

CBIC notifies the Customs (Assistance in Value Declaration of Identified Imported Goods) Rules, 2023

As a measure to address the issue of undervaluation in imports, vide Section 89 of the Finance Act, 2022, an amendment was made in Section 14 of the Customs Act, 1961 to include provisions for rules enabling the Board to specify the additional obligations of the importer in respect of a class of imported goods whose value is not being declared correctly.

In this regard, the Central Board of Indirect taxes and Customs (CBIC) has notified the Customs (Assistance in Value Declaration of Identified Imported Goods) Rules, 2023 (CAVR, 2023) as a measure to reduce undervaluation of certain imported goods. The provisions of CAVR, 2023 shall come into effect on 11 February 2023

Key aspects for consideration:

- **Specify identified goods:** The CBIC will specify a class of imported goods as identified goods in case it believes that there is scope for declaration of inaccurate value.
- **Procedure to be followed by importer of identified goods:** The importer of identified goods shall declare certain aspects while filing bill of entry. Under the Customs Automated System, certain additional obligations and checks as required shall be required to be fulfilled by the importer of identified goods to enable and assist in demonstrating the truthfulness and accuracy of the declared value.
- **Proceedings against doubtful cases:** In cases where the proper officer has a reasonable doubt about the accuracy of value declared, it may initiate further proceedings in accordance with Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (CVR, 2007).
- **Constitution of various committees:** The rules prescribe for constitution of a Screening Committee and Evaluation Committee. The confirmation of Screening Committee is of utmost importance as it rectifies deficiencies (if any) before recommending the report to the CBIC. The CBIC, upon satisfaction of report provided, shall accept and provide suitable order specifying the identified goods.

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- **Electronic application for valuation:** The electronic application is under development by the Directorate General of Valuation and shall be made applicable from date to be specified by CBIC once the application is made live. In the interim, any written reference in terms of sub-rule (1) of rule 6 may be made to CBIC on the email ID cbic-valuation@gov.in.

The provisions of CAVR, 2023 seek to assist both the proper officer doing the assessment and the importer in demonstrating the truthfulness or accuracy of the declared value of the identified goods. These rules, however, do not by themselves provide a method for determination of value.