Social Welfare Surcharge: Basic Details at a Glance

Part A: About Social Welfare Surcharge

1. Introduction: This levy was first sought to be levied on imported goods *vide* clause 108 of the Finance Bill, 2018 (4 of 2018). It come into immediate force by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931). Later, this levy has been approved by the Parliament *vide* Section 110 of the Finance Act, 2018 (13 of 2018).

2. Objectives of levy: To fulfill the commitment of the Government to provide and finance education, health and social security.

3. **Commodities covered**: On import of all goods specified in the First Schedule to Customs Tariff Act, 1975

4. Rate of levy: At the rate of 10% on the aggregate of duties, taxes and cesses, levied and collected by the Central Government under section 12 of the Customs Act, 1962 and any sum chargeable under any other law for the time being in force, as an addition to, and in the same manner as, a duty of customs,

5. Duties of Customs which are not subjected to levy of Social Welfare Surcharge

(a) The safeguard duty referred to in sections 8B and 8C of the Customs Tariff Act, 1975.

(b) The countervailing duty referred to in section 9 of the Customs Tariff Act, 1975.

(c) The anti-dumping duty referred to in section 9A of the Customs Tariff Act, 1975.

(d) The Social Welfare Surcharge on imported goods levied under sub-section (1) of Section 110 of the Finance Act, 2018.

6. Commodities Exempted from Payment of Social Welfare Surcharge

Certain imported goods have been fully/partially exempted from payment of Social Welfare Surcharge. The following notifications have been issued to provide exemption to certain specified imported goods from payment of whole or part of Social Welfare Surcharge. The full text of notification may be seen in Part C of this document:-

Table-I

Sr. No.	Notification No and date along with amending notification numbers and date.	Subject in brief
1.	Notification No. 11/2018-Customs, dated 2.2.2018 as amended *vide* notification No. 41/2018-Customs, dated 6.04.2018.	It exempts certain specified imported goods from payment of whole of Social Welfare Surcharge
2.	Notification No. 12/2018-Customs, dated 2.2.2018 as amended *vide* notification No.	It partially exempts certain goods from payment of Social welfare Surcharge in

	41/2018-Customs, dated 6.04.2018.	excess of 3%.
3.	Notification No. 13/2018-Customs, dated 2.2.2018 as amended *vide* notification No. 41/2018-Customs, dated 6.04.2018.	It exempts the whole of levy of Social Welfare Surcharge on the IGST/ GST Compensation Cess leviable on imported goods.

Applicability of provisions of Customs Act, 1962

For the purpose of levy and collection of Social Welfare Surcharge, the provisions of the Customs Act, 1962 and the rules and regulations made there under, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties are applicable.

Part B: Text of Section 110 of the Finance Act, 2018 (13 of 2018)

The section 110 of the Finance Act, 2018 (13 of 2018) provides as under:-

Social Welfare Surcharge on imported goods.

110. (1) There shall be levied and collected, in accordance with the provisions of this Chapter, for the purposes of the Union, a duty of Customs, to be called a Social Welfare Surcharge, on the goods specified in the First Schedule to the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), being the goods imported into India, to fulfil the commitment of the Government to provide and finance education, health and social security.

(2) The Central Government may, after due appropriation made by Parliament by law in this behalf, utilise such sums of money of the Social Welfare Surcharge levied under this Chapter for the purposes specified in sub-section (1), as it may consider necessary.

(3) The Social Welfare Surcharge levied under sub-section (1), shall be calculated at the rate of ten per cent. on the aggregate of duties, taxes and cesses which are levied and collected by the Central Government in the Ministry of Finance (Department of Revenue) under section 12 of the Customs Act, 1962 and any sum chargeable on the goods specified in sub-section (1) under any other law for the time being in force, as an addition to, and in the same manner as, a duty of customs, but not including—

(a) the safeguard duty referred to in sections 8B and 8C of the Customs Tariff Act;
(b) the countervailing duty referred to in section 9 of the Customs Tariff Act;
(c) the anti-dumping duty referred to in section 9A of the Customs Tariff Act;
(d) the Social Welfare Surcharge on imported goods levied under sub-section (1).

