

ITC (HS), 2012
SCHEDULE 1 – IMPORT POLICY

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CHAPTER 87

**VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING -
STOCK,
AND PARTS AND ACCESSORIES THEREOF**

Policy Conditions of this Chapter:

- (1) (I) A second hand or used vehicle (including all the vehicles other than Railway or Tramway) for the purposes of this Chapter shall mean a vehicle that:-
- (a) has been sold, leased or loaned prior to importation into India; or
 - (b) has been registered for use in any country according to the laws of that country, prior to importation into India;
- (II). The import of second had or used vehicles shall be subject to the following conditions:-
- (a) The second hand or used vehicle shall not be older than three years from the date of manufacture;
 - (b) The second hand or used vehicle shall:
 - (i) have right hand steering, and controls (applicable on vehicles other than two and three wheelers);
 - (ii) have a speedometer indicating the speed in Kilometres; and
 - (iii) have photometry of the headlamps to suit “keep left” traffic.
 - (c) In addition to the conditions specified in (a) and (b) above, the second hand or used vehicle shall conform to the provisions of the Motor Vehicle Act, 1988 and the rules made thereunder.
 - (d) Whoever being an importer or dealer in motor vehicles who imports or offers to import a second hand or used vehicle into India shall,
 - (i) at the time of importation, submit a certificate issued by a testing agency, which the Central Government may notify in this regard, that the second hand or used vehicle being imported into India has been tested immediately before shipment for export to India and the said vehicle conforms to all the regulations specified in the Motor Vehicles Act, 1988 of India and the rules made thereunder.
 - (ii) At the time of importation, submit a certificate issued by a testing agency, which the Central Government may notify in this regard, that the second hand or used vehicle being imported into India has been tested immediately before shipment for export to India and the said vehicle conforms

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- to the original homologation certificate issued at the time of manufacture.
- (iii) On arrival at the Indian port but before clearance for home consumption, submit the vehicle for testing by the Vehicle Research and Development Establishment, Ahmednagar of the Ministry of Defence of the Government of India or Automotive research Association of India, Pune or Central Farm Machinery Training and Testing Institute, Budni, Madhya Pradesh for tractors, and such other agencies as may be specified by the Central Government, for granting a certificate by that agency as to the compliance of the provisions of the Motor Vehicles Act, 1988 and any rules made thereunder.
 - (iv) Import of these vehicles shall be allowed only through the customs port at Mumbai.
- (e) The second hand or used vehicles imported into India should have a minimum roadworthiness for a period of 5 years from the date of importation into India with assurance for providing service facilities within the country during the five year period. For this purpose, the importer shall, at the time of importation, submit a declaration indicating the period of roadworthiness in respect of every individual vehicle being imported, supported by a certificate issued by any of the testing agencies, which the Central Government may notify in this regard.
- (2) (I) A new imported vehicle (including all the vehicles other than Railway or Tramway) for the purposes of this Chapter shall mean a vehicle that:-
- (a) has not been manufactured/assembled in India; and
 - (b) has not been sold, leased or loaned prior to importation into India; or
 - (c) has not been registered for use in any country according to the laws of that country, prior to importation into India.
- (II) The import of new vehicles shall be subject to the following conditions:
- a. The new vehicle shall-
 - (i) have a speedometer indicating the speed in Kilometers per hour;
 - (ii) have right hand steering, and controls (applicable on vehicles other than two and three wheelers);
 - (iii) have photometry of the headlamps to suit “keep-left” traffic; and
 - (iv) be imported from the country of manufacture.

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- b. In addition to the conditions specified in (a) above, the new vehicle shall conform to the provisions of the Motor Vehicles Act, 1988 and the rules made thereunder, as applicable, on the date of import.
- c. Whoever being an importer or dealer in motor vehicles who imports or offers to import a new vehicle into India shall,
 - (i) at the time of importation, have valid certificate of compliance as per the provisions of rule 126 of Central Motor Vehicle Rules(CMVR), 1989, for the vehicle model being imported, issued by any of the testing agencies, specified in the said rule;
 - (ii) be responsible for all the provisions assigned to the manufacturer as per Rules 122 & 138 of CMVR, 1989 and for issuing Form 22, as per provisions of CMVR, 1989; and
 - (iii) give an undertaking in writing that the proof of compliance to conformity of production as per rule 126A of CMVR shall be submitted within six months of the imports. In case of failure to do so, no further import of new vehicle of that model shall be allowed thereafter.
- d. The import of new vehicles shall be permitted only through the Customs port at Nhava Sheva, Kolkata, Chennai and Chennai Airport, Cochin, ICD-Tughlakabad and Delhi Air Cargo, Mumbai Port and Mumbai Air Cargo Complex, ICD Talegaon Pune.
- e. The provisions of this notification will not apply to the imports of new vehicles-
 - (i) for the purpose of certification as per para c(i) above;
 - (ii) for the purpose of defence requirements;
- f. The above mentioned provisions will also not apply to the import of new vehicles for R & D purpose by vehicle manufacturers and auto component manufacturers. However, the vehicles imported by both these categories for R & D will not be registered under the CMVR Rules in the country and will not ply on Indian roads. The customs will make necessary endorsement at the time of clearance of these vehicles.
- g. In case the country of manufacture is a land locked country and the shipment takes place from another country, the vehicles would deemed to have been exported from the country of manufacture provided there are supporting documents to track the vehicles from the country of manufacture to the Port of Landing and from there, to the Port of Destination.

