, 2022 to align it with HS 2022

Background:

Earlier, the CBIC issued **Notification No. 21/2018- Central Tax (Rate) dated July 26, 2018** (“the **Concessional Rate Notification**”) in order to prescribe concessional GST rate on specified handicraft items.

Further, the new (seventh) edition of the Harmonized System (HS) nomenclature i.e., HS-2022, has come into force from January 01, 2022. This edition has introduced significant changes to the Harmonized System with a total of 351 amendments at the six-digit level, covering a wide range of goods moving across borders.

As India is a party to the HS convention, necessary changes were brought in accordingly, in GST through the below mentioned notification:

Notification:

The CBIC vide **Notification No. 20/2021- Central Tax (Rate) dated December 28, 2021** has amended relevant entries of the Concessional Rate Notification w.e.f. January 1, 2022, in the following manner:

S.No.	Old HSN	Old Entry	New HSN	New Entry
4	4414 00 00	Wooden frames for painting, photographs, mirrors etc.	4414	Wooden frames for painting, photographs, mirrors etc.
29	7419 99	Art ware of brass, copper/ copper alloys, electro plated with nickel/silver	7419 80	Art ware of brass, copper/ copper alloys, electro plated with nickel/silver

Similar notifications have been passed under Integrated Goods and Services Tax Act, 2017 (“IGST Act”) and Union Territory Goods and Services Tax Act, 2017 (“UTGST Act”).

CGST (Rate) Notification: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-20-2021-cgst-rate.pdf>

IGST (Rate) Notification: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-20-2021-igst-rate-english.pdf>

UTGST (Rate) Notification: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-20-2021-utgst-rate.pdf>

Our comments:

Similar changes have been adopted in Custom Tariff Act, 1975 from January 01, 2022 so as to align the same with HS 2022 vide *D.O.F.No.524/11/2021-STO(TU) dated December 20, 2021*.

The Letter can be accessed at: https://www.a2ztaxcorp.com/wp-content/uploads/2021/12/Letter-vide-D.O.F.No_.524112021-STOTU-dated-December-20-2021.pdf

The HSN Amendments chapter wise can be accessed at: <https://www.a2ztaxcorp.com/wp-content/uploads/2021/12/HSN-Amendments-Chapterwise-from-Jan-1-2022.pdf>

Correlation of Customs Tariff during 2021-2022 can be accessed at: https://www.cbic.gov.in/resources//htdocs-cbec/deptt_offcr/Guidance%20Document%20on%20Correlation%20of%20Customs%20Tariff%20between%202021%20and%202022.pdf

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