(4) The Social Welfare Surcharge on imported goods shall be in addition to any other duties of customs or tax or cess chargeable on such goods, under the Customs Act, 1962 or any other law for the time being in force.

(5) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the Social Welfare Surcharge on imported goods as they apply in relation to the levy and collection of duties of customs on such goods under the Customs Act, 1962 or the rules or the regulations, as the case may be.

Part C: Text of Exemption Notifications issued (as mentioned in Table-I)

Text of Notification No. 11/2018-Customs, dated 2.2.2018 as amended *vide* notification No. 41/2018-Customs, dated 06.04.2018

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) read with [1][section 110 of Finance Act, 2018 (13 of 2018)], the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (2) of the Table below and falling within the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), **from the whole of the Social Welfare Surcharge** leviable thereon [2][under the said section of the said Finance Act]:

Provided that in case of goods specified at Sl. Nos. 7, 8 and 52 of the said Table, the exemption under this notification shall be subject to condition, if any, specified under the respective exemption notifications mentioned therein.

Table

Sl. No.	Description of goods
(1)	(2)
1.	All goods falling under the following headings or sub-headings or tariff items0207 13 00, 0207 14 00, 0402 21 00,0402 10, 0405 10 00, 0405 90, 0703 20 00, 0713 10 00, 0802 11 00, 0805 40 00, 0806 20, 0808 10 00, 0809 40 00, 0813 20 00, 0901 11, 0901 90 10, 1006,1502, 1515 30 90, 2207 10, 2208, 2510 20, 3102 21 00, 3102 50 00, 3104 30 00, 3105 20 00, 3105 30 00, 3105 40 00, 3105 51, 3105 59 00, 3105 60 00, 3105 90, 3818, 4011 30 00, 5105 29 10, 5111, 5112, 5113, 5208 41, 5208 42, 5208 49, 5208 51, 5208 52, 5208 59, 5209 41, 5209 42 00, 5209 43, 5209 51, 5209 52, 5209 59, 5210 41, 5210 49, 5210 51, 5210 59, 5211 41, 5211 42 00, 5211 43, 5211 51, 5211 52, 5211 59, 5212 15 00, 5212 24 00, 5212 25 00, 5407 10, 5407 41, 5407 42, 5407 43 00, 5407 44, 5407 51, 5407 52, 5407 53 00, 5407 54, 5407 69 00, 5407 71, 5407 72 00, 5407 73 00, 5407 74 00, 5407 81, 5407 82, 5407 83 00, 5407 84, 5407 91, 5407 92 00, 5407 93 00, 5407 94 00, 5408 22, 5408 23 00, 5408 24, 5408 31, 5408 32, 5408 33 00, 5408 34, 5511 10 00, 5511 20 00, 5511 30, 5512 19, 5512 29, 5512 99, 5513 21 00, 5513 23 00, 5513 29 00, 5513 31 00, 5513 39 00, 5513 41 00, 5513 49 00, 5514 21 00, 5514 22 00, 5514 23 00, 5514 29 00, 5514 30, 5514 41 00, 5514 42 00, 5514 43 00, 5514 49 00, 5515, 5516 12 00, 5516 13 00, 5516 14, 5516 24 00, 5516 43 00, 5516

[1] Substituted vide notification No. 41/2018-Customs, dated 06.04.2018 in place of words, figures and brackets "*clause 108 of the Finance Bill, 2018 (4 of 2018), which, by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931), has the force of law*"

[2] Substituted vide notification No. 41/2018-Customs, dated 06.04.2018 in place of words "*under the said clause of the Finance Bill*".

