

THE CUSTOMS ACT, 1962

[NO. 52 OF 1962]

[13th December, 1962.]

An Act to consolidate and amend the law relating to Customs.

BE it enacted by Parliament in the Thirteenth Year of the Republic of India as follows :—

CHAPTER I PRELIMINARY

SECTION 1. Short title, extent and commencement. — (1) This Act may be called the Customs Act, 1962.

(2) It extends to the whole¹ of India² ³[and, save as otherwise provided in this Act, it applies also to any offence or contravention thereunder committed outside India by any person].

(3) It shall come into force on such date⁴ as the Central Government may, by notification in the Official Gazette, appoint.

SECTION 2. Definitions. — In this Act, unless the context otherwise requires.

⁵[(1) “adjudicating authority” means any authority competent to pass any order or decision under this Act, but does not include the Board, ⁶[Commissioner (Appeals)] or Appellate Tribunal;

(1A) “aircraft” has the same meaning as in the Aircraft Act, 1934 (22 of 1934);

(1B) “Appellate Tribunal” means the Customs, Excise and ⁷[Service Tax] Appellate Tribunal constituted under section 129;]

⁸[(2) “assessment” means determination of the dutiability of any goods and the amount of duty, tax, cess or any other sum so payable, if any, under this Act or under the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act) or under any other law for the time being in force, with reference to —

(a) the tariff classification of such goods as determined in accordance with the provisions of the Customs Tariff Act;

(b) the value of such goods as determined in accordance with the provisions of this Act and the Customs Tariff Act;

(c) exemption or concession of duty, tax, cess or any other sum, consequent upon any notification issued therefor under this Act or under the Customs Tariff Act or under any other law for the time being in force;

(d) the quantity, weight, volume, measurement or other specifics where such duty, tax, cess or any other sum is leviable on the basis of the quantity, weight, volume, measurement or other specifics of such goods;

(e) the origin of such goods determined in accordance with the provisions of the Customs Tariff Act or the rules made thereunder, if the amount of duty, tax, cess or any other sum is affected by the origin of such goods;

¹ Extended to Sikkim w.e.f. 1-10-1979 vide Notification No. 185/79-Cus., dated 1-9-1979.

² The Customs Act, 1962 and Customs Tariff Act, 1975 has been extended to the whole of the Exclusive Economic Zone and Continental Shelf of India for certain purposes by Ministry of External Affairs Notification SO No. 189(E), dated 7-2-2002. The implication of the said notification is that mineral oils extracted or produced in the EEZ and Continental Shelf of India if brought to the mainland shall not be treated as import and therefore, no customs duty shall be leviable on such mineral oils. Likewise, the goods supplied from the mainland to a place in EEZ or Continental Shelf of India in connection with any activity related to mineral oil extraction or production shall not be treated as export under the Customs Act, 1962 and consequently, no export benefits can be availed of on such supplies.

³ Inserted (w.e.f. 29-3-2018) by s. 57 of the Finance Act, 2018 (13 of 2018).

⁴ Brought into force w.e.f. 1st February, 1963 vide Notification G.S.R. 155, dated 23-1-1963.

⁵ Substituted (w.e.f. 11-10-1982) by s. 50 and Fifth Schedule of the Finance (No. 2) Act, 1980 (44 of 1980).

⁶ Substituted by s. 51 of the Finance Act, 1995 (22 of 1995).

⁷ Substituted (w.e.f. 14-5-2003) by s. 104 of the Finance Act, 2003 (32 of 2003).

⁸ Substituted (w.e.f. 29-3-2018) by s.58 of the Finance Act, 2018 (13 of 2018).

(f) any other specific factor which affects the duty, tax, cess or any other sum payable on such goods, and includes provisional assessment, self-assessment, re-assessment and any assessment in which the duty assessed is *nil*;

(3) “baggage” includes unaccompanied baggage but does not include motor vehicles;

¹[(3A) “beneficial owner” means any person on whose behalf the goods are being imported or exported or who exercises effective control over the goods being imported or exported;]

(4) “bill of entry” means a bill of entry referred to in section 46;

(5) “bill of export” means a bill of export referred to in section 50;

(6) “Board” means the ²[³Central Board of Indirect Taxes and Customs] constituted under the Central Boards of Revenue Act, 1963 (54 of 1963);

(7) “coastal goods” means goods, other than imported goods, transported in a vessel from one port in India to another;

⁴[(7A) “Commissioner (Appeals)” means a person appointed to be a Commissioner of Customs (Appeals) under sub-section (1) of section 4;

⁵[(7B) “common portal” means the Common Customs Electronic Portal referred to in section 154C;]

(8) ⁶[Principal Commissioner of Customs or Commissioner of Customs], except for the purposes of Chapter XV, includes an Additional Commissioner of Customs;]

(9) “conveyance” includes a vessel, an aircraft and a vehicle;

