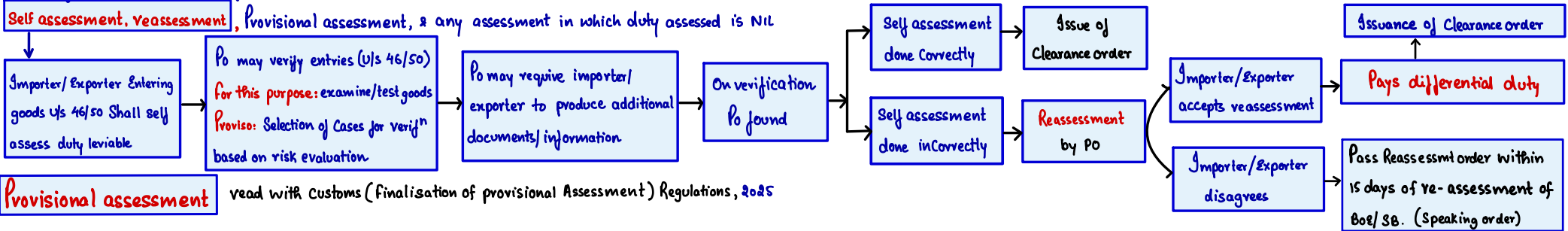


Assessment * means determination of • The dutiability of any goods & • the amount of duty, tax, cess or any other sum so payable, if any, under this act/CTA 1975/any other law time being in force with reference to Tariff classification, value, exemption/concession, the quantity, weight, volume, measurement or any other specifics, Origin, Any other specific factor & includes

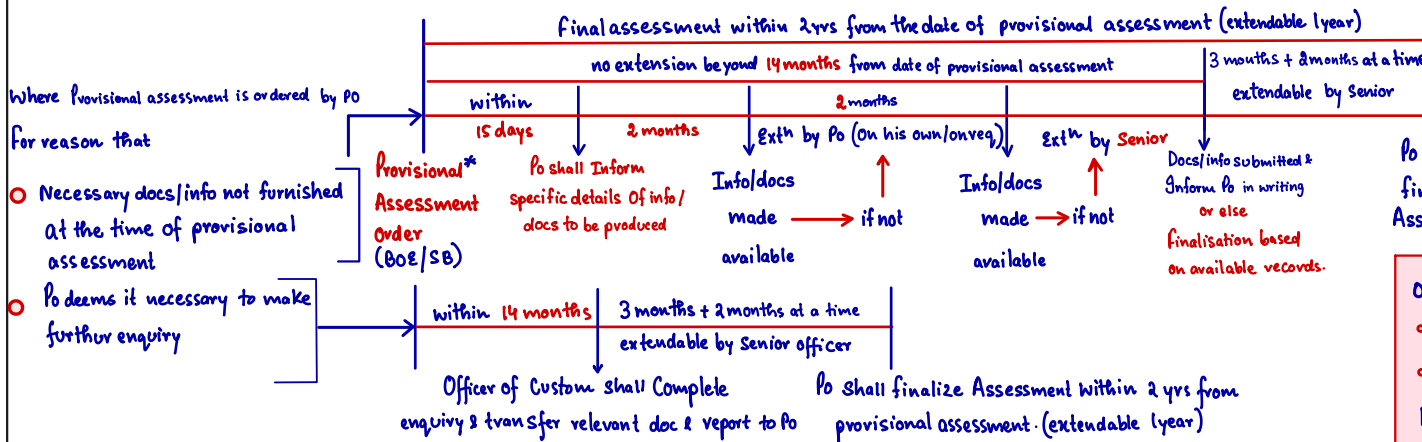


Provisional assessment read with Customs (Finalisation of provisional Assessment) Regulations, 2025

- 4 situation (Circumstances)**
- Importer/Exporter unable to make self assessment and makes a request in writing to the Po
 - Po deems it necessary to subject any goods to any chemical/other test
 - Importer/exporter produced all necessary docs/information but Po deems it necessary to make further enquiry
 - Necessary docs/information not furnished and Po deems it necessary to make further enquiry

Circumstances allowing delay in final assessment

- An information is sought from outside India through a legal process
- An appeal in a similar issue is pending before AT/Hc/SC
- An interim order of stay has been issued by AT/Hc/SC
- Board has issued specific direction in a similar matter to keep matter pending
- Importer/Exporter has a pending application before the settlement commission/Interim board



Po shall finalize Assessment

The Po shall inform importer/exporter the reason for non finalisation & in such Case, 2 yrs for finalisation shall apply from the date when such reason cease to exist.

On finalisation of Assessment

- Extra duty payable: Pay with interest after adjustment of amount paid.
- In case of warehoused goods: Execute bond for excess duty. bond shall be cancelled or recredited, Security shall also be returned.
- Refund due: Refund processed.
- Non payment after 90 days: Recovery/Security forfeiture

Note: If finalisation is contrary to Prov. assmt: Po shall pass speaking order.

