



## Bill Summary

### The Customs (Amendment and Validation) Bill, 2011

- The Customs (Amendment and Validation) Bill, 2011 was introduced in the Lok Sabha on August 8, 2011 by the Ministry of Finance. The Bill proposes to amend the Customs Act, 1962 to declare certain officers as proper officers with regard to assessment of custom duty.
- The Supreme Court of India in Commissioner of Customs vs. Sayed Ali in 2002 held that only officers who have been specifically assigned the function of assessing and reassessing custom duty, are authorized to issue a notice for the demand of custom duty.
- With this judgement, notices issued by officers such as Commissionerates of Customs (Preventive), Directorate General of Revenue Intelligence (DRI), and others, who were not specifically assigned this function, would be considered invalid. In addition, it would also disrupt the cases already adjudicated. This would lead to a huge loss to the exchequer.
- The Government issued a notification on 6<sup>th</sup> July, 2011 specifically declaring certain officers as proper officers for this purpose.
- The Bill proposes to validate all notices issued or any action taken by officers of the Commissionerates of Customs (Preventive), DRI, Directorate General of Central Excise Intelligence, and Central Excise Commissionerates for demanding customs duty not levied, short levied or erroneously refunded in respect of goods imported. This validation is with retrospective effect for notices issued any time prior to 6<sup>th</sup> July, 2011.

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