

ANALYSIS OF INDIAN UNION BUDGET 2013-14

CUSTOM - NON TARIFF (Custom Act, 1962)

CLAUSE NO.	SECTION OF CA, 1962	CHANGE AT GLANCE	APPLICABLE w.e f	EXECUTIVE SUMMARY
54	11	Clause (n) of sub-section (2) of section 11 is being amended to include "designs and geographical indications" so as to provide for protection of these rights.	From the date of enactment of Finance Bill, 2013	Section 11 empowers Central Government to prohibit the import or export on prescribed goods. Now this power has been extended to include "designs and geographical indications".
55	27	Section 27 is being amended to provide that if the amount of refund claimed is less than Rs. 100, the same shall not be refunded.	From the date of enactment of Finance Bill, 2013	This is just to put a cut off for proper implementation on materiality basis.
56	28	Section 28 is being amended to provide that show cause notice will not be served where the amount demanded is less than Rs. 100.	From the date of enactment of Finance Bill, 2013	- Do-
57	28BA	Section 28BA is being amended to provide for provisional attachment of property belonging to any person to whom notice under sub-section (4) of section 28 has been served.	-do -	Where a notice for any duty has not been levied or has been short-levied or erroneously refunded, is issued, the property of such person may be attached.

58	28E	Clause (a) of section 28E is being substituted so as to include any new business of import or export proposed to be undertaken by the existing importer or exporter within the meaning of "activity".	-do-	The definition of "activity" has been made inclusive and includes new business proposed to be undertaken by existing importer or exporters i.e. advances ruling under Custom Laws in such proposed activity can be availed.
59	29	Section 29 is being amended to empower the Board to permit landing of vessels and aircrafts at any place other than customs port or customs airport.	-do-	
60 & 61	30& 41	Section 30 & 41 is being amended to provide for electronic filing of import/export manifest and also to provide that the Commissioner of Customs may, in cases where it is not feasible to deliver the import manifest by presenting electronically, allow the same to be delivered in any other manner.	-do-	This section is being amended to cope with the electronic filing system. It would easy the process and fastens the process.
62	47	Sub-section (2) of section 47 is being amended to reduce the interest free period for payment of	-do-	Now the importer has to pay the duty within 2 days instead of 5 days as earlier.

		import duty from five days to two days.		
63	49	Section 49 is being amended to restrict the period of storage of imported goods, pending clearance, in a public or private warehouse to thirty days and to provide that the Commissioner of Customs may extend the period of storage for further period not exceeding thirty days at a time.	-do-	Prior to amendment, no time period was prescribed for warehouse of imported goods, pending clearance.
64	69	Section 69 is being substituted to provide that any warehoused goods may be exported to a place outside India without payment of import duty if a shipping bill or a bill of export in prescribed form or label or declaration accompanying the goods as referred to in section 82 has been presented in respect of such goods.	-do-	A new compliance to provide the declaration accompanying the goods, which contains the description, quantity and value thereof, has been prescribed.

65	104	Under the existing sub-section (6) of section 104, all offences under the Act are bailable. Sub-section (6) is being substituted with sub-section (6) and (7). Sub-section (6) provides that some specified offences punishable under section 135 shall be non-bailable,	-do-	<p>The following shall be non-bailable offences:-</p> <p>(a) evasion or attempted evasion of duty exceeding Rs.50 lakh;</p> <p>(b) prohibited goods notified under section 11 which are also notified under sub-clause (C) of clause (i) of sub-section (1) of section 135;</p> <p>(c) import or export of any goods which have not been declared in accordance with the provisions of this Act and the market price of which exceeds Rs. 1 crore;</p> <p>(d) Fraudulently availing of or attempt to avail of drawback or any exemption from duty provided under this Act, if the amount of drawback or exemption from duty exceeds Rs.50 lakh.</p> <p>Sub-section (7) provides that all other offences except those specified in sub-section (6) shall be bailable.</p>
66	129B	A proviso is being inserted in sub-section (2A) of section 129B to provide that in cases where the	-do-	Prior to amendment, if the stay order is made in any proceeding by Tribunal, it would vacate after 180 days. Now, this

		<p>delay in disposing of the appeal is not attributable to the appellant, the Tribunal may extend the period of stay by a period not exceeding 185 days subject to the condition that if the appeal is not disposed of within the total period of 365 days from the date of order, the stay order shall stand vacated.</p>		<p>period may further be extended by 185 days by Tribunal, if the delay is not attributable by applicant. However, Total period would not exceed 365 days.</p>
67	129C	<p>Section 129C is being amended to enhance the monetary limit of the Single Bench of the Tribunal to hear and dispose of appeals from Rs.10 lakh to Rs.50 lakh.</p>	-do-	<p>However, such monetary limit would not apply where the determination of any question having a relation to the rate of duty of excise or to the value of goods for purposes of assessment is in issue or is one of the points in issue.</p>
68	135	<p>In sub-clauses (B) and (D) of clause (i) of section 135(1), the threshold limit for punishment in an offence relating to evasion or attempted evasion of duty or fraudulently availing of or attempting to avail of drawback or any exemption from duty in connection with export of</p>	-do-	

		goods, has been increased from Rs.30 lakh to Rs.50 lakh.		
69	142	A new clause (d) is being inserted in section 142 to provide (i) for recovery of money due to the Central Government from any other person other than the defaulter after giving such other person a notice in writing, (ii) that the person to whom such notice has been issued shall be bound to comply, and (iii) that if the person to whom the notice is issued fails to comply, he shall be deemed to be a defaulter in respect of the amount specified in the notice.	From the date of enactment of Finance Bill, 2013	This is a new and one of its own kinds of provision in tax laws. Let me illustrate this with an example: Mr. A is the person who is liable to pay the excise duty leviable and he is unable or does not pay the duty. Now Mr. B is a person who holds some of money of Mr. A as deposit, debtor or any other kind. In that case, under new provision, Central Excise Officer may issue notice to Mr. B for recovery of duty payable by Mr. A. and Mr. B has to comply with the notice otherwise consequences under Central Excise Law shall be initiated.
70	143A	Section 143A relating to "Duty Deferment" has been omitted.	-do-	The power of Custom commissioner to provide "Duty Deferment" has been withdrawn.
71	144	Sub-section (3) of section 144 is being amended to remove the duty liability on any sample of goods which is consumed or destroyed	-do-	

		during the course of testing or examination.		
72	146	Section 146 is being substituted to change the nomenclature of "customs house agents" to "customs brokers" considering the global practice and internationally accepted nomenclature.	-do-	This is only nomenclature change.
74	147	Sub-section (3) of section 147 is being amended to expand the scope of the liability of agents of the owner, importer or exporter of any goods.	From the date of enactment of Finance Bill, 2013	