

EXECUTIVE SUMMARY OF FINANCE BILL, 2016 – CUSTOMS ACT

I. Amendment in Customs Act, 1962

CLAUSE(S) OF FINANCE BILL, 2016	SECTION	BRIEF OF AMENDMENT	APPLICABLE W.E.F.	NEW LAW
113, 122	2(43), 58A, 58B	Section 2(43) are being amended and new section 58A and 58B are being inserted to add a new class of warehouses for enabling storage of specific goods under physical control of department. The process for physical control and cancellation are being prescribed.	Date of enactment	New class of warehouse along-with private warehouse.
114	Chapter III	The heading of Chapter III is being changed to “Appointment of Customs Ports, Airports Etc”	Date of enactment	
115	9	Section 9 is being omitted whereby withdrawing power to board to notify any place as warehouse station.	Date of enactment	No power to board to notify any place as warehouse station.
116	25	The requirement of publishing and offering for sale of any notification issued, by the Directorate of Publicity and Public Relations of CBEC, has been finished.	Date of enactment	Any notification granting exemption from custom duty issued u/s 25 by Central Government shall only be published in Official Gazette.
117, 118, 119 and 135	28, 47, 51 and 156	Section 28, 47, 51 and 156 are being amended to a) Increase the period of limitation from one year to 2 year for issuing notice in cases not involving fraud, suppression of facts, willful misstatement etc b) Provide for deferred payment of custom duties for importers and exporters to certain class of importer and exporters.	Date of enactment	The Custom Officer can issue the notice for recovery of pending duty upto 2 years from relevant date.

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120	53	Empowering the CBEC to frame regulations for allowing transit of certain goods and conveyance without payment of duty	Date of enactment	Now, CBEC may frame regulation in this effect.
121, 122	57 and 58	Power is being given to Principal Commissioner to license any private warehouse wherein dutiable goods imported by or on behalf of license shall be deposited.	Date of enactment	
123	59	The existing section 59 governing warehousing bonds submitted by importers availing duty deferred warehousing is being amended so as to fix the bond amount at thrice of duty involved and to furnish security as prescribed.	Date of enactment	Now the Principal commissioner may ask to submit bond upto 3 multiple of duty involved.
124	60	Section 60 is being substituted to clarify that when section 59 shall be complied with, the custom officer may order for removal of goods from a custom station for the purpose of deposit in warehouse.	Date of enactment	
126	62, 63	Both sections relating to physical control over warehouse are being omitted in view of new provision of 57, 58 and 58A.	Date of enactment	
128, 129, 130,	65, 68, 69	The sections are being amended to omit regarding payment of fees and other charges for supervision of manufacturing activities.	Date of enactment	It has been redundant after notifying new class of warehouse.
134	73A	New section 73A is being inserted to provide the custody of warehoused goods and responsibilities including the liabilities of warehouse keepers.	Date of enactment	