

CUSTOMS ACT, 1962

BUDGET ANALYSIS 2025-26

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CUSTOMS ACT 1962:

Section	Existing	Amendment	Bizsol Analysis
<p>18 Provisional Assessment</p> <p>(W.E.F the date of assent to Finance Bill 2025)</p>	<p>[(1) Notwithstanding anything contained in this Act but without prejudice to the provisions of section 46 and section 50,-</p> <p>(a) where the importer or exporter is unable to make self-assessment under sub-section (1) of section 17 and makes a request in writing to the proper officer for assessment; or</p> <p>(b) where the proper officer deems it necessary to subject any imported goods or export goods to any chemical or other test; or</p> <p>(c) where the importer or exporter has produced all the necessary documents and furnished full information but the proper officer deems it necessary to make further enquiry; or</p> <p>(d) where necessary documents have not been produced or information has not been furnished and the proper officer deems it necessary to make further enquiry,</p> <p>the proper officer may direct that the duty leviable on such goods be assessed provisionally if the importer or the exporter, as the case may be, furnishes such security as the proper officer deems fit for the payment of the deficiency, if any,</p>	<p>[(1) Notwithstanding anything contained in this Act but without prejudice to the provisions of section 46 and section 50,-</p> <p>(a) where the importer or exporter is unable to make self-assessment under sub-section (1) of section 17 and makes a request in writing to the proper officer for assessment; or</p> <p>(b) where the proper officer deems it necessary to subject any imported goods or export goods to any chemical or other test; or</p> <p>(c) where the importer or exporter has produced all the necessary documents and furnished full information but the proper officer deems it necessary to make further enquiry; or</p> <p>(d) where necessary documents have not been produced or information has not been furnished and the proper officer deems it necessary to make further enquiry,</p> <p>the proper officer may assess the duty leviable on such goods, provisionally if the importer or the exporter, as the case may be, furnishes such security as the proper officer deems fit for the payment of the deficiency, if any, between the duty as may be finally assessed or re-assessed as the case may be, and the duty provisionally assessed.]</p> <p>[(1A) Where, pursuant to the provisional assessment under sub-section (1), if any document</p>	<p>Provision of reassessment has been simplified for which importer will be largely benefited.</p> <p>Time limit has been prescribed to finalize the assessment within the period of Two years and may be extended by One year subject to certain conditions and exceptions.</p>

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	<p>between the duty as may be finally assessed or re-assessed as the case may be, and the duty provisionally assessed.]</p> <p>(1A) Where, pursuant to the provisional assessment under sub-section (1), if any document or information is required by the proper officer for final assessment, the importer or exporter, as the case may be, shall submit such document or information within such time, and the proper officer shall finalise the provisional assessment within such time and in such manner, as may be prescribed.]</p>	<p>or information is required by the proper officer for final assessment, the importer or exporter, as the case may be, shall submit such document or information within such time, and the proper officer shall finalise the provisional assessment in such manner, as may be prescribed.]</p> <p>(1B) The proper officer shall finalise the duty provisionally assessed, within two years from the date of such assessment under sub-section (1):</p> <p>Provided that the Principal Commissioner of Customs or the Commissioner of Customs may, on sufficient cause being shown and for reasons to be recorded in writing, extend the said period to a further period of one year:</p> <p>Provided further that in respect of any provisional assessment pending under sub-section (1) as on the date on which the Finance Bill, 2025 receives the assent of the President, the said period of two years shall be reckoned from the date on which the said Finance Bill receives the assent of the President.</p> <p>(1C) Where the proper officer is unable to assess the duty finally within the time specified under sub-section (1B) for the reason that--</p> <p>(a) an information is being sought from an authority outside India through a legal process; or</p>	

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		<p>(b) an appeal in a similar matter of the same person or any other person is pending before the Appellate Tribunal or the High Court or the Supreme Court; or</p> <p>(c) an interim order of stay has been issued by the Appellate Tribunal or the High Court or the Supreme Court; or</p> <p>(d) the Board has, in a similar matter, issued specific direction or order to keep such matter pending; or</p> <p>(e) the importer or exporter has a pending application before the Settlement Commission or the Interim Board, the proper officer shall inform the importer or exporter concerned, the reason for non-finalisation of the provisional assessment and in such case, the time specified in sub-section (1B) shall apply not from the date of the provisional assessment but from the date when such reason ceases to exist.</p>	
<p>18A Voluntary revision of entry, post clearance.</p>		<p>18A. (1) Notwithstanding anything contained in section 149, the importer or exporter of the goods, after the clearance, may revise an entry already made in relation to the goods, in such form and manner, within such time and subject to such conditions as may be prescribed.</p> <p>(2) On revising the entry under sub-section (1), the</p>	<p>Welcome Amendment with the object to reduce transaction cost and time and cost of detention and demurrages.</p> <p>In case of Classification/ Valuation or any dispute, it is better to pay the duty and file voluntary revision of Bill of Entry</p>

