

The Institute of Chartered Accountants of Bangladesh (ICAB)

CUSTOMS PORTION

PRINCIPLES OF TAXATION

STUDY MANUAL
COVERING CUSTOMS ACT, 2022

CA Certificate Level



THE INSTITUTE OF
**CHARTERED
ACCOUNTANTS**
OF BANGLADESH



THE INSTITUTE
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IN ENGLAND AND WALES

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PARTNER IN LEARNING

Syllabus of Customs Part

Principles of Taxation – Certificate Level

Lecture Session	Contents	Reference
Session- 1	(i) Customs mission, Vision, Function & Role. Organizational Structure of Customs, Stakeholder, License for Import & Export.	Manual and PPT
	(ii) <u>Important Definitions:</u> Agent, Appropriate officer, Bill of Entry, Bill of Export, Conveyance, Customs area, Customs Computer System, Customs Port, Customs Station, Export Manifest, goods, Import Manifest, Person-in charge, smuggle	Section- 2(a), 2(b), 2(c), 2(d), 2(g), 2(i), 2(ii), 2(j), 2(K), 2(kk), 2(l), 2(ll), 2(q), 2(S) ❖ Notification no- 47/2020/ Customs Dt: 11.06.2020
	(iii) Powers and duties of officers of Customs / Entrustment of functions of the Customs officers to certain other officers/ General power to exempt from customs-duties/ Government's power] to grant exemption from duty in exceptional circumstances	Section-4, 6, 19, 20
Session- 2	Prohibition, Conditions and restrictions of importation and exportation	Section-15, 16, 17 ❖ Import & Export Policy Order 2021-2024
Session- 3	Customs Valuation (including minimum value and tariff value)	Section-25 ❖ Valuation Rules (SRO no. 57-law/2000/1821/Customs, dated 23.02.2000) ❖ Tariff value and Minimum value (SRO no. 203-Law/2022/111/Customs, dated 28.06.2022)
Session- 4	(i) Goods dutiable, Date for determination of duty, Value and exchange rate	Section-18, 30, 30A, 31
	(ii) Customs procedure in general (Calculation/Assessment of Duties and Taxes at Import stage)	Section-80, 81, 82
	(iii) Amendment of assessment, time for amendment, Audit of Records	Section-83A, 83B, 83C
Session- 5	(i) Untrue statement, Consequence of untrue statement, error (offences and Penalties)	Section-32, 156 (1)(14), 156 (1).....
	(ii) Business Books and Records	Section-211 ❖ Notification no- 129/2001/ Customs Dt: 10.10.2001

Course Objectives:

This course will create an opportunity for the students to have a overview of Customs and allied acts and its implementation from theoretical, as well as practical perspectives. Special attention will be given to the Customs Act. The Resource Persons will facilitate the Session through PowerPoint presentations, group discussions, and practical role playing – that will help the participants to comprehend the lectures spontaneously.

Session-1:

Session Overview:

This Session is designed to assist students to have an idea about the Customs administration and its functioning. The class will also help the students to have an idea on some important definitions, sections and provisions of Customs Act. The process of the government will be discussed here that helps the participants to learn the function of the government machinery.

Session- 2:

Session Overview:

Every country in the world has a Customs Act and other allied Acts that denotes the sovereignty of that country. In Bangladesh, the Customs Act, 1969 provides the legal basis for Bangladesh Customs to perform its functions effectively. Every country in the world have some restrictions and conditions on import and export. In Bangladesh all these issues have been incorporated in import policy order and export policy 2021-2024, that will help the participants to understand the main feature of the said policy.

Session- 3:

Session Overview:

Customs valuation of imported and exportable goods is critical for international business. Therefore, the business communities need to have a clear idea about valuation process. Especially, Customs valuation concept will help the participants to know how to determine Customs value to calculate import and export taxes. The class will highlight the methods of valuation and its practical implications.

Session- 4:

Session Overview:

The Customs administration facilitate trade through proper assessment of government revenue. This class discusses Customs assessment, duty collection, examination and Post Clearance Audit (PCA). This class will discuss various import taxes: Customs Duty, Regulatory Duty, Supplementary Duty, Value Added Tax, Advance Tax, Advance Income Tax and other taxes that imposed on imported or exportable goods.

Session-5:

Session Overview:

Untrue statement or misdeclaration in customs system is a very important issue. Because revenue evasion, policy violations or irregularities occurs through misdeclaration in import or export system. There is also penal provision for the above mentioned untrue statement or misdeclaration in customs system. The session will help the students to have an idea on types of untrue statement and their legal consequences.

LEGISLATIVE PROVISIONS

Session-01

Customs mission, Vision, Function & Role. Organizational Structure of Customs, Stakeholder, License for Import & Export. Some important Definition and section.

