

G.S.R. (E).-In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts packaged software or canned software, falling under Chapter 85 of the First Schedule of the Customs Tariff Act, 1975 (51 of 1975), from so much of the additional duty leviable thereon under sub-section (1) of section 3 of the said Customs Tariff Act, as is equivalent to the duty payable on the portion of the value of such goods determined under section 14 of the said Customs Act, or the rules made thereunder, read with sub-section (2) of section 3 of the said Customs Tariff Act, which represents the consideration paid or payable for transfer of the right to use such goods:

Provided that the transfer of the right to use shall be for commercial exploitation including the right to reproduce, distribute and sell such software and right to use the software components for the creation of and inclusion in other information technology software products:

Provided further that the importer shall make a declaration to the Assistant Commissioner of Customs or the Deputy Commissioner of Customs, as the case may be, in respect of such transfer of the right to use for commercial exploitation:

Provided also that the importer shall be registered under section 69 of the Finance Act, 1994 read with rule 4 of the Service Tax Rules, 1994.

Explanation. - For the purposes of this exemption, “packaged software or canned software” means software developed to meet the needs of variety of users, and which is intended for sale or capable of being sold off the shelf.

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