Finance Act 2007

Chapter IV - Indirecttaxes

In section 2 of the Customs Act, 1962(52 of 1962) (hereinafter referred to as the Customs Act), in clause (41), for the words, brackets and figures "sub-section (1) of section 14", the words, brackets and figures "sub-section (1) or sub-section (2) of section 14" shall be substituted with effect from such date

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as the Central Government may, by notification in the Official Gazette, appoint.

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w.e.f. from 10.10.2007, as per notification No. 93/2007-Customs (N.T.) dated 13.09.2007

Section 95 - Substitution of new section for section 14

For section 14 of the Customs Act, the following section shall be substituted with effect from such date

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as the Central Government may, by notification in the Official Gazette, appoint, namely:--

'14. Valuation of goods.--

(1) For the purposes of the Customs Tariff Act, 1975(51 of 1975), or any other law for the time being in force, the value of the imported goods and export goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, or as the case may be, for export from India for delivery at the time and place of exportation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such other conditions as may be specified in the rules made in this behalf:

Provided that such transaction value in the case of imported goods shall include, in addition to the price as aforesaid, any amount paid or payable for costs and services, including commissions and brokerage, engineering, design work, royalties and licence fees, costs of transportation to the place of importation, insurance, loading, unloading and handling charges to the extent and in the manner specified in the rules made in this behalf:

Provided further that the rules made in this behalf may provide for,--

(i) the circumstances in which the buyer and the seller shall be deemed to be related;

(ii) the manner of determination of value in respect of goods when there is no sale, or the buyer and the seller are related, or price is not the sole consideration for the sale or in any other case;

(iii) the manner of acceptance or rejection of value declared by the importer or exporter, as the case may be, where the proper officer has reason to doubt the truth or accuracy of such value, and determination of value for the purposes of this section:

Provided also that such price shall be calculated with reference to the rate of exchange as in force on the date on which a bill of entry is presented under section 46, or a shipping bill of export, as the case may be, is presented under section 50.

(2) Notwithstanding anything contained in sub-section (i), if the Board is satisfied that it is necessary or expedient so to do, it may, by notification in the Official Gazette, fix tariff values for any class of imported goods or export goods, having regard to the trend of value of such or like goods, and where any such tariff values are fixed, the duty shall be chargeable with reference to such tariff value.

Explanation.--For the purposes of this section--

(a) "rate of exchange" means the rate of exchange--

(i) determined by the Board, or

(ii) ascertained in such manner as the Board may direct, for the conversion of Indian currency into foreign currency or foreign currency into Indian currency;

(b) "foreign currency" and "Indian currency" have the meanings respectively assigned to them in clause (m) and clause (q) of section 2 of the Foreign Exchange Management Act, 1999(42 of 1999).'.

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. w.e.f. 10.10.2007 as per Notification No. 93/2007-Customs (N.T.) dated 13.09.2007.

Section 96 - Amendment of section 27

In section 27 of the Customs Act, in sub-section (1), in clause (b), after the third proviso, the following proviso shall be inserted, namely:--

"Provided also that where the duty becomes refundable as a consequence of judgment, decree, order or direction of the appellate authority, Appellate Tribunal or any court, the limitation of one year or six months, as the case may be, shall be computed from the date of such judgment, decree, order or direction."

Section 97 - Amendment of section 28E

In section 28E of the Customs Act, in clause (c), the following Explanation shall be inserted at the end, namely:--

'Explanation.--For the purposes of this clause, "joint venture in India" means a contractual arrangement whereby two or more persons undertake an economic activity which is subject to joint control and one or more of the participants or partners or equity holders is a non-resident having substantial interest in such arrangement;'.

Section 98 - Amendment of section 75A

In section 75 A of the Customs Act, for sub-section (2), the following sub-section shall be substituted, namely:--

"(2) Where any drawback has been paid to the claimant erroneously or it becomes otherwise recoverable under this Act or the rules made thereunder, the claimant shall, within a period of two months from the date of demand, pay in addition to the said amount of drawback, interest at the rate fixed under section 28AB and the amount of interest shall be calculated for the period beginning from the date of payment of such drawback to the claimant till the date of recovery of such drawback.".

Section 99 - Omission of Chapter XA