(10) “customs airport” means any airport appointed under clause (a) of section 7 to be a customs airport ⁷[and includes a place appointed under clause (aa) of that section to be an air freight station];

(11) “customs area” means the area of a customs station ⁸[or a warehouse] and includes any area in which imported goods or export goods are ordinarily kept before clearance by Customs Authorities;

(12) “customs port” means any port appointed under clause (a) of section 7 to be a customs port ⁹[and includes a place appointed under clause (aa) of that section to be an inland container depot];

(13) “customs station” means any customs port, customs airport ¹⁰[, international courier terminal, foreign post office] or land customs station;

(14) “dutiable goods” means any goods which are chargeable to duty and on which duty has not been paid;

(15) “duty” means a duty of customs leviable under this Act;

(16) “entry” in relation to goods means an entry made in a bill of entry, shipping bill or bill of export and includes ¹¹[xxx] the entry made under the regulations made under section 84;

(17) “examination”, in relation to any goods, includes measurement and weighment thereof;

(18) “export”, with its grammatical variations and cognate expressions, means taking out of India to a place outside India;

(19) “export goods” means any goods which are to be taken out of India to a place outside India;

(20) “exporter”, in relation to any goods at any time between their entry for export and the time when they are exported, includes ¹²[any owner, beneficial owner] or any person holding himself out to be the exporter;

¹³[(20A) “foreign post office” means any post office appointed under clause (e) of sub-section (1) of section 7 to be a foreign post office;]

(21) “foreign-going vessel or aircraft” means any vessel or aircraft for the time being engaged in the carriage of goods or passengers between any port or airport in India and any port or airport outside India, whether touching any intermediate port or airport in India or not, and includes -

1 Inserted (w.e.f. 31-3-2017) by s. 89 of the Finance Act, 2017 (7 of 2017).

2 Substituted (w.e.f. 1-1-1964) by s. 5(2) of Central Boards of Revenue Act, 1963 (54 of 1963).

3 Substituted (w.e.f. 29-3-2018) by s. 58 of the Finance Act, 2018 (13 of 2018).

4 Substituted by s. 51 of the Finance Act, 1995 (22 of 1995).

5 Inserted (w.e.f. 28-3-2021) by s. 89 of the Finance Act, 2021 (13 of 2021).

6 Substituted (w.e.f. 6-8-2014) for the words “Commissioner of Customs” by s. 78 of the Finance (No. 2) Act, 2014 (25 of 2014).

7 Inserted (w.e.f. 28-5-2012) by s. 120 of the Finance Act, 2012 (23 of 2012).

8 Inserted (w.e.f. 1-7-2017 vide Notification No. 25/2017-Cus., dated 28-6-2017) by s. 2 of the Taxation Laws (Amendment) Act, 2017 (18 of 2017).

9 Inserted (w.e.f. 13-5-1983) by s. 46 of the Finance Act, 1983 (11 of 1983).

10 Substituted (w.e.f. 31-3-2017) by s. 89 of the Finance Act, 2017 (7 of 2017).

11 Omitted (w.e.f. 31-3-2017) by s. 89 of the Finance Act, 2017 (7 of 2017).

12 Substituted (w.e.f. 31-3-2017) by s. 89 of the Finance Act, 2017 (7 of 2017).

13 Inserted (w.e.f. 31-3-2017) by s. 89 of the Finance Act, 2017 (7 of 2017).

- (i) any naval vessel of a foreign Government taking part in any naval exercises;
- (ii) any vessel engaged in fishing or any other operations outside the territorial waters of India;
- (iii) any vessel or aircraft proceeding to a place outside India for any purpose whatsoever;

¹[(21A) “Fund” means the Consumer Welfare Fund established under section 12C of the Central Excises and Salt Act², 1944 (1 of 1944);]

(22) “goods” includes -

- (a) vessels, aircrafts and vehicles;
- (b) stores;
- (c) baggage;
- (d) currency and negotiable instruments; and
- (e) any other kind of movable property;

(23) “import”, with its grammatical variations and cognate expressions, means bringing into India from a place outside India;

(24) ⁴ “[“arrival manifest, import manifest”] or “import report” means the manifest or report required to be delivered under section 30;

(25) “imported goods” means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;

(26) “importer”, in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes ³[any owner, beneficial owner] or any person holding himself out to be the importer;

(27) “India” includes the territorial waters of India;

(28) “Indian customs waters” means the ⁴[waters extending into the sea up to the limit of ⁵[Exclusive Economic Zone under section 7] of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (80 of 1976)] and includes any bay, gulf, harbour, creek or tidal river;

⁶[(28A) “international courier terminal” means any place appointed under clause (f) of sub-section (1) of section 7 to be an international courier terminal;]

(29) “land customs station” means any place appointed under clause (b) of section 7 to be a land customs station;

(30) “market price”, in relation to any goods, means the wholesale price of the goods in the ordinary course of trade in India;