Note: Importer/Exporter may pay any amount electronically against the boe/shipping bill on his own ascertainment during the pendency of provisional assessment & the amount shall be adjusted against the duty finally assessed/re-assessed.

* **Execute Bond:** Undertaking to pay on demand the deficiency &

Furnish Security: As prescribed for payment of the duty deficiency on final assessment [Security: Bank Guarantee/Cash deposit as Convenient]

Interest on finalisation:

In case of Shortfall: pay with interest @ 15% from 1st day of month of provisional assessment till the date of payment thereof.

In case of Excess: Refund within 3 months from the date of assessment of duty finally or else int @ 6% p.a. till the date of refund.

If any importer/Exporter/his authorized representative/Custom broker contravenes any provision of these regulations: Penalty ≤ 2 lacs.

Unjust enrichment is NA: (i.e. Situations when the amount of duty & interest refundable U/s 18 shall be paid to the importer/exporter instead of being credited to the CWF)

Assessment & Audit

- o If amount relates to: Duty & int paid by I/E if he had not passed on the incidence
- o Duty & int paid by buyer if he had not passed on the incidence
- o Duty & int on import by Individual for his personal use,
- o Export duty as specified U/s 26
- o Duty Drawback payable U/s 74 & 75.

Faceless Assessment ?

- o It is a major customs reforms where a Bill of entry that is identified for Scrutiny (non-facilitated Bill of entry) is assigned to an assessing officer who is physically located at a custom station, which is not the port of import in the customs Automated system.
- o It separates the assessment process from the physical location of port of Import, using a technology platform.
- o Faceless assessment (also referred to as virtual assessment or anonymized assessment) uses a technology platform to separate the customs assessment process from the physical location of a custom officer at the port of arrival.
- o This measure will bolster efforts to ensure an objective, free, fair & Just assessment.

Key objectives of faceless assessment

- o Anonymity in assessment for reduced physical interface between trade & customs
- o Speedier customs clearance through efficient utilisation of manpower.
- o Greater uniformity of assessment across locations.
- o Promoting sector specific & functional specialisation in assessment.

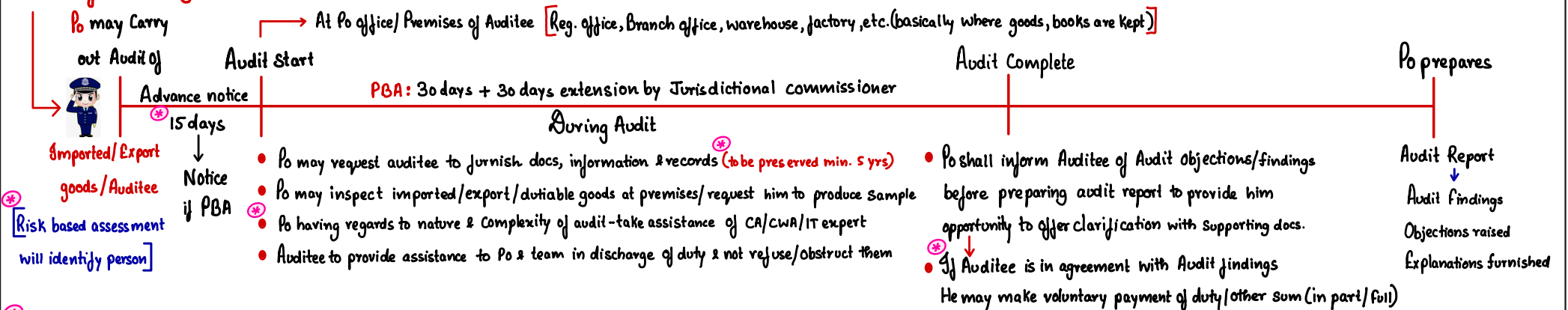
Audit : Sec 99A read with Customs audit Regulation 2018

Salient features of Audit Procedure ?

Transaction based audit (TBA): Under TBA, transactions are audited. It may be noted that a TBA may subsequently be converted into PBA.

Premises based audit (PBA): Audit at the premises. The new provision on custom Audit U/s 99A of the customs Act 1962 has extended the scope of Premises Based Audit by including other entities which are concerned with imports or exports. In PBA, Customs would review the import & export over a given period and check all relevant commercial records, including financial statements and contracts to verify the particulars given in a goods declaration. PBA would enable the department to bridge the communication divide and usher in a new era of partnership with trade.

Manner of Conducting audit:



* Any Auditee who contravenes provision of Audit regulations: Penalty upto Rs. 50,000

Auditee: means person subject to audit under this sec & includes importer/Exporter/Custodian/Licensee of a warehouse or any other person concerned directly/indirectly in clearing, forwarding, Stocking, carrying, selling/purchasing of imported/export/dutiable goods.