Circular No. 22/2004-Cus,
March 3, 2004

F.No.450/115 /2003-Cus.IV

Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

Subject: Delay in release of consignments due to classification disputes, seizure and provisional release thereof-reg

I am directed to say that the trade has represented to the Board that the items involved in classification disputes should not be withheld but should be released by resorting to provisional assessment.

2. The matter has been examined by the Board. It may be mentioned that in case of classification disputes, by & large, option is given for provisional clearance/assessment , if the inquiries are going to take time. However, the Board desires that a disputed or offending consignment should also not be held up unless its import/clearance is totally prohibited or banned under any law for the time being in force [E.g. PFA,CITES, Weight & Measures Act,etc.] or where prosecution is contemplated. At most, samples should be drawn & consignment should be allowed to be cleared on provisional basis as a matter of right. This will prevent congestion at ports & warehouses. Adequate B.G/security may be taken to safeguard revenue (including possible fine & penalty). In case where it is decided to detain the consignment action should be taken to shift the same to a Customs Warehouse under section 49 of the Customs Act, 1962 [Board's Circular No.84/95-Cus. , dated 25.7.95 may be referred to].

3. Kindly bring the above instructions to the knowledge of all concerned .

4. Hindi version will follow.

D. S. Garbyal
Under Secretary to the Govt. of India