1. Customs Vision:

An innovative, professional and ethical Customs service that contributes significantly to the happiness, safety, economic prosperity and environmental health of Bangladesh through an ongoing process of modernization and reform in line with international best practices

2. Customs Mission:

We manage the border in order to protect the community and environment and to provide efficient and timely collection of revenue, implement government trade and fiscal policy and to facilitate trade and travel while ensuring compliance with Customs and allied legislation in accordance with international standards and best practices

3. NBR and it's Functions

- National Board of Revenue (NBR) is the central authority for tax administration in Bangladesh.
- NBR is established by the President's order no- 76 of 1972.
- Collect tax revenue (Import duties, Value Added Tax, Supplementary Duty, Excise Duty, Income Tax, other fees & Charges) for the government.
- Formulate tax laws & policies in relation to the Customs Act, VAT Act, Excise and Salt Act & Income Tax Act.
- Administer Customs, VAT, & Income Tax services under supervision of Internal Resources Division (IRD).
- Negotiate tax treaties and agreements with foreign Govt.& world bodies.
- Maintain liaison with international organizations like, WCO, WTO, RILO, OPCW on international rules, obligations related to trade policy.
- Participate in international deliberations on economic issues, fiscal policies and tax administration.

4. Key Functions of Customs

- Collect revenue at import & export stage.
- Implement laws and regulation in relation to transnational trade and commerce.
- Ensure expeditious and hassle free clearance.
- Prevent illicit trade and smuggling activities.
- Prevent Money Laundering activities.
- Provide Support to legitimate trade.
- Ensure Trade Facilitation.
- Ensure ease of doing business.

5. Laws implemented by Customs

- The Customs Act 1969
- The Imports and Exports Control Act, 1950
- The Foreign Exchange Regulation Act, 1947
- Import Policy Order & Export Policy.
- **Allied Act:**
 - Arms Act, 1878
 - Explosives Act, 1884
 - Merchandise Marks Act, 1889
 - Livestock Importation Act, 1889
 - Trademark Act 2009
 - Destructive Insects and Pests Act, 1914
 - Copyright Act 2000
 - Merchant Shipping Act, 1923
 - Post Office Act, 1898
 - Narcotics Control Act, 1990
 - Patent and Design Act 1911
 - Anti Money Laundering Act, 2002

6. Stakeholders

- Importers
- Exporters
- Sea Ports, Air port, Land port authority
- Civil Aviation authority
- Clearing & Forwarding Agents
- Shipping Agents
- Freight Forwarding Agents
- Courier Service Operators
- Airline Operators

- Bank and Financial institution
- Other Govt. Agencies [Drug Administration., BSTI, Atomic Energy, Quarantine Dept, CCI&E, DPHN, etc]

7. License for Import & Export

- Trade License from Local govt.
- TIN Certificate from Income Tax Dept.
- VAT Registration from VAT Dept.
- Import Registration Certificate (IRC)from CCI&E.
- Export Registration Certificate (ERC)from CCI&E.
- Opening of LC/LCA from AD Bank.
- Drug License & Block list from Drug Administration.
- Explosives License from Explosives Dept.
- Chemical License from Ministry of Home.
- Other formalities laid down in other Acts.

Important Definitions:

(a) **“agent”** means any person, including a shipping agent, clearing and forwarding agent, cargo agent ¹[and freight forwarding agent], licensed under section 207, or any person permitted to transact any business under section 208;

(b) **"appropriate officer"**, in relation to any functions to be performed under this Act, means the officer of customs to whom such functions have been assigned by or under this Act;

(c) **“bill of entry”** means a bill of entry delivered under section 79, and includes, an electronically transmitted bill of entry in such cases and in such manner containing such particulars as the Board may specify;

(d)**“bill of export”** means a bill of export delivered under section 131, and includes an electronically transmitted bill of export in such cases and in such manner containing such particulars as the Board may specify;

(e)**"conveyance"** means any means of transport used for carrying goods or passengers such as a vessel, aircraft, vehicle or animal;

(f) **"customs-area"** means the limits of the customs-station specified under section 10 and includes any area in which imported goods or goods for export are ordinarily kept before clearance by the customs authorities;

(g) **“customs computer system”** means the customs computerized entry processing system established by the Board for the purposes of this Act;]

(h)**"customs-port"** means any place declared under section 9 to be a port for the shipment and landing of goods;

