Circular No.40 / 2011 - Customs

F.No. 528/33/2011-STO (TU)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

299-A, North Block, New Delhi,
9th September, 2011.

To

All Chief Commissioners / Commissioners of Customs / Customs (Prev.),
All Chief Commissioners / Commissioner of Customs & Central Excise,
All Directors General under CBEC.

Sir / Madam,

Subject: Voluntary payment of duty before final assessment-regarding.

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A reference has been received seeking a clarification whether an importer or exporter can be allowed to pay customs duties voluntarily in the period intervening provisional assessment and final assessment.

2. The issue has been examined by the Board, and accordingly it is clarified that whenever any importer or exporter intimates to the proper officer in writing that he desires to pay voluntarily certain amount of duty of customs, at any time before finalization of the provisional assessment, the following may be drawn to his attention, namely:-

(a) Such duty should be paid along with interest on the amount of duty so being paid, at the rate fixed by the Central Government under section 28B of the Customs Act, 1962, from the first day of the month in which the duty is provisionally assessed till the date of payment thereof;

(b) The term and conditions of the bond and the amount of security of surety furnished at the time of provisional assessment shall remain unchanged; and

(c) No refund of duty will be granted till the assessment is finalised.

3. Wherever the importer or exporter pays any amount of duty before finalisation of assessment, he shall not incur interest on the amount of duty so paid for the period from the date of such payment till the finalization of assessment. Consequent to final assessment, the interest due will be calculated from the first day of the month in which the duty is provisionally assessed till the date of payment of duty. Also, the amount of duty that is initially provisionally paid or paid in the interim period and interest paid, if any, shall be adjusted against the duty finally assessed, and the interest payable.

4. Difficulty in implementing this instruction, if any, may be brought to notice of the Board.

Yours faithfully,

(Subodh Singh)

OSD (Customs), Tariff Unit,
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