	44 00, 5516 93 00, 5516 94 00, 5702 32, 5702 42, 5702 92, 5703 20, 5703 30, 5704 20, 5704 90, 5801, 5802 19, 5804, 5810 10 00, 6001 92 00, 6101 20 00, 6101 30, 6102 10 00, 6102 20 00, 6102 30, 6104 19 (except of wool or fine animal hair or cotton), 6104 41 00, 6104 43 00, 6104 44 00, 6104 49, 6104 51 00, 6104 52 00, 6104 53 00 6104 59, 6104 62 00, 6104 63 00, 6105, 6106, 6107 11 00, 6107 12, 6108 21 00, 6108 22, 6108 91 00, 6108 92, 6109, 6110, 6201 11 00, 6201 12, 6201 13, 6201 91 00, 6201 92 00, 6201 93 00, 6202 11, 6202 12 00, 6202 13 00, 6202 91, 6202 92, 6202 93, 6203, 6204 11 00, 6204 13 00, 6204 19, 6204 31 00, 6204 32 00, 6204 33 00, 6204 39, 6204 41, 6204 42, 6204 43, 6204 44 00, 6204 49, 6204 51 00, 6204 61, 6204 62 00, 6204 69, 6205, 6206 20 00, 6206 30 00, 6206 40 00, 6207 11 00, 6207 19, 6207 99 (other than goods of man-made fibres), 6208 11 00, 6208 19, 6208 91, 6208 92, 6210 20, 6210 30, 6210 40, 6210 50 00, 6211 32 00, 6211 33 00, 6211 42, 6211 43 00, 6212, 6214 10, 6214 20, 6214 90, 6215, 6301 20 00, 6302 21 00, 6302 31 00, 8472 90 91, 8470, 8471, 8473 21 00, 847329 00, 8473 50 00 (except parts of heading 8472 90 91 to 8472 90 95)], [line telephone sets and line videophones of heading 8517, 8519 50 00, all prepared unrecorded media for sound recording or similar recording of other phenomena, other than products of Chapter 37 (excluding cards incorporating a magnetic stripe) of heading 8523], [recorded media for reproducing phenomena other than sound or image, of heading 8523], 8531 20, 8532, 8533, 8534 00 00, 8541, [parts of electronic integrated circuits and micro-assemblies, of tariff item 8523 52 or 8542 90 00], 8543 59 10 8543 70 11, 9013 80 10, 9013 90 10, 9026, 9027 20 00, 9027 30, 9027 50, [9027 80 (except exposure metres)], 9030 40 00, 9030 82 00.
2.	Carpets and other textile floor coverings, woven, not tufted or flocked, of man-made textile material falling under sub-heading 5702 50.
3.	Men’s or boy’s overcoats, car coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, knitted or crocheted, other than those of heading 6103, of wool or fine animal hair ,falling under tariff item 6101 90 90.
4.	Upholstery fabrics falling under the following headings or sub-headings5208 39, 5209 31, 5209 32, 5209 39, 5209 49, 5210 39, 5211 31, 5211 32, 5211 39, 5211 49, 5407 61, 5516 22 00, 5516 23 00, 5802 30 00. Explanation:- “Upholstery fabrics” means material used on furniture or used to cover walls, as curtains or wall hangings and includes fabric coverings and treatments in automobiles, airplanes or railroad passenger cars.
5.	Dairy spread with milk fat content at least 75% but less than 80%, by weight, falling under tariff item 0405 20 00.
6.	Areca nut falling under sub-heading 0802 80.
7.	All goods falling under sub-heading 2106 90 other than goods covered under S. No 103 of the Table annexed to the Notification No. 50/2017-Customs, dated the 30th June, 2017, published in the Gazetted of India vide number G.S.R. 785(E), dated the 30th June, 2017.
8.	All goods falling under sub-heading 3302 10 other than goods covered under S. No. 239 of the Table annexed to the Notification No. 50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India vide number G.S.R. 785(E), dated the 30th June, 2017.
9.	All the goods covered under notification No. 25/1998-Customs, dated 2nd June 1998 published in Gazetted of India vide number G.S.R 290 (E), dated the 2nd June 1998.
10.	Facsimile machines and teleprinters, falling under heading 8443.
11.	All goods falling under tariff items 8517 69 50, 8517 69 60, 8517 69 70, 8517 69 90 and 8517 70 10.
12.	Parts and accessories (falling under sub-heading 8443 99) of all goods falling under tariff item 8443 31 00 and sub-heading 8443 32.
13.	Units of automatic data processing machines falling under sub-heading 8517 62.

