

Basic Custom Duty (BCD) Exemption for Semiconductor Manufacturing in India

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To promote indigenous manufacturing of Semiconductor in India, Customs has exempted Capital goods, Machinery, electrical equipment, other instruments and their parts for manufacturing. Details areas below:

- Specified capital goods for use in the manufacture of semiconductors are exempted from Basic Customs Duty (BCD) vide Amendment Notification No. 27/99 dated 28.02.1999 ([Click Here](#)) of Notification No.25/98-Customs dated 02.06.1998 ([Click Here](#)), as amended from time to time. Further, the list of specified capital goods, also amended vide Notification No. 21/2019 dated 06.07.2019 ([Click Here](#)).
- BCD is exempted on Machinery, electrical equipment, other instruments and their parts except populated Printed Circuit Boards for use in fabrication of semiconductor wafer and Liquid Crystal Display (LCD). S.No.422 of Notification No.50/2017-Customs dated 30.06.2017 ([Click Here](#)), as amended from time to time.
- Basic Customs Duty (BCD) is exempted on Machinery, electrical equipment, other instruments and their parts except populated Printed Circuit Boards [falling under Chapter 84, 85 or 90] for use in assembly, testing, marking and packaging of semiconductor chips, subject to actual user condition, vide S.No.423 of Notification No.50/2017-Customs dated 30.06.2017 ([Click Here](#)), as amended from time to time.
- Semiconductors are covered under Information Technology Agreement (ITA-1) of WTO and hence are exempted from Basic Customs Duty (BCD) vide Notification No.24/2005-Customs dated 01.03.2005 ([Click Here](#)), as amended from time to time. All goods for manufacture of semiconductors are also exempted from BCD, vide Notification No.24/2005-Customs dated 01.03.2005 ([Click Here](#)), as amended from time to time.
- Specified inputs for the manufacture of semiconductors are also exempted from BCD vide Amendment Notification No. 09/2004 dated 08.01.2004 ([Click Here](#)) of Notification No.25/99-Customs dated 28.02.1999 ([Click Here](#)), as amended from time to time.