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		<p>importer or exporter of the goods shall self-assess the duty.</p> <p>(3) Where the revised entry and self-assessment made under sub-sections (1) and (2) results in--</p> <p>(a) any duty short-levied, not levied, short-paid or not paid, then the same may be paid voluntarily by the importer or exporter of such goods along with the interest under section 28AA;</p> <p>(b) duty paid in excess of that payable on such goods or whole of the duty paid, requiring refund, then, such revised entry shall be deemed to be a claim for refund under section 27.</p> <p>(4) The proper officer may,--</p> <p>(a) verify the revised entry and self-assessment made under sub-sections (1) and (2) in cases selected primarily on the basis of risk evaluation through appropriate selection criteria;</p> <p>(b) re-assess the duty leviable on such goods in cases where the self-assessment under sub-section (2) is not done correctly.</p> <p>(5) No revision of entry shall be made under this section in the following cases, namely:--</p> <p>(a) cases where any audit under Chapter XIIIA or search, seizure or summons under Chapter XIII has been initiated and intimated to the importer or the exporter concerned;</p> <p>(b) cases requiring refund where the proper officer has re-assessed the duty under section 17 or assessed the duty under section 18 or under section 84;</p> <p>(c) any other case which the Board may specify by</p>	<p>post clearance either for short payment of duty and save the penalty thereafter Or claim the refund of excess duty paid rather than applying for re-assessment u/s 149 of the Act and wait on mercy of the Officer.</p>

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		notification in the Official Gazette.” .	
27 Claim for refund of duty (New explanation inserted)		Explanation 2.— For the removal of doubts, it is hereby clarified that the period of limitation of one year in case of claim of refund under clause (b) of sub-section (3) of section 18A or amendment of documents under section 149, shall be computed from the date of payment of such duty or Interest.	Application/ Revision of Bill of Entry to be made within the period of One year in the case of refund.
28 Recovery of duties not levied or not paid or short-levied or short- paid or erroneously refunded (New clause inserted)		(ba) in a case where duty is paid under clause (a) of sub-section (3) of section 18A, the date of payment of duty or interest.	Period of limitation will be counted and relevant date for the same will be date of payment of duty/interest in case of voluntary revision of assessments.
127A Definitions for Settlement of Cases (New definition inserted) (W.E.F- 1 st April 2025)		(da) “Interim Board” means the Interim Board for Settlement constituted under section 31A of the Central Excise Act, 1944 (ea) “pending application” means an application filed under section 127B before the 1 st day of April, 2025 and fulfils the following conditions, namely: -- (i) it has been allowed under section 127C; and (ii) no order under sub-section (5) of section 127C was issued on or before the 31 st day of March, 2025 with respect to such application;	New definitions have been inserted so as to express the meaning for the amendment made in 127B and 127C for settlement of disputes.
127B (5) Application for settlement of cases		Provided that no application shall be made under this section on or after the 1st day of April, 2025: Provided further that on and from the date of the	Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no

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(New Proviso inserted) (W.E.F- 1 st April 2025)		constitution of the Interim Board, every pending application shall be dealt by it from the stage at which such pending application stood immediately before its constitution	provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025. This is in line with the provisions incorporated in Income Tax Act in year 2020-2021
127C Procedure on receipt of an application under Section 127B (New sub section inserted) (W.E.F- 1 st April 2025)		11) On and from the 1st day of April, 2025,-- (a) the provisions of sub-sections (2), (3), (4), (5), (5A), (7), (8) and (8A) shall apply to pending applications with the modification that for the words “Settlement Commission” , wherever they occur, the words “Interim Board” shall be substituted; (b) in sub-section (3), for the words “seven days from the date of order” , the words “seven days from the date of receipt of the order” shall be substituted; (c) in sub-section (7), for the word “Bench” , the words “Interim Board” shall be substituted; (d) the provisions of sub-section (10) shall have effect as if for the words “Settlement Commission, the words “Settlement Commission or the Interim Board” had been substituted. (12) Notwithstanding anything contained in this section, the Interim Board may, within three months	Settlement Commission is substituted with Interim board and pending applications with Settlement Commission will be dealt by Interim Board and suitable changes have been made in respective chapters and section relating to Settlement Commission

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		from the date of its constitution under section 31A of the Central Excise Act, 1944, for the reasons to be recorded in writing, extend the time limit referred to in sub-section (8A), by such further period not exceeding twelve months from the date of such constitution.’ .	
<p>127D Power of Settlement Commission to order provisional attachment to protect revenue (New sub section inserted) (W.E.F- 1st April 2025)</p>		(3) On and from the 1st day of April, 2025, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.	Provisions relating to Settlement Commission will be made applicable to Interim Board
<p>127F Power and procedure of Settlement Commission (New sub section inserted) (W.E.F- 1st April 2025)</p>		(5) On and from the 1st day of April, 2025, the powers and functions of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.	Provisions relating to Settlement Commission will be made applicable to Interim Board

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127G Inspection, etc. of reports (New proviso inserted) (W.E.F- 1 st April 2025)		Provided further that on and from the 1st day of April, 2025, the functions of the Settlement Commission under this section shall be performed by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission	Provisions relating to Settlement Commission will be made applicable to Interim Board
127H Power of Settlement Commission to grant immunity from prosecution and penalty (New sub section inserted) (W.E.F- 1 st April 2025)		“(4) On and from the 1st day of April, 2025, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.” .	Provisions relating to Settlement Commission will be made applicable to Interim Board

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CUSTOMS TARIFF ACT, 1975

CUSTOMS TARIFF ACT 1975:

Section	Existing	Amendment	Bizsol Analysis
Amendment of First Schedule (W.E.F- 1 st May 2025)		the First Schedule shall,-- (a) be amended in the manner specified in the Second Schedule; (b) with effect from the 1st May, 2025, be amended in the manner specified in the Third Schedule	<ul style="list-style-type: none">• Revised Tariff rate for certain industrial tariff item• 178 Tariff entries and Chapter 10, 20, 27, 28, 29, 38 and 71 has been inserted• 63 Tariff entries has been substituted or deleted to align with WCO classification and better identification of goods

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