14.	All goods falling under tariff items 8528 42 00, 8528 52 00 or 8528 62 00.
15.	All goods falling under tariff item 8443 31 00 or sub heading 8443 32.
16.	All goods falling sub-heading 8473 30.
17.	Parts and accessories (heading 8529) of goods falling under tariff items 8528 42 00, 8528 52 00 or 8528 62 00.
18.	Automatic Teller Machines falling under tariff item 8472 90 30.
19.	Printed circuit assemblies of word processing machines and units thereof, falling under sub-heading 8473 40.
20.	Printed circuit assemblies for automatic teller machines, falling under sub-heading 8473 40.
21.	Static converters for automatic data processing machines, and units thereof, and telecommunication apparatus, falling under sub-heading 8504 40.
22.	Other inductors for power supplies for automatic data processing machines and units thereof, and telecommunication apparatus, falling under sub- heading 8504 50.
23.	Printed circuit assemblies falling under sub-heading 8504 90 for- (i) static convertors for automatic data processing machines and units thereof, and telecommunication apparatus; (ii) other inductors for power supplies for automatic data processing machines and units thereof, and telecommunication apparatus.
24.	Microphones having a frequency range of 300 Hz to 3,4 KHz with a diameter of not exceeding 10mm and a height not exceeding 3 mm, for telecommunication use, falling under sub-heading 8518 10.
25.	Loudspeakers, without housing having frequency range of 300 Hz to 3,4 KHz with a diameter not exceeding 50mm, for telecommunication use cone type and other than cone type, falling under sub-heading 8518 29.
26.	Line telephone handsets, falling under sub-heading 8518 30.
27.	Printed circuit assemblies falling under sub-heading 8518 90 for – (i) microphones having a frequency range of 300 hz to 3,4 khz with a diameter not exceeding 10 mm, and a height not exceeding 3 mm for telecommunication use; (ii) loud speakers, without housing, having a frequency range of 300 hz to 3,4 khz with a diameter not exceeding 50 mm for telecommunication use; (iii) line telephone handsets.
28.	Printed circuit assemblies for telephone answering machines, falling under subheading 8522 90.
29.	Information Technology software, falling under heading 8523.
30.	Digital still image video cameras, falling under tariff item 8525 80 20.
31.	Aerials or antennae of a kind used with apparatus for radiotelephony and radiotelegraphy, falling under tariff item 8517 70 90.
32.	Populated PCBs falling under sub-heading 8529 90 for (i) transmission apparatus other than apparatus for radio broadcasting or television; (ii) transmission apparatus incorporating reception apparatus; (iii) digital still image video cameras.
33.	Parts (other than populated PCBs) for digital still image video cameras, falling under sub-heading 8529 90.
34.	Flat panel displays of a kind used in automatic data processing machines and telecommunication apparatus, falling under sub-heading 8531 80.
35.	Parts of indicator panels incorporating Liquid Crystal Devices (LCD) or Light Emitting

	Diode (LED), falling under sub-heading 8531 90.
36.	Electronic AC switches consisting of optically coupled input and output circuits (insulated thyristor AC switches), falling under sub-heading 8536 50.
37.	Electronic switches, including temperature protected electronic switches, consisting of a transistor and a logic chip (chip on-chip technology) for a voltage not exceeding 1000 volts, falling under sub-heading 8536 50.
38.	Electromechanical snap- action switches for a current not exceeding 11 amps, switches of contact rating less than 5 Amp at voltage not exceeding 250 volts, falling under sub-heading 8536 50.
39.	Plugs and sockets for coaxial cables and printed circuits, falling under sub-heading 8536 69.
40.	Connection and contact elements for wires and cables, falling under sub-heading 8536 69.
41.	Wafer probers, falling under sub-heading 8536 90;
42.	Printed circuit assemblies all falling under sub-heading 8538 90 for the following goods of heading 8536- (i) electronic ac switches consisting of optically coupled input and output circuits (insulated thyristor ac switches); (ii) electronic switches, including temperature protected electronic switches, consisting of a transistor and a logic chip (chip-on-chip technology) for a voltage not exceeding 1000 volts; (iii) electro-mechanical snap-action switches for a current not exceeding 11 amperes, switches of contact rating less than 5 amperes at voltage not exceeding 250 volts; (iv) plugs and sockets for co-axial cables and printed circuits; (v) connection and contact elements for wires and cables; and (vi) wafer probers.
43.	Electrical machines with translation or dictionary functions, falling under tariff item 8543 70 99.
44.	Printed circuit assemblies falling under tariff item 8543 90 00 for:- (i) Proximity cards and tags; (ii) Electrical machines with translation or dictionary functions.
45.	Electric Conductors of a voltage not exceeding 1000 V, fitted with connectors, of a kind used for telecommunications, falling under sub-heading 8544 42.
46.	Drafting machines of tariff item 9017 10 00.
47.	Drawing machines of sub-heading 9017 20.
48.	Printed circuit assemblies falling under tariff item 9017 90 00 for drafting machines or drawing machines of heading 9017.
49.	Parts and accessories of products of heading 9027, other than for gas or smoke analysis apparatus and microtomes, falling under sub-heading 9027 90.
50.	All goods falling under heading 2204 and 2205 and tariff item 2206 00 00.
51.	All goods falling under tariff items 8517 12 10 and 8517 12 90.
52.	All goods falling under heading 9801 covered under S. No. 599 of the Table annexed to the notification No. 50/2017-Customs, dated the 30th June, 2017, published in the Gazette of India vide number G.S.R. 785(E), dated the 30th June, 2017.