⁷[(30A) “National Tax Tribunal” means the National Tax Tribunal established under section 3 of the National Tax Tribunal Act, 2005;]

⁸[(30AA) “notification” means notification published in the Official Gazette and the expression “notify” with its cognate meaning and grammatical variation shall be construed accordingly;]

⁹[(30B) “passenger name record information” means the records prepared by an operator of any aircraft or vessel or vehicle or his authorised agent for each journey booked by or on behalf of any passenger;]

(31) “person-in-charge” means, -

- (a) in relation to a vessel, the master of the vessel;
- (b) in relation to an aircraft, the commander or pilot-in-charge of the aircraft;
- (c) in relation to a railway train, the conductor, guard or other person having the chief direction of the train;
- (d) in relation to any other conveyance, the driver or other person-in-charge of the conveyance;

1 Inserted (w.e.f. 20-9-1991) by s. 9 of the Central Excises and Customs Laws (Amendment) Act, 1991 (40 of 1991).

2 Now “Central Excise Act”.

£ Substituted (w.e.f. 29-3-2018) by s. 56 of the Finance Act, 2018 (13 of 2018).

3 Substituted (w.e.f. 31-3-2017) by s. 89 of the Finance Act, 2017 (7 of 2017).

4 Substituted (w.e.f. 1-7-1978) by s. 2 of Customs, Central Excises and Salt and Central Boards of Revenue (Amendment) Act, 1978 (25 of 1978).

5 Substituted (w.e.f. 29-3-2018) by s. 58 of the Finance Act, 2018 (13 of 2018).

6 Inserted (w.e.f. 31-3-2017) by s. 89 of the Finance Act, 2017 (7 of 2017).

7 To be inserted (from a date to be notified) by s. 30 read with Schedule to the National Tax Tribunal Act, 2005 (49 of 2005).

8 Inserted (w.e.f. 29-3-2018) by s. 58 of the Finance Act, 2018 (13 of 2018).

9 Inserted (w.e.f. 31-3-2017) by s. 89 of the Finance Act, 2017 (7 of 2017).

- (32) "prescribed" means prescribed by regulations made under this Act;
- (33) "prohibited goods" means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with;
- (34) "proper officer", in relation to any functions to be performed under this Act, means the officer of customs who is assigned those functions by the Board or the ¹[Principal Commissioner of Customs or Commissioner of Customs ²[under section 5]];
- (35) "regulations" means the regulations made by the Board under any provision of this Act;
- (36) "rules" means the rules made by the Central Government under any provision of this Act;
- (37) "shipping bill" means a shipping bill referred to in section 50;
- (38) "stores" means goods for use in a vessel or aircraft and includes fuel and spare parts and other articles of equipment, whether or not for immediate fitting;
- (39) "smuggling", in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113;
- (40) "tariff value", in relation to any goods, means the tariff value fixed in respect thereof under sub-section (2) of section 14;
- (41) "value", in relation to any goods, means the value thereof determined in accordance with the provisions of ³[sub-section (1) or sub-section (2) of section 14];
- (42) "vehicle" means conveyance of any kind used on land and includes a railway vehicle;
- ⁴[(43) "warehouse" means a public warehouse licensed under section 57 or a private warehouse licensed under section 58 or a special warehouse licensed under section 58A];
- (44) "warehoused goods" means goods deposited in a warehouse;
- ⁵[(45) * * * * *]

CHAPTER II

OFFICERS OF CUSTOMS

SECTION 3. ⁶[Classes of officers of customs. — There shall be the following classes of officers of customs, namely:—

- (a) Principal Chief Commissioner of Customs or Principal Chief Commissioner of Customs (Preventive) or Principal Director General of Revenue Intelligence;
- (b) Chief Commissioner of Customs or Chief Commissioner of Customs (Preventive) or Director General of Revenue Intelligence;
- (c) Principal Commissioner of Customs or Principal Commissioner of Customs (Preventive) or Principal Additional Director General of Revenue Intelligence or Principal Commissioner of Customs (Audit);
- (d) Commissioner of Customs or Commissioner of Customs (Preventive) or Additional Director General of Revenue Intelligence or Commissioner of Customs (Audit);
- (e) Principal Commissioner of Customs (Appeals);
- (f) Commissioner of Customs (Appeals);
- (g) Additional Commissioner of Customs or Additional Commissioner of Customs (Preventive) or Additional Director of Revenue Intelligence or Additional Commissioner of Customs (Audit);
- (h) Joint Commissioner of Customs or Joint Commissioner of Customs (Preventive) or Joint Director of Revenue Intelligence or Joint Commissioner of Customs (Audit);
- (i) Deputy Commissioner of Customs or Deputy Commissioner of Customs (Preventive) or Deputy Director of Revenue Intelligence or Deputy Commissioner of Customs (Audit);

¹ Substituted (w.e.f. 6-8-2014) for the words "Commissioner of Customs" by s. 78 of the Finance (No. 2) Act, 2014 (25 of 2014).

