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C.No. VIII/09/02/2017-Cus.Tech

Date: 14.02.2018

STANDING ORDER No. Q3 /2018-Cus.

**Subject:- Summary of Budget Changes through Finance Bill, 2018 -
Regarding.**

Attention of all the Customs Officers of Hqrs. Office, CPC, Vijayawada and the Officers working in field formations i.e. Krishnapatnam Customs House, ICD, Marripalem and Kakinada Customs House, Customs Preventive Divisions and the CFSs is invited to the Board's letter D.O.F. No. 450/177/2017-Cus. IV dated 01.02.2018 issued by Special Secretary & Member, CBEC attaching a summary of changes that have been brought in the Customs Act, 1962 through Finance Bill, 2018.

2. **Summary of Budget changes through Finance Bill, 2018**

TRADE FACILITATION

1. **Broadening the scope of Assessment and introducing "risk based selection" for verifying Self-Assessment [Section 2(2), Section 17, Section 46 and Section 50]**

The present definition of "Assessment" in the Customs Act, 1962 related merely to "assessment to duty". However, process of assessment involves not just determination of duty but also other aspects such as verification of origin, prohibitions, restrictions and other regulatory compliance requirements, in case of both imports and exports. Vast majority of consignments are cleared under "self-assessment". A small fraction of the imported consignments around 10 to 20% are taken up for verification and

are subject to reassessment, if required. Therefore, with a broader definition of assessment under Section 2(2), the person making the declaration under Section 46 or Section 51 (Importer, exporter, Customs Broker) will be required to vouch for the accuracy, authenticity, validity of the declaration made under Customs Act or other laws that govern the imports or exports.

This is in line with the department's strategy for encouraging voluntary compliance and to instil greater discipline, responsibility and care in preparing and presenting documents to the departments. At the same time, it also helps the departmental officers in discharging their responsibility while they are carrying out 'reassessment'.

In the light of Article 7.3 of Trade Facilitation Agreement, new sub-section (2A) is inserted in Section 17 to introduce the concept of risk-based selectivity. The law would now explicitly provide that the selection of cases for verification of self-assessment shall be based on risk assessment through appropriate selectivity criteria.

2. Broadening the scope and imposing time limit on finalization of Provisional Assessment [Section 18]

Scope of provisional assessment has been widened to include provisional clearance of export consignment under bond. A new sub-section (1A) is inserted so as to provide time-limit for the importer or exporter to submit the documents and information, if required for finalization of provisional assessments and for the proper officer to finalise the provisional assessment, by way of regulations. This would ensure timely completion of provisional assessment.

3. Establishing single point of reference for importer, exporters and officers with regard to Regulatory Controls imposed by various Ministries, Departments and Agencies [Section 11]

The import and export of goods are subjected to prohibition, restrictions and conditions imposed by various Ministries, Departments and Agencies of the Government. While the Foreign Trade Policy covers