

Duties on POS devices cut by 16.5%

POS machines will be exempted from 12.5% excise duty and 4% SAD till March 31, 2017, says source

Press trust of India November 29, 2016 Last Updated at 01:06 IST

In order to promote card payments, government on Monday slashed levies on Point of Sale (POS) machines that are being increasingly used by merchants in the wake of currency crunch after demonetisation of high-value currency, thus making them cheaper by about 16.5 per cent.

"POS machines will be exempted from 12.5 per cent excise duty and 4 per cent SAD (Special Additional Duty) till March 31, 2017," said a source, adding that the cost of such devices would come down by 16.5 per cent. A notification to this effect was tabled by Finance Minister Arun Jaitley in the Lok Sabha today amid uproar over the demonetisation issue.

The notification "exempts Central Excise/CV duty on all goods for manufacture of POS devices subject to actual user condition and these exemptions will be valid till March 31, 2017".

About 90 per cent of such machines are imported, source said, adding that "as imports of such items are zero per cent and hence basic customs duty (BCD) and countervailing duty (CVD) is also zero per cent".

There has been spurt in demand for POS machines on account of cash crunch following the scrapping of high value currency notes of Rs 500/1,000 by the government with effect from mid-night of November 8.

The POS machines are handheld devices which are being increasingly used by merchants to accept payments for goods sold through credit and debit cards.