² Inserted (w.e.f. 30-3-2022) by s. 86 of the Finance Act, 2022 (6 of 2022).

³ Substituted (w.e.f. 10-10-2007 vide Notification No. 93/2007-Cus. (N.T.), dated 10-9-2007) by s. 94 of the Finance Act, 2007 (22 of 2007).

⁴ Substituted (w.e.f. 14-5-2016) by s. 116 of the Finance Act, 2016 (28 of 2016).

⁵ Omitted (w.e.f. 14-5-2016) by s. 116 of the Finance Act, 2016 (28 of 2016).

⁶ Substituted (w.e.f. 30-3-2022) by s. 87 of the Finance Act, 2022 (6 of 2022).

- (j) Assistant Commissioner of Customs or Assistant Commissioner of Customs (Preventive) or Assistant Director of Revenue Intelligence or Assistant Commissioner of Customs (Audit);
- (k) Such other class of officers of customs as may be appointed for the purposes of this Act.]

SECTION 1⁴. Appointment of officers of customs. — (1) The ²[Board] may appoint such persons as it thinks fit to be officers of customs.

(2) Without prejudice to the provisions of sub-section (1), the ³[Board may authorise a ⁴[Principal Chief Commissioner of Customs or Chief Commissioner of Customs] or] a ⁵[Principal Commissioner of Customs or Commissioner of Customs] or a ⁶[Joint] or ⁷[Assistant Commissioner of Customs or Deputy Commissioner of Customs] to appoint officers of customs below the rank of Assistant Commissioner of Customs.]

SECTION 5. Powers of officers of customs. — (1) Subject to such conditions and limitations as the Board may impose⁸, an officer of customs may exercise the powers and discharge the duties conferred or imposed on him under this Act.

^{8a}[(1A) Without prejudice to the provisions contained in sub-section (1), the Board may, by notification⁹, assign such functions as it may deem fit, to an officer of customs, who shall be the proper officer in relation to such functions.

(1B) Within their jurisdiction assigned by the Board, the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, by order, assign such functions, as he may deem fit, to an officer of customs, who shall be the proper officer in relation to such functions.]

(2) An officer of customs may exercise the powers and discharge the duties conferred⁹ or imposed under this Act on any other officer of customs who is subordinate to him.

(3) Notwithstanding anything contained in this section, a ¹⁰[Commissioner (Appeals)] shall not exercise the powers and discharge the duties conferred or imposed on an officer of customs other than those specified in ¹¹[Chapter XV, section 108 and sub-section (1D) of section 110].

^{11a}[(4) In specifying the conditions and limitations referred to in sub-section (1), and in assigning functions under sub-section (1A), the Board may consider any one or more of the following criteria, including, but not limited to —

- (a) territorial jurisdiction;
- (b) persons or class of persons;
- (c) goods or class of goods;
- (d) cases or class of cases;
- (e) computer assigned random assignment;
- (f) any other criterion as the Board may, by notification, specify.

(5) The Board may, by notification⁹, wherever necessary or appropriate, require two or more officers of customs (whether or not of the same class) to have concurrent powers and functions to be performed under this Act.]

SECTION 6. Entrustment of functions of Board and customs officers on certain other officers. — The Central Government may, by notification¹² in the Official Gazette, entrust either conditionally or unconditionally to any officer of the Central or the State Government or a local authority any functions of the Board or any officer of customs under this Act.

1 Substituted by s. 52 of the Finance Act, 1995 (22 of 1995).

2 Substituted (w.e.f. 11-5-2002) by s. 117 of the Finance Act, 2002 (20 of 2002).

3 Substituted (w.e.f. 11-5-2002) by s. 117 of the Finance Act, 2002 (20 of 2002).

4 Substituted (w.e.f. 6-8-2014) for the words "Chief Commissioner of Customs" by s. 78 of the Finance (No. 2) Act, 2014 (25 of 2014).

5 Substituted (w.e.f. 6-8-2014) for the words "Commissioner of Customs" by s. 78 of the Finance (No. 2) Act, 2014 (25 of 2014).

6 Substituted by s. 100 of the Finance Act, 1999 (27 of 1999).

7 Substituted by s. 100 of the Finance Act, 1999 (27 of 1999).

8 For Notifications issued under this Section, please see Part 4 of this Manual.

8a Inserted (w.e.f. 30-3-2022) by s. 88(a) of the Finance Act, 2022 (6 of 2022).

9 For Notifications issued under this Section, please see Part 4 of this Manual.

10 Substituted by s. 50 of the Finance Act, 1995 (22 of 1995).

11 Substituted (w.e.f. 28-3-2021) by s. 90 of the Finance Act, 2021 (13 of 2021).

11a Inserted (w.e.f. 30-3-2022) by s. 88(b) of the Finance Act, 2022 (6 of 2022).

