

F. No.296/07/2016-CX.9
Govt. of India
Ministry of Finance
Department of Revenue
(Central Board of Excise and Customs)

New Delhi, the 05th July, 2016

OFFICE MEMORANDUM

Please find enclosed a press release issued by Central Board of Excise and Customs w.r.t. *“Recovery of confirmed demands during the pendency of stay application of duty”* for taking necessary action at your end.

Encls: As above

Sd-
(Hemambika R. Priya)
Commissioner Co-ord.[CBEC]
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ADG (M&C),
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PRESS NOTE

Subject: Recovery of confirmed demand during the pendency of stay application

Central Board of Excise and Customs has issued a circular dated 04.07.2016 on the issue of “Recovery of confirmed demand of tax during the pendency of stay application” in relation to indirect taxes. Confirmed demand of tax arises, when after examining the submissions of a tax payer, an order is issued confirming demand of tax from a tax payer.

2. The Circular provides that in cases where stay application is pending before Commissioner (Appeals) or CESTAT for periods prior to 06.08.2014, no recovery shall be made during the pendency of the stay application. It may be noted that the law on the issue was amended on 06.08.2014, whereafter filing of appeal requires payment of 7.5 or 10 per cent of tax demand, depending on stage of appeal, obviating the need for appellate authority to hear any stay application.

3. The Circular further provides that in cases where demand is confirmed by Hon’ble CESTAT or Hon’ble High Court recovery proceeding may be initiated after a period of sixty days from the date of the order provided that no stay is in operation.

4. The said Circular has been issued to ensure that the assessee gets adequate opportunity to appeal before recovery proceedings are started in indirect taxes. The Circular would also bring uniformity in practice regarding recovery of confirmed demands of tax.

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