[F.No.334/04/2018 -TRU]

Text of Notification No.12/2018-Customs, dated 02.02.2018 as amended *vide* notification No. 41/2018-Customs, dated 06.04.2018.

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) read with [3][section 110 of Finance Act, 2018 (13 of 2018)], the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts goods of the description specified in column (3) of the Table below and falling within the Chapter, heading or sub-heading or tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) as specified in column (2) of the said Table, from so much of the Social Welfare Surcharge leviable thereon [4][under the said section of the said Finance Act], as is in excess of the amount calculated at the rate specified in column (4) of the said Table.

Table

Sl. No.	**Chapter or heading or subheading or tariff item of the First Schedule**	**Description of goods**	**Rate**
(1)	(2)	(3)	(4)
1.	2710	Motor spirit commonly known as petrol	3%
2.	2710 19 30	High speed diesel (HSD)	3%
3.	7106	Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form	3%
4.	7108	Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form	3%

[F.No. 334/04/2018 -TRU]

Notification No.13/2018- Customs, dated 2.2.2018 as amended *vide* notification No. 41/2018-Customs, dated 06.04.2018.

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) read with [5][section 110 of Finance Act, 2018 (13 of 2018)], the

[3] Substituted vide notification No. 41/2018-Customs, dated 06.04.2018 in place of words, figures and brackets "*clause 108 of the Finance Bill, 2018 (4 of 2018), which, by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931), has the force of law*"

[4] Substituted vide notification No. 41/2018-Customs, dated 06.04.2018 in place of words "*under the said [clause of the Finance Bill*".

[5] Substituted vide notification No. 41/2018-Customs, dated 06.04.2018 in place of words, figures and brackets "*clause 108 of the Finance Bill, 2018 (4 of 2018), which, by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931), has the force of law*"

Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the goods specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), when imported into India, from the whole of the Social Welfare Surcharge leviable on Integrated tax under sub-section (7), and Goods and Services Tax compensation cess under sub-section (9), of section 3 of the said Customs Tariff Act read [6][with the said section of the said Finance Act].

[F.No.334/04/2018 -TRU]

Part D: Reference Material

- Clause 118 of the Finance Bill, 2018 (available at www.finmin.nic.in)
- Section 110 of the Finance Act, 2018 (The Finance Act, 2018 is available on Lok Sabha Website: www.loksabha.nic.in or on Gazette of India website www.egazette.nic.in)
- Notification issued under Customs Act, 1962 (available on CBIC website (www.cbic.gov.in) or on Gazette of India Website www.egazettee.nic.in)

Note:

- Though all precautions have been taken to make this document error free, still some errors might have crept into this document. Therefore, users of this document are requested to exercise due caution.
- This document has been prepared using the information available on CBIC website i.e. www.cbic.gov.in.
- Use of this document is restricted for non-commercial purposes only.
- Feedback or suggestions if any are welcome and may be forwarded on email address- goyalcp@hotmail.com.

***

[6] Substituted vide notification No. 41/2018-Customs, dated 06.04.2018 in place of words "*with the said clause of the Finance Bill*"