12 For Notifications issued under this Section, please see Part 4 of this Manual.

CHAPTER III

¹[APPOINTMENT OF CUSTOMS PORTS, AIRPORTS, ETC.]

SECTION 7. Appointment of customs ports, airports, etc. - ²[(1)] The ³[Board] may, by notification⁴ in the Official Gazette, appoint -

- (a) the ports and airports which alone shall be customs ports or customs airports for the unloading of imported goods and the loading of export goods or any class of such goods;
- ⁵[(aa) the places which alone shall be inland ⁶[container depots or air freight stations] for the unloading of imported goods and the loading of export goods or any class of such goods;]
- (b) the places which alone shall be land customs stations for the clearance of goods imported or to be exported by land or inland water or any class of such goods;
- (c) the routes by which alone goods or any class of goods specified in the notification may pass by land or inland water into or out of India, or to or from any land customs station from or to any land frontier;
- (d) the ports which alone shall be coastal ports for the carrying on of trade in coastal goods or any class of such goods with all or any specified ports in India.
- ⁷[(e) the post offices which alone shall be foreign post offices for the clearance of imported goods or export goods or any class of such goods;
- (f) the places which alone shall be international courier terminals for the clearance of imported goods or export goods or any class of such goods.]

⁸[(2) Every notification issued under this section and in force immediately before the commencement of the Finance Act, 2003 shall, on such commencement, be deemed to have been issued under the provisions of this section as amended by section 105 of the Finance Act, 2003 and shall continue to have the same force and effect after such commencement until it is amended, rescinded or superseded under the provisions of this section.]

SECTION 8. Power to approve landing places and specify limits of customs area. — The ⁹[Principal Commissioner of Customs or Commissioner of Customs] may, —

- (a) approve¹⁰ proper places in any customs port or customs airport or coastal port for the unloading and loading of goods or for any class of goods;
- (b) specify the limits of any customs area¹¹.

¹²[SECTION 9. * * * * *]

SECTION 10. Appointment of boarding stations. — The ¹³[Principal Commissioner of Customs or Commissioner of Customs] may, by notification in the Official Gazette, appoint, in or near any customs port, a boarding station for the purpose of boarding of, or disembarkation from, vessels by officers of customs.

CHAPTER IV

PROHIBITIONS ON IMPORTATION AND EXPORTATION OF GOODS

SECTION 11. Power to prohibit importation or exportation of goods. — (1) If the Central Government is satisfied that it is necessary so to do for any of the purposes specified in sub-section (2), it may, by notification¹⁴ in

1 Substituted (w.e.f. 14-5-2016) by s. 117 of the Finance Act, 2016 (28 of 2016).

2 Renumbered (w.e.f. 14-5-2003) by s. 105 of the Finance Act, 2003 (32 of 2003).

3 Substituted (w.e.f. 14-5-2003) by s. 105 of the Finance Act, 2003 (32 of 2003).

4 For Notifications issued under this Section, please see Part 4 of this Manual.

5 Inserted (w.e.f. 13-5-1983) by s. 47 of the Finance Act, 1983 (11 of 1983).

6 Substituted (w.e.f. 28-5-2012) by s. 121 of the Finance Act, 2012 (23 of 2012).

7 Inserted (w.e.f. 31-3-2017) by s. 90 of the Finance Act, 2017 (7 of 2017).

8 Inserted (w.e.f. 14-5-2003) by s. 105 of the Finance Act, 2003 (32 of 2003).

9 Substituted (w.e.f. 6-8-2014) for the words "Commissioner of Customs" by s. 78 of the Finance (No. 2) Act, 2014 (25 of 2014).

10 For Notifications issued under this Section, please see Part 4 of this Manual.

11 For Notifications issued under this Section, please see Part 4 of this Manual.

12 Omitted (w.e.f. 14-5-2016) by s. 118 of the Finance Act, 2016 (28 of 2016).

13 Substituted (w.e.f. 6-8-2014) for the words "Commissioner of Customs" by s. 78 of the Finance (No. 2) Act, 2014 (25 of 2014).

14 For Notifications issued under this Section, please see Part 4 of this Manual.

the Official Gazette, prohibit either absolutely or subject to such conditions (to be fulfilled before or after clearance) as may be specified in the notification, the import or export of goods of any specified description.

