

Circular No 22/2025 -Customs

F. No.450/76/2018-CusIV

Government of India
Ministry of Finance
Department of Revenue
(Central Board of Indirect Taxes and Customs)

Room No. 229A, North Block,
New Delhi, 12 th September , 2025

To,

All Principal Chief Commissioners/ Chief Commissioners of Customs/ Customs (Preventive) / Customs and Central Tax

All Principal Commissioners/ Commissioners of Customs/ Customs (Preventive),

All Principal Director Generals/ Director Generals under CBIC

Subject:- Implementation of Customs (Provisional Assessment) Regulations, 2025 - Reg.

Madam/Sir,

Attention is invited to the changes in the Section 18 of Customs Act, 1962 dealing with the Provisional Assessment in the Finance Act, 2025, which came into effect from 29th March, 2025.

2. In brief, the changes brought through Finance Act, 2025 in relation to Provisional Assessment is summarized as below:

- a. provide time limit of two years for finalisation of provisional assessment which shall be extended by Principal Commissioner of Customs or the Commissioner of Customs, if the sufficient cause is shown.
- b. for pending cases, the time-limit shall be from 29th March 2025, i.e., the date of enactment of the Finance Act, 2025.
- c. provide for certain grounds on which the time limit of two years shall apply not from the date of the order of the provisional assessment, but from the date when the reasons for such ground ceases to exist.

3. Further, Section 18 of Customs Act, 1962 also provides for prescribing timelimit for submission of documents or information by the importer or exporter and the manner of finalisation of the provisional assessment.

4. In view of the above changes in the Finance Act, 2025, the Customs (Provisional Assessment) Regulations, 2025 has been notified vide Notification No. 55/2025-Customs (NT)

dated 12.09.2025, superseding the earlier Customs (Finalization of Provisional Assessment) Regulations, 2018, with following salient features:

- a. Time-limit of fourteen months from the date of finalisation of the provisional assessment for submission of documents or information including the test reports (chemical or otherwise), the reasons for which the provisional assessment was resorted to. The same time limit of fourteen months will apply for completion of enquiry and transferring the relevant documents, along with the report in writing to the proper officer for finalisation of assessment.
- b. In the absence of submission of the required documents or information, Proper Officer will proceed to finalise the provisional assessment based on the documents available and providing opportunity to the importer or exporter by following the principles of natural justice.
- c. These regulations shall also apply to pending cases where the duty payable on goods has not been finally assessed as of 29.03.2025. In this regard, officers shall obtain the pending documents or information, or complete necessary enquiries, within fourteen months from 29.03.2025, i.e., by 29.05.2026, so that provisional assessments can be finalised within the prescribed time limit under Section 18 of the Customs Act, 1962.
- d. Where possible to do so, the proper officer shall finalise the assessment within three months from the obtaining of pending documents or information or conclusion of enquiry, or seek extension from the officer to whom the proper officer is sub-ordinate, but within the prescribed time limit under section 18 of Customs Act, 1962.
- e. Above time limits on sufficient cause being shown, may be extended by Principal Commissioner of Customs or Commissioner of Customs, but within the time-limits provided for finalisation of the assessment.
- f. As clarified earlier through Circular No. 40/2011-Customs dt. 09.11.2011, provision has been incorporated to provide that importer or exporter may make payment of the duty amount ascertained on their own against the bill of entry or shipping bill, anytime during the pendency of provisional assessment, along with the interest till the date of payment as per section 18. This amount shall be adjusted against the duty finally assessed or reassessed, as the case may be.
- g. The regulations have been aligned with the timelimits in the Act for finalisation of the Provisional assessment.
- h. While finalizing the provisional assessment in accordance with Section 18 of the Customs Act, 1962, The proper officer shall pass a speaking order to finalize the assessment. In cases where the final assessment differs from the provisional assessment, the principles of natural justice shall be followed. In cases where the final assessment confirms the provisional assessment, the same shall be finalized after obtaining written acceptance from the importer or exporter. The finalization shall be communicated in writing.
- i. If any differential amount becomes payable after adjustment of the duty already paid, the bill of entry or shipping bill shall be returned for payment. The importer or exporter shall also be liable to pay interest on the differential amount as per sub-section (2) of Section 18 of the Act. Similarly, If the importer or exporter is entitled to a refund after

finalization, the same shall be processed in accordance with sub-sections (4) and (5) of Section 18 of the Act.

- j. Upon finalization of the provisional assessment, the bond and security furnished at the time of provisional assessment shall be cancelled or re-credited, and the security returned, provided there are no pending dues. This applies in cases where the provisional assessment is confirmed, where duty along with interest has been fully paid for home consumption or exportation, or where an appropriate bond has been executed in respect of warehoused goods.
- k. Where any amount due (duty, interest, fine, penalty or other sum) remains unpaid for more than 90 days and has attained finality, it shall be adjusted from the security or recovered under Section 142 of the Act, with due intimation to the importer or exporter.
- l. This regulations shall also apply to the provisional assessment undertaken under Project Imports.

5.1 The provisions for submission of a Single Unified Multi-Purpose Electronic Bond for provisional assessments are outlined in Circular No. 04/2025-Customs dated 17.02.2025. This bond allows importers or exporters to furnish a single, all-India multipurpose bond in lieu of transaction-wise bonds across different ports.

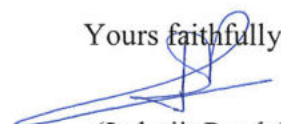
5.2 The assessment pending for finalization for a period beyond 17 Months, from the date of provisional assessment, should be reported to Commissioner of Customs for effective monitoring and to adhere to the timelines. The Commissioner will personally monitor the cases beyond 17 months for finalization or an appropriate decision regarding extension as provided in the regulation 11 of the Customs (Provisional Assessment) Regulations, 2025.

5.3 Provisional assessment under Section 18 is an important facilitative mechanism allowing clearance of goods where final assessment cannot be completed due to lack of full information or documents. The updated legal framework is expected to bring transparency, predictability, and efficiency to the finalization process of provisional assessments. The officers under your jurisdiction may be sensitized on the above changes and to ensure strict compliance with the provisions of Customs (Provisional Assessment) Regulations.

6. Difficulties, if any, in implementation of these regulations may be brought to the notice of the Board for clarification or necessary action.

Hindi version follows.

Yours faithfully,



(Indrajit Panda)

Under Secretary, Customs IV