

SEZs: Customs & Central Excise department gets more Teeth

Revised Return - New Provisions in CE Rules to be Effective from 17th August 2016

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A New Sub Rule - 12(8) was introduced in the Central Excise Rules in the Budget 2016.

(8)(a) An assessee, who has filed a return in the form referred to in sub-rule(1) within the date specified under that sub-rule or the second proviso thereto, may submit a revised return by the end of the calendar month in which the original return is filed.

Explanation - Where an assessee submits a revised return under clause

- (a) The "relevant date" for the purpose of recovery of Central Excise duty, if any, under section 11A of the Act shall be the date of submission of such revised return.
- (b) An assessee who has filed Annual Return referred to in clause (a) of sub-rule (2) by the due date mentioned in clause (a) of that sub-rule, may submit a revised return within a period of one month from the date of submission of the said Annual Return.

Another sub rule was inserted - Rule 17(7):

(7) An assessee, who has filed a return in the form referred to in sub-rule (3) within the date specified under that sub-rule, may submit a revised return by the end of the calendar month in which the original return is filed.

Explanation - Where an assessee submits a revised return under this sub-rule, the "relevant date" for the purpose of recovery of Central Excise duty, if any, under section 11A of the Act shall be the date of submission of such revised return.

These provisions were to be effective from a date to be notified by the Government and the Government has notified 17th August 2016 as the effective date.

Notification No. 42/2016-CENT, Dated August 11, 2016

Customs - Export Manifest (Aircraft) Amended

CBEC has amended the Export Manifest (Aircraft) Regulations, 1976, inter alia to stipulate that:

- The pre check-in passenger manifest shall be delivered twelve hours before the departure of the flight.
- The final passenger manifest shall be delivered fifteen minutes before leaving or taking-off from the port of embarkation in India.
- The manifests shall be transmitted electronically to the Indian Customs in flat file format or in United Nations/Electronic Data Interchange for Administration, Commerce and Transport Passenger List Advance Passenger Information (UN/EDIFACT PAXLST API) message format.

Notification No. 107/2016-Customs (NT), Dated: August 11, 2016

Notification No. 108/2016-Customs (NT), Dated: August 11, 2016

SEZ - Offences under Customs, Excise and Service Tax - Notified

As per Section 21(1) of the SEZ Act, "The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for purposes of this Act."

And the government has notified the following offences as offences under the SEZ Act.

The Customs Act, 1962		
1	Section 28, 28AA and 28AAA	<ul style="list-style-type: none"> Recovery of duties not levied or short-levied or erroneously refunded Interest on delayed payment of duty Recovery of duties in certain cases
2	Section 74 and 75	<ul style="list-style-type: none"> Drawback allowable on re-export of duty-paid goods Drawback on imported material used in the Manufacture of goods
3	Section 111	Confiscation of improperly imported goods, etc
4	Section 113	Confiscation of goods attempted to be improperly exported, etc
5	Section 115	Confiscation of Conveyances
6	Section 124	Issue of show cause notice confiscation of goods, etc
7	Section 135	Evasion of duty or prohibitions
8	Section 104	Power to arrest
The Central Excise Act, 1944		
9	Section 9	Offences and penalties
10	Section 9AA	Offences by companies
11	Section 11, 11A and 11AA	<ul style="list-style-type: none"> Recovery of sums due to Government Recovery of duties not levied or not paid or short-levied or short-paid or erroneously refunded Interest on delayed payment of duty
The Finance Act, 1994		
12	Section 73, 73A, 73B and 75	<ul style="list-style-type: none"> Recovery of service tax not levied or paid or short-levied or short-paid or erroneously refunded Service tax collected from any person to be deposited with Central Government Interest on amount collected in excess Interest on delayed payment of service tax
13	Section 76	Penalty for failure to pay service tax
14	Section 89	Offences and Penalties
15	Section 91	Power to Arrest

Dept. of Commerce Notification in F.No.C.1/1/2009-SEZ, Dated: August 05, 2016

Customs and Excise Commissioners authorised to investigate in SEZs

Government has authorised the jurisdictional Customs Commissioner, in respect of offences under the Customs Act, 1962 and Commissioner of Central Excise in respect of offences under the Central Excise Act, 1944 and the Finance Act, 1994 and notified under the Act, for the reasons to be recorded in writing, to carry out the investigation, inspection, search or seizure in a Special Economic Zone or Unit with prior intimation to the Development Commissioner, concerned.