(2) The purposes referred to in sub-section (1) are the following :-

- (a) the maintenance of the security of India;
- (b) the maintenance of public order and standards of decency or morality;
- (c) the prevention of smuggling;
- (d) the prevention of shortage of goods of any description;
- (e) the conservation of foreign exchange and the safeguarding of balance of payments;
- (f) the prevention of injury to the economy of the country by the uncontrolled import or export of ¹[gold, silver or any other goods];
- (g) the prevention of surplus of any agricultural product or the product of fisheries;
- (h) the maintenance of standards for the classification, grading or marketing of goods in international trade;
- (i) the establishment of any industry;
- (j) the prevention of serious injury to domestic production of goods of any description;
- (k) the protection of human, animal or plant life or health;
- (l) the protection of national treasures of artistic, historic or archaeological value;
- (m) the conservation of exhaustible natural resources;
- (n) the protection of patents, trade marks ²[, copyrights, designs and geographical indications];
- (o) the prevention of deceptive practices;
- (p) the carrying on of foreign trade in any goods by the State, or by a Corporation owned or controlled by the State to the exclusion, complete or partial, of citizens of India;
- (q) the fulfilment of obligations under the Charter of the United Nations for the maintenance of international peace and security;
- (r) the implementation of any treaty, agreement or convention with any country;
- (s) the compliance of imported goods with any laws which are applicable to similar goods produced or manufactured in India;
- (t) the prevention of dissemination of documents containing any matter which is likely to prejudicially affect friendly relations with any foreign State or is derogatory to national prestige;
- (u) the prevention of the contravention of any law for the time being in force; and
- (v) any other purpose conducive to the interests of the general public.

³[(3) Any prohibition or restriction or obligation relating to import or export of any goods or class of goods or clearance thereof provided in any other law for the time being in force, or any rule or regulation made or any order or notification issued thereunder, shall be executed under the provisions of that Act only if such prohibition or restriction or obligation is notified under the provisions of this Act, subject to such exceptions, modifications or adaptations as the Central Government deems fit.]

⁴[CHAPTER IVA

DETECTION OF ILLEGALLY IMPORTED GOODS AND PREVENTION OF THE DISPOSAL THEREOF

SECTION 11A. Definitions. — In this Chapter, unless the context otherwise requires,-

- (a) “illegal import” means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force;
- (b) “intimated place” means a place intimated under sub-section (1), sub-section (2) or sub-section (3), as the case may be, of section 11C;

¹ Substituted (w.e.f. 27-3-2020) for the words “gold or silver” by s. 107 of the Finance Act, 2020 (12 of 2020).

² Substituted (w.e.f. 10-5-2013) by s. 64 of the Finance Act, 2013 (17 of 2013).

³ Inserted by s. 59 of the Finance Act, 2018 (13 of 2018) from a date to be notified.

⁴ Chapters IVA, IVB and IVC inserted (w.e.f. 3-1-1969) by s. 2 of the Customs (Amendment) Act, 1969 (12 of 1969).

- (c) “notified date”, in relation to goods of any description, means the date on which the notification in relation to such goods is issued under section 11B;
- (d) “notified goods” means goods specified in the notification issued under section 11B.

SECTION 11B. Power of Central Government to notify goods. — If, having regard to the magnitude of the illegal import of goods of any class or description, the Central Government is satisfied that it is expedient in the public interest to take special measures for the purpose of checking the illegal import, circulation or disposal of such goods, or facilitating the detection of such goods, it may, by notification¹ in the Official Gazette, specify goods of such class or description.

SECTION 11C. Persons possessing notified goods to intimate the place of storage, etc. — (1) Every person who owns, possesses or controls, on the notified date, any notified goods, shall, within seven days from that date, deliver to the proper officer a statement (in such form, in such manner and containing such particulars as may be specified by rules² made in this behalf) in relation to the notified goods owned, possessed or controlled by him and the place where such goods are kept or stored.

(2) Every person who acquires, after the notified date, any notified goods, shall, before making such acquisition, deliver to the proper officer an intimation containing the particulars of the place where such goods are proposed to be kept or stored after such acquisition and shall, immediately on such acquisition, deliver to the proper officer a statement (in such form, in such manner and containing such particulars as may be specified by rules² made in this behalf) in relation to the notified goods acquired by him :

Provided that a person who has delivered a statement, whether under sub-section (1) or sub-section (2), in relation to any notified goods, owned, possessed, controlled or acquired by him, shall not be required to deliver any further statement in relation to any notified goods acquired by him, after the date of delivery of the said statement, so long as the notified goods so acquired are kept or stored at the intimated place.

(3) If any person intends to shift any notified goods to any place other than the intimated place, he shall, before taking out such goods from the intimated place, deliver to the proper officer an intimation containing the particulars of the place to which such goods are proposed to be shifted.

(4) No person shall, after the expiry of seven days from the notified date, keep or store any notified goods at any place other than the intimated place.

(5) Where any notified goods have been sold or transferred, such goods shall not be taken from one place to another unless they are accompanied by the voucher referred to in section 11F.

(6) No notified goods (other than those which have been sold or transferred) shall be taken from one place to another unless they are accompanied by a transport voucher (in such form and containing such particulars as may be specified by rules² made in this behalf) prepared by the persons owning, possessing or controlling such goods.

