G.S.R.—(E). – In exercise of the powers conferred by clause (d) of section 157 read with section 18 and clause (ii) of sub-section (2) of section 158 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes and Customs hereby makes the following regulations, namely:

1. **Short title and commencement.** – (1) These regulations may be called the Customs (Finalisation of Provisional Assessment) Regulations, 2018.
   
   (2) They shall come into force on the date of their publication in the Official Gazette.

2. **Definitions.** – (1) In these regulations, unless the context otherwise requires--
   
   (a) ‘Act’ means the Customs Act, 1962 (52 of 1962);
   
   (b) ‘Board’ means the Central Board of Indirect Taxes and Customs;
   
   (c) ‘proper officer’ means Deputy Commissioner or the Assistant Commissioner of Customs;
   
   (2) The words and expressions used herein and not defined in these regulations but defined in the Act shall have the same meanings respectively assigned to them in the said Act.

3. **Application.** – These regulations shall apply to the provisional assessments ordered on and after the enforcement of these regulations.
4. **Time-limit and manner for submission of documents or information for the purpose of finalisation of provisional assessment.** – (1) Where a provisional assessment is ordered by the proper officer for the reasons that,-

   (a) the necessary documents have not been produced or information has not been furnished by the importer or the exporter; or
   (b) the proper officer requires the importer or the exporter to produce any additional documents or information,

   then such information or documents shall be made available by the importer or the exporter within one month from the date of such order of provisional assessment or the date of such requisition by the proper officer, as the case may be.

(2) The proper officer shall within fifteen days from the date of such order of provisional assessment, inform the importer or the exporter, in writing, the specific details of the information to be furnished or the documents to be produced.

(3) The proper officer may, for reasons to be recorded in writing, allow a further period not exceeding three months, on his own or at the request of the importer or the exporter, in case the documents or information are not made available within the time period specified in sub-regulation (1).

(4) The Additional Commissioner or Joint Commissioner of Customs, may further extend the time period referred for another three months, in case the documents or the information required to be submitted by the importer or the exporter or requisitioned by the proper officer have not been made available within the period as allowed above by the proper officer.

(5) The Commissioner of Customs, may extend the time period further as deemed fit, in case the documents or the information required to be submitted by the importer or the exporter or requisitioned by the proper officer have not been made available even after the extension of time under sub-regulation (4).

(6) The documents or information required to be furnished by the importer or the exporter or requisitioned by the proper officer may be submitted in one instance.

(7) The importer or the exporter or his authorised representative or Customs Broker shall inform the proper officer in writing that he has submitted all the documents or information to be furnished or requisitioned.
(8) For the purpose of these regulations, each Bill of Entry or Shipping Bill, as the case may be, that has been assessed provisionally shall be treated as a separate case of provisional assessment.

5. **Time-limit for finalisation of provisional assessment.** – (1) The proper officer shall finalise the provisional assessment within two months of receipt of:

(a) an intimation from the importer or the exporter or his authorised representative or Customs Broker under sub-regulation (7) of regulation 4; or

(b) a chemical or other test report, where the provisional assessment was ordered for that reason; or

(c) an enquiry or investigation or verification report, where the provisional assessment was ordered for that reason.

Provided that where the documents or information required to be furnished by the importer or the exporter or requisitioned by the proper officer are made available intermittently, the time period of two months shall be reckoned from the date of last intimation referred to in clause (a) above.

Provided further that where the documents or information required to be furnished by the importer or exporter, as the case may be, or requisitioned by the proper officer are not made available or made partly available and no further extension of time has been allowed under sub-regulations (3), (4) or (5) of regulation 4, as the case may be, the proper officer shall proceed to finalise the provisional assessment within two months of the expiry of the time allowed for submission of the said documents or information.

(2) The Commissioner of Customs concerned may allow, for reasons to be recorded in writing, a further time period of three months in case the proper officer is not able to finalise the provisional assessment within the period of two months as specified in sub-regulation (1) above.

(3) This regulation shall not apply to such cases of provisional assessments, where Board has issued directions to keep that pending.

6. **Manner of finalisation of provisional assessment.** – (1) The provisional assessment shall be finalised as per the provisions of section 18 of the Act.
Provided that if the amount so paid at the time of provisional assessment or after adjustment under clause (a) to sub-section (2) of section 18 of the Act, falls short of the duty finally assessed or re-assessed, as the case may be, and the importer or the exporter has not paid the deficiency, the shortfall shall be adjusted from the security, if any, obtained at the time of provisional assessment, under intimation to the importer or the exporter.;

Provided further that, if the amount so adjusted or paid falls short of the duty finally assessed or re-assessed, as the case may be, the importer or exporter of the goods shall pay the shortfall in terms of the provisions of section 18.

(2) The Bond executed at the time of provisional assessment with security, if any, shall be cancelled after finalisation of provisional assessment and the security shall also be returned, if there are no pending dues.

(3) Where the final assessment is contrary to the provisional assessment, the proper officer shall pass a speaking order following principles of natural justice.

(4) Where the final assessment confirms the provisional assessment, the proper officer shall finalise the same after ascertaining the acceptance of such finalisation from the importer or the exporter on record and inform the importer or exporter in writing of the date of such finalisation.

(5) Where a Bill of Entry or Shipping Bill is presented electronically on the Customs Automated system and is ordered to be provisionally assessed, the proper officer shall finalise the provisional assessment on the system also consequent to the procedure prescribed in these regulations.

7. **Penalty.** - If any importer or exporter or his authorised representative or Customs Broker contravenes any provision of these regulations or abets such contravention, or fails to comply with any provision of these regulations, he shall be liable to a penalty which may extend to fifty thousand rupees.

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(Zubair Riaz)
Director (Customs)