

The Customs Act, 1962

Section 18 - Provisional assessment of duty

¹[(1) Notwithstanding anything contained in this Act but without prejudice to the provisions of section 46 ² [and section 50],--

(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

(b) where the proper officer deems it necessary to subject any imported goods or export goods to any chemical or other test; or

(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

(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,
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, between the duty as may be finally assessed or re-assessed as the case may be, and the duty provisionally assessed.]

²[(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.]

(2) When the duty leviable on such goods is assessed finally ³[or re-assessed by the proper officer] in accordance with the provisions of this Act, then--

(a) in the case of goods cleared for home consumption or exportation, the amount paid shall be adjusted against the duty ⁴[finally assessed or re-assessed, as the case may be,] and if the amount so paid falls short of, or is in excess of ⁵[the duty ⁴[finally assessed or re-assessed, as the case may be,]], the importer or the exporter of the goods shall pay the deficiency or be entitled to a refund, as the case may be;

(b) in the case of warehoused goods, the proper officer may, where the duty ⁴[finally assessed or re-assessed, as the case may be,] is in excess of the duty provisionally assessed, require the importer to execute a bond, binding himself in a sum equal to twice the amount of the excess duty.

⁶[(3) The importer or exporter shall be liable to pay interest, on any amount payable to the Central Government, consequent to the final assessment order ³[or re-assessment order] under sub-section (2), at the rate fixed by the Central Government under section ⁷[28AA] from the first day of the month in which the duty is provisionally assessed till the date of payment thereof.]

(4) Subject to sub-section (5), if any refundable amount referred to in clause (a) of sub-section (2) is not refunded under that sub-section within three months from the date of assessment, of duty finally ³[or re-assessment of duty, as the case may be,] there shall be paid an interest on such un-refunded amount at such rate fixed by the Central Government under section 27A till the date of refund of such amount.]

(5) The amount of duty refundable under sub-section (2) and the interest under sub-section (4), if any, shall, instead of being credited to the Fund, be paid to the importer or the exporter, as the case may be, if such amount is relatable to--

(a) the duty and interest, if any, paid on such duty paid by the importer, or the exporter, as the case may be, if he had not passed on the incidence of such duty and interest, if any, paid on such duty to any other person;

(b) the duty and interest, if any, paid on such duty on imports made by an individual for his personal use;

(c) the duty and interest, if any, paid on such duty borne by the buyer, if he had not passed on the incidence of such duty and interest, if any, paid on such duty to any other person;

(d) the export duty as specified in section 26;

(e) drawback of duty payable under sections 74 and 75.]

1. Subs. by Act 8 of 2011, s. 39, for sub-section (1) (w.e.f. 8-4-2011).
2. Ins. by Act 13 of 2018, s. 61 (w.e.f. 28-3-2018).
3. Ins. by Act 8 of 2011, s. 39 (w.e.f. 8-4-2011).
4. Subs. by s. 39, *ibid.*, for "finally assessed" (w.e.f. 8-4-2011).
5. Subs. by Act 56 of 1974, s. 3 and the Second Schedule, for "the finally assessed" (w.e.f. 20-12-1974).
6. Ins. by Act 29 of 2006, s. 21 (w.e.f. 13-7-2006).
7. Subs. by Act 13 of 2018, s. 61, for "28AB" (w.e.f. 8-4-2011).

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