SECTION 11D. Precautions to be taken by persons acquiring notified goods. — No person shall acquire (except by gift or succession, from any other individual in India), after the notified date, any notified goods -

- (i) unless such goods are accompanied by, -
 - (a) the voucher referred to in section 11F or the memorandum referred to in sub-section (2) of section 11G, as the case may be, or
 - (b) in the case of a person who has himself imported any goods, any evidence showing clearance of such goods by the Customs Authorities; and
- (ii) unless he has taken, before acquiring such goods from a person other than a dealer having a fixed place of business, such reasonable steps as may be specified by rules² made in this behalf, to ensure that the goods so acquired by him are not goods which have been illegally imported.

SECTION 11E. Persons possessing notified goods to maintain accounts. — (1) Every person who, on or after the notified date, owns, possesses, controls or acquires any notified goods shall maintain (in such form and in such manner as may be specified by rules² made in this behalf) a true and complete account of such goods

¹ For Notifications issued under this Section, please see Part 4 of this Manual.

² For Rules made under this Section, please see Part 2 of this Manual.

and shall, as often as he acquires or parts with any notified goods, make an entry in the said account in relation to such acquisition or parting with, and shall also state therein the particulars of the person from whom such goods have been acquired or in whose favour such goods have been parted with, as the case may be, and such account shall be kept, along with the goods, at the place of storage of the notified goods to which such accounts relate :

Provided that it shall not be necessary to maintain separately accounts in the form and manner specified by rules⁴ made in this behalf in the case of a person who is already maintaining accounts which contain the particulars specified by the said rules.

(2) Every person who owns, possesses or controls any notified goods and who uses any such goods for the manufacture of any other goods, shall maintain (in such form, in such manner and containing such particulars as may be specified by rules¹ made in this behalf) a true and complete account of the notified goods so used by him and shall keep such account at the intimated place.

SECTION 11F. Sale, etc., of notified goods to be evidenced by vouchers. — On and from the notified date, no person shall sell or otherwise transfer any notified goods, unless every transaction in relation to the sale or transfer of such goods is evidenced by a voucher in such form and containing such particulars as may be specified by rules¹ made in this behalf.

SECTION 11G. Sections 11C, 11E and 11F not to apply to goods in personal use. — (1) Nothing in sections 11C, 11E and 11F shall apply to any notified goods which are -

- (a) in personal use of the person by whom they are owned, possessed or controlled, or
- (b) kept in the residential premises of a person for his personal use.

(2) If any person, who is in possession of any notified goods referred to in sub-section (1), sells, or otherwise transfers for a valuable consideration, any such goods, he shall issue to the purchaser or transferee, as the case may be, a memorandum containing such particulars as may be specified by rules¹ made in this behalf and no such goods shall be taken from one place to another unless they are accompanied by the said memorandum.

CHAPTER IVB

PREVENTION OR ²DETECTION OF ILLEGAL EXPORT OF GOODS

SECTION 11H. Definitions. — In this Chapter, unless the context otherwise requires, -

- (a) “illegal export” means the export of any goods in contravention of the provisions of this Act or any other law for the time being in force;
- (b) “intimated place” means a place intimated under sub-section (1), sub-section (2) or sub-section (3), as the case may be, of section 11J;
- (c) “specified area” includes the Indian customs waters, and such inland area, not exceeding one hundred kilometres in width from any coast or other border of India, as the Central Government may, having regard to the vulnerability of that area to smuggling, by notification in the Official Gazette, specify in this behalf :

Provided that where a part of any village, town or city falls within a specified area, the whole of such village, town or city shall, notwithstanding that the whole of it is not within one hundred kilometres from any coast or other border of India, be deemed to be included in such specified area;

- (d) “specified date”, in relation to specified goods, means the date on which any notification is issued under section 11-I in relation to those goods in any specified area;
- (e) “specified goods” means goods of any description specified in the notification issued under section 11-I in relation to a specified area.

SECTION 11-I. Power of Central Government to specify goods. — If, having regard to the magnitude of the illegal export of goods of any class or description, the Central Government is satisfied that it is expedient in the public interest to take special measures for the purpose of checking the illegal export or facilitating the detection of

¹ For Rules made under this Section, please see Part 2 of this Manual.

² In the Act as published in the Gazette of India, the word was wrongly printed as “detention”.

goods which are likely to be illegally exported, it may, by notification in the Official Gazette, specify goods of such class or description.

SECTION 11J. Persons possessing specified goods to intimate the place of storage, etc. — (1) Every person who owns, possesses or controls, on the specified date, any specified goods, the market price of which exceeds fifteen thousand rupees shall, within seven days from that date, deliver to the proper officer an intimation containing the particulars of the place where such goods are kept or stored within the specified area.

- (2) Every person who acquires (within the specified area), after the specified date, any specified goods, —
- (i) the market price of which, or
 - (ii) the market price of which together with the market price of any specified goods of the same class or description, if any, owned, possessed or controlled by him on the date of such acquisition,

exceeds fifteen thousand rupees shall, before making such acquisition, deliver to the proper officer an intimation containing the particulars of the place where such goods are proposed to be kept or stored after such acquisition :

Provided that a person who has delivered an intimation, whether under sub-section (1) or sub-section (2), in relation to any specified goods, owned, possessed, controlled or acquired by him, shall not be required to deliver any further intimation so long as the specified goods are kept or stored at the intimated place.

