

F. No. 296/10/2009-CX-9
Government of India
Ministry of Finance
Department of Revenue
Central Board of Customs & Excise

New Delhi, the 1st June, 2011

To

All Chief Commissioners of Central Excise & Service Tax,
All Chief Commissioners of Central Excise & Customs,
All Chief Commissioners of Customs,
All Chief Commissioners of LTU,
Chief Commissioner (TAR).

Sub: Writing off of arrears of Central Excise duty and Customs duty - Constitution of Committees to advise the authority for writing off of arrears-reg.

Sir,

I am directed to invite reference to the instructions contained in Board's Circulars F.No. 290/4/85-CX.9 dated 22.3.85 and F.No. 290/20/90-CX.9 dated 21.9.1990, on the subject of write off of arrears of irrecoverable dues.

2. In the context of revision of the delegated powers to write off irrecoverable tax arrears, most of the Chief Commissioners did not recommend any enhancement of the existing monetary limits prescribed vide Board's Circular dated 21.9.1990. On the other hand, the Chief Commissioners suggested adoption of a Committee system for deciding cases of write off of arrears as followed by the CBDT. It is seen that CBDT, while revising the delegated powers to write off arrears, has prescribed constitution of Committees at different levels for taking a decision to write off arrears in deserving cases.

3. It has, therefore, been decided by the Board to constitute three - member Committees of Chief Commissioners and Commissioners, which will examine the proposals for write - off of irrecoverable arrears and recommend deserving cases to the authority competent to order such write - off in terms of the Board's Circular dated 21.9.1990. While the Committee of Chief Commissioners shall be constituted by the Board, as and when necessary, on the basis of the request of the Zonal Chief Commissioner, the Committee of the Commissioners shall be constituted by the Zonal Chief Commissioner, as and when necessary, on the basis of request of the jurisdictional Commissioner. The Chief Commissioner (TAR) shall be an ex-officio Member of each Committee of Chief Commissioners to ensure uniformity in approach and decision making by such Committees. Similarly, one of the Commissioners (TAR) to be nominated by the Chief Commissioner (TAR), shall be a Member of each Committee of Commissioners. Whenever a proposal for write - off of irrecoverable arrears is submitted by

the Deputy/Assistant Commissioner in the prescribed format ([Annexure A](#)), the Zonal Chief Commissioner or the jurisdictional Commissioner, depending on the amount of duty/tax proposed to be written off, shall examine the proposal and if prima - facie satisfied, request the Board or the Zonal Chief Commissioner, as the case may be, for constitution of an appropriate Committee. The Committee so constituted shall examine the proposals and on the basis of the recommendation of the Committee, the competent authority shall write - off arrears in deserving cases, in accordance with the powers delegated for the purpose.

4. The constitution of the Committees and the powers to write off, delegated to the competent authorities are as under:-

Sl. No.	Competent Authority	Constitution of the Committee	Powers delegated
1.	Chief Commissioner of Customs & Central Excise/ Central Excise/ Customs	Committee of two Chief Commissioners of Customs & Central Excise/ Central Excise/ Customs and the Chief Commissioner (TAR)	(a) Full powers for abandonment of irrecoverable amounts of fines and penalties imposed under Customs Act, 1962, and Central Excise Act, 1944. (b) To write off irrecoverable amounts of Customs/Central Excise duties upto Rs. 15 lakh subject to a report to the Board.
2.	Commissioner of Customs & Central Excise / Commissioner of Customs / Commissioner of Central Excise	Committee of two Commissioners of Customs & Central Excise/ Central Excise/ Customs and one Commissioner (TAR) nominated by CC(TAR))	(a) Full powers for abandonment of irrecoverable amounts of fines and penalties imposed under Customs Act, 1962, and Central Excise Act, 1944. (b) To write off irrecoverable amounts of Customs/Central Excise duties upto Rs. 10 lakh subject to a report to the Chief Commissioner.

5. As regards write off of interest amount, it is clarified that once duty involved is written off, the interest due thereon would get automatically written off. It is also clarified that the duty/ tax involved in the case would determine the level of authority/Committee competent to write off the amount involved.

6. As for writing off of arrears of service Tax, action is being initiated for suitable amendment of DFPR before proceeding with the writing off.

7. The field formations are, therefore, directed to take action on the above lines. If any difficulty is faced, the same should be brought to the notice of the Board.

Yours faithfully,

Click here for [Annexure - A](#)

(Surendra Singh)

Under Secretary to the Govt. of India