(3) (I) The conditions at Sl. Nos. 1 & 2 above shall not be applicable on import of passenger cars/jeeps/multi utility vehicles etc. on payment of full Customs duty by the following categories of importers:

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- (a) Individuals coming to India for permanent settlement after two years continuous stay abroad provided the car has been in the possession of the individual for a period of minimum one year abroad.
- (b) Resident Indians presented with a car as an award in any international event/match/competition;
- (c) Legal heirs/successors of deceased relatives residing abroad;
- (d) Physically handicapped persons;
- (e) Companies incorporated in India having foreign equity participation;
- (f) Branches/offices of foreign firms;
- (g) Charitable/Missionary/Religious institutions registered as per the law relating to the registration of the societies or trusts or otherwise approved by the Central or State Government, subject to the condition that the importer is an established institution and is functioning for the common benefit of the community, and subject further to production of necessary clearance under the Foreign Contribution (Regulation) Act, 1976.
- (h) Honorary Consuls of foreign countries on the recommendations of the Ministry of External Affairs, Government of India.
- (i) Journalists/Correspondents of foreign news agencies having accreditation certificate with the Press Information Bureau, Ministry of Information and Broadcasting, Govt. of India.

However, these imports shall be subject to the condition that, the vehicle should have right hand steering and controls (applicable on vehicles other than two and three wheelers).

- (II) All the above categories shall be entitled to import only one vehicle except categories (e) and (f), which shall be entitled to import maximum of three vehicles. Persons in category (d) shall be entitled to import only specially designed vehicles suitable for use by handicapped. All such imports shall carry a “NO SALE” condition of two years which shall be endorsed by the Customs authorities on the passport/ registration documents at the time of import and by the Regional Transport Authorities when such vehicles are presented for registration in India. The DGFT may, however, permit relaxation of these conditions or imports by any other category not listed above in special circumstances.
- (III) All bonds/ bank guarantees executed by importers of cars/two wheelers etc. prior to 31.03.97, where the vehicle has not been transferred, shall be deemed to have been discharged with effect from 31.03.2000 (from the date of issuance of public notice no. 3(RE-2000)/97-02.

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(4) The import of vehicles (as classified under this Chapter) by Foreign Diplomats and Other Privileged Persons in this category, who are exempt from payment of customs duty, shall be exempt from the conditions specified at Sl. No. 1 & 2 above. Such imported vehicles shall be disposed off in the manner specified in the Foreign Privileged Persons (Regulations of Customs Privileges) Rules, 1957, as amended from time to time.

(5) The import of vehicles namely, Digital Satellite News Gathering Vans (DSNG van)/ Outdoor Broadcasting Vans (OB Van), as classified in this Chapter, fitted with equipments for telecasting shall be exempted from the conditions specified at Sl. No. 1 & 2 above. However, these imports shall be subject to the condition that the vehicle should have right hand steering and controls (applicable on vehicles other than two and three wheelers).

(6) The import of vehicles namely, ATVs (All Terrain Vehicles) which are specifically designed for off-the-road sports, recreation and some farm usage and do not require registration under provisions of the CMVR, shall be exempted from the conditions mentioned at Sl. No. 1 and 2 above.

(7) Import of new vehicles having an FOB value of US \$ 40,000 or more and engine capacity of more than 3000cc for petrol run vehicle and more than 2500cc for diesel run vehicles by (a) Individuals, (b) Companies and firms or (c) OEMs (Original Equipment Manufacturers- who have manufacturing and service network in India) will be exempt from the conditions at Sl. No. 2(II)(a)(iv) and 2(II)(c) above. However, at the time of Customs clearance, a Type Approval Certificate / COP of an international accredited agency from the country of origin or an EC Type Approval Certificate / Certificate of COP, of an accredited agency from any member state of EU, including a notarized English translation thereof, shall be furnished. This Type Approval shall stipulate that the vehicle to be imported complies with all the ECE Regulations for the complete vehicle. The accredited agencies have been notified vide Policy Circular No. 26 dated 9.2.2004.

(8) Import of new and second hand vehicles (not older than three years from the date of manufacture) shall be exempt from the condition at Sl. No. 2(II) (c) above only for jobbing and subsequent re-export in terms of Customs Notification No. 32/97 CUS (N.T.) dated 01.04.1997.

(9) Import of new motorcycles with engine capacity of 800 cc or more, by all categories of importers, including: (a) Individuals; (b) Companies and firm; or (c) OEMs (Original Equipment Manufacturers- who have manufacturing and service network in India) will be exempt from the conditions at Sl. No. (2) (II) (c) above. However, at the time of Customs clearance, an EC Type Approval Certificate / Certificate of COP, of an accredited agency from any member state of EU,

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including a notarized English translation thereof, shall be furnished. This Type Approval shall stipulate that the vehicle to be imported meets the technical requirements of all relevant separate directives, as last amended and as listed in EU Directive 2002/24/EC. Such imported motorcycles shall meet the EURO III emission norms as defined in EU Directive 2003/77/EC.