(3) If any person intends to shift any specified goods to which sub-section (1) or sub-section (2) applies, to any place other than the intimated place, he shall, before taking out such goods from the intimated place, deliver to the proper officer an intimation containing the particulars of the place to which such goods are proposed to be shifted.

(4) No person shall, after the expiry of seven days from the specified date, keep or store any specified goods to which sub-section (1) or sub-section (2) applies, at any place other than the intimated place.

SECTION 11K. Transport of specified goods to be covered by vouchers. — (1) No specified goods shall be transported from, into or within any specified area or loaded on any animal or conveyance in such area, unless they are accompanied by a transport voucher (in such form and containing such particulars as may be specified by rules¹ made in this behalf) prepared by the person owning, possessing, controlling or selling such goods :

Provided that no transport voucher shall be necessary for the transport, within a village, town or city, of any specified goods the market price of which, on the date of transport, does not exceed one thousand rupees.

(2) Notwithstanding anything contained in sub-section (1), where the Central Government, after considering the nature of any specified goods, the time, mode, route and the market price of the goods intended to be transported, the purpose of the transportation and the vulnerability of the specified area with regard to the illegal export of such goods, is satisfied that it is expedient in the public interest so to do, it may, -

- (i) by notification in the Official Gazette, specify goods of such class or description and of a market price exceeding such sum as that Government may notify; and different sums in relation to the specified goods of the same class or description, or different classes or descriptions, may be notified for the same specified area or for different specified areas, and
- (ii) direct that no person shall transport any goods so specified unless the transport voucher in relation to them has been countersigned by the proper officer.

SECTION 11L. Persons possessing specified goods to maintain accounts. — (1) Every person who, on or after the specified date, owns, possesses or controls, within a specified area, any specified goods of a market price exceeding fifteen thousand rupees, shall maintain (in such form and in such manner as may be specified by rules made in this behalf) a true and complete account of such goods and shall, as often as he acquires or parts with any specified goods, make an entry in the said account in relation to such acquisition or parting with, and shall also state therein the particulars of the person from whom such goods have been acquired or in whose favour such goods have been parted with, as the case may be, and such account shall be kept, along with the goods, at the place of storage of the specified goods to which such accounts relate :

Provided that it shall not be necessary to maintain separately accounts in the form and manner specified by rules¹ made in this behalf in the case of a person who is already maintaining accounts which contain the particulars specified by the said rules.

(2) Every person who owns, possesses or controls any specified goods to which the provisions of sub-section (1) apply, and who uses any such goods for the manufacture of any other goods, shall maintain (in such form,

¹ For Rules made under this Section, please see Part 2 of this Manual.

in such manner and containing such particulars as may be specified by rules made in this behalf) a true and complete account of the specified goods so used by him and shall keep such account at the intimated place.

(3) If at any time, on a verification made by a proper officer, it is found that any specified goods owned, possessed or controlled by a person are lesser in quantity than the stock of such goods as shown, at the time of such verification, in the accounts referred to in sub-section (1), read with the accounts referred to in sub-section (2), it shall be presumed, unless the contrary is proved, that such goods, to the extent that they are lesser than the stock shown in the said accounts, have been illegally exported and that the person owning, possessing or controlling such goods has been concerned with the illegal export thereof.

SECTION 11M. Steps to be taken by persons selling or transferring any specified goods. — Except where he receives payment by cheque drawn by the purchaser, every person who sells or otherwise transfers within any specified area, any specified goods, shall obtain, on his copy of the sale or transfer voucher, the signature and full postal address of the person to whom such sale or transfer is made and shall also take such other reasonable steps as may be specified by rules¹ made in this behalf to satisfy himself as to the identity of the purchaser or the transferee, as the case may be, and if after an inquiry made by a proper officer, it is found that the purchaser or the transferee, as the case may be, is not either readily traceable or is a fictitious person, it shall be presumed, unless the contrary is proved, that such goods have been illegally exported and the person who had sold or otherwise transferred such goods had been concerned in such illegal export :

Provided that nothing in this section shall apply to petty sales of any specified goods if the aggregate market price obtained by such petty sales, made in the course of a day, does not exceed two thousand and five hundred rupees.

Explanation. - In this section “petty sale” means a sale at a price which does not exceed one thousand rupees.

CHAPTER IVC

POWER TO EXEMPT FROM THE PROVISIONS OF CHAPTERS IVA AND IVB

SECTION 11N. Power to exempt. — If the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification in the Official Gazette, exempt generally, either absolutely or subject to such conditions as may be specified in the notification, goods of any class or description from all or any of the provisions of Chapter IVA or Chapter IVB.]

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¹ For Rules made under this Section, please see Part 2 of this Manual.