Dept. of Commerce Notification in F.No.C.1/1/2009-SEZ, Dated: August 05, 2016

DRI and DGCEI ADGs to be Enforcement Officers in SEZ

Government has authorised the Additional Director General, Directorate of Revenue Intelligence for offences under the Customs Act, 1962 and the Additional Director General, Directorate General of Central Excise Intelligence for offences under the Central Excise Act, 1944 and the Finance Act, 1994 to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone.

The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit and shall intimate the details of any action initiated under sub-section (3) of section 21 of the Act to the Joint Secretary in charge of Special Economic Zones Division in the Department of Commerce immediately and in any case not later than seven days of initiation of any action.

Dept. of Commerce Notification in F.No.C.1/1/2009-SEZ, Dated: August 05, 2016

Harassed Customs Officers of Chennai Airport - Seek Transfer

Have you heard of Customs officers being harassed? Sometime the shoe is on the other foot. Yesterday the Deccan Chronicle reported that 45 Customs officers of Chennai airport have sent in representations to the Chief Commissioner seeking a transfer as they are unable to bear with harassment by certain individuals. The Customs officers have named two persons who are harassing them. It seems these two persons intercept the officers at the parking slot or visit their homes to persuade/threaten them to turn a blind eye to smuggling. In their letters, the officers have informed the Chief Commissioner that not only regular complaints are given but a whatsapp group has been created in the name of Customs to threaten the officers.

I spoke to Dr. Tijju, Additional Commissioner in the Chennai Air Customs who confirmed the letters and said that his officers were being harassed with false complaints and threats, so much that some of the officers are under medical treatment for stress. He said that the complainants are hardcore smugglers who are taking advantage of the complaints mechanism to threaten sincere officers. He said that these complaints are a result of efficient and sincere work by the Customs and those who are not able to get through with illicit trade are using threat as a means to coerce Customs officers. He said that Customs officers have been doing excellent work, which can be verified by the number of seizures. He said that his officers would not be deterred by such unfair tactics, from discharging their duties efficiently and sincerely.

While we hear stories of harassment by the Customs officers, it seems to be a fact that they are also harassed by experienced smugglers. It requires a lot of grit and commitment on the part of the officers to face such onslaught from professional smugglers. The Department should solidly stand behind the officers when they face such threats. While ensuring that the officers work within the precincts of law, it should also be assured that would be allowed to work within the framework of law, without threat from the lawless.

Supreme Court Reiterates Gannon Dunkerley

The Supreme Court yesterday disposed of around 500 appeals in one single order. The question that was answered in these appeals was whether iron and steel reinforcements of cement concrete that are used in buildings lose their character as iron and steel at the point of taxability, that is, at the point of accretion in a works contract. The Supreme Court found that the matter was no longer res integra as it was concluded by two judgments of the Court, namely, Builders' Assn. of India v. Union of India - 2002-TIOL-602-SC-CT-CB, and Gannon Dunkerley and Co. v. State of Rajasthan - 2002-TIOL-103-SC-CT-CB. The Tribunal had by its order dated 17.12.2013 ordered pre-deposit of 25% of the duty demanded. See - 2013-TIOL-2032-CESTAT-MUM.

Airline Pilot Smuggling Gold

A senior airline pilot getting a salary of about six lakh rupees a month was caught smuggling gold worth 15 lakh rupees on Wednesday in Mumbai. The senior pilot has experience of over 20 years of flying. It is not yet known as to how many years smuggling experience he has.

It was reported recently that Lord Mountbatten's personal pilot was a gold smuggler. The details of the case are reported to be available in the Archives of India.

Four Customs Officers die in accident chasing smugglers

This happened in Pakistan on Wednesday. Pakistan's Daily Times reported, "Four Custom officials were killed in a road accident while chasing smugglers on the Islamabad-Peshawar Motorway near Jando village on Wednesday. Motorway police sources said that a vehicle of Customs' Anti-Smuggling Organisation (ASO) skidded off the road into a ravine. As a result, the four officials died on the spot. Reportedly, the personnel were chasing smugglers."