- (i) **"customs-station"** means any customs-port, customs-airport or any land customs- station;
- (j) **"export manifest"** means an export manifest delivered under section 53, and includes electronically transmitted export manifest in such cases and in such manner containing such particulars as the board may specify;
- (k) **"goods"** means all movable goods and includes- conveyances, stores and materials, baggage, currency and negotiable instruments, electronic data;
- (l) **"import manifest"** means an import manifest delivered under sections 43 and 44, and includes electronically transmitted import manifest in such cases and in such manner containing such particulars as the Board may specify;
- (m) **"person-in-charge"** means-
- (i) in relation to a vessel, the master of the vessel;
 - (ii) in relation to an aircraft, the commander or pilot in-charge of the aircraft;
 - (iii) in relation to a railway train, the conductor, guard or other person having the chief direction of the train;
 - (iv) in relation to any other conveyance, the driver or any other person having control of the conveyance;
- (n) **"smuggle"** means to bring into or take out of Bangladesh in breach of any prohibition or restriction for the time being in force; or evading payment of customs- duties or taxes leviable there on-

ANNEXURE – A

(Notification no- 47/2020/Customs Dt: 11.06.2020)

রেজিস্টার্ড নং ডি এ-১ “জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের
জনশতবার্ষিকী উদ্‌যাপন সফল হোক”

বাংলাদেশ



গেজেট



অতিরিক্ত সংখ্যা
কর্তৃপক্ষ কর্তৃক প্রকাশিত

বৃহস্পতিবার, জুন ১১, ২০২০

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
জাতীয় রাজস্ব বোর্ড
রাজস্ব ভবন, সেগুনবাগিচা, ঢাকা।
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প্রজ্ঞাপন

তারিখ: ২৮ জ্যৈষ্ঠ, ১৪২৭ বঙ্গাব্দ/ ১১ জুন, ২০২০ খ্রিস্টাব্দ

প্রজ্ঞাপন নং-৪৭/২০২০/কাস্টমস।- Customs Act, 1969 (Act No IV of 1969) এর Section 43 এর Sub-Section (5) এবং Section 44 এ প্রদত্ত ক্ষমতাবলে জাতীয় রাজস্ব বোর্ড Pre-arrival Processing (PAP) পদ্ধতি চালু করিল। এই পদ্ধতির আওতায় Import Manifest দাখিল ও পণ্যচালান খালাসের পদ্ধতি নিম্নরূপ হইবে:

২। আমদানিতব্য পণ্যচালানের Import Manifest দাখিল ও পণ্যচালান খালাসের ক্ষেত্রে অনুসরণীয় পদ্ধতি:

- (ক) জাহাজ/উড়োজাহাজ সর্বশেষ বন্দর (Last Port of Call) ত্যাগের পূর্বেই জাহাজ বা উড়োজাহাজের ক্যাপ্টেন/ শিপিং এজেন্ট/ফ্রেইট ফরোয়ার্ডার্স এজেন্ট/ এয়ারলাইন কর্তৃপক্ষ বা তাহার এজেন্ট/ক্ষমতাপ্রাপ্ত ব্যক্তি কর্তৃক অনলাইনে Import Manifest দাখিল করিতে হইবে।
- (খ) আগমনি জাহাজ বা উড়োজাহাজের ক্যাপ্টেন/শিপিং এজেন্ট/ফ্রেইট ফরোয়ার্ডার্স এজেন্ট/এয়ারলাইন কর্তৃপক্ষ বা তাহার এজেন্ট/ক্ষমতাপ্রাপ্ত ব্যক্তি কর্তৃক Import Manifest দাখিলের ২৪ (চব্বিশ) ঘণ্টার মধ্যে সংশ্লিষ্ট কাস্টম হাউসের IGM শাখা কর্তৃক মাস্টার বিল অব লেডিং ও হাউস বিল অব লেডিং/মাস্টার এয়ারওয়ে বিল ও হাউস এয়ারওয়ে বিল সমন্বয়পূর্বক উড়োজাহাজ/জাহাজের রেজিস্ট্রেশন নম্বর প্রদানের কার্য সম্পন্ন করিতে হইবে।

(৫৬২৩)

মূল্য ৪ টা

ডায়েরী নং/সংখ্যারূপে পাঠ্যক, ১০ একক এক এজেন্টস এসোসিয়েশন, ১০ একক এক এফ টাওয়ার, শেখ মুজিব রোড, আগ্রাবাদ, চট্টগ্রাম।

অনুলিপি সদয় জ্ঞাতার্থে ও কাযার্থে:

১। পিএস টু চেয়ারম্যান, জাতীয় রাজস্ব বোর্ড (চেয়ারম্যান মহোদয়ের সদয় অবগতির জন্য)।

আষাঢ়, ১৪২৭ বঙ্গাব্দ
জুন, ২০২০ খ্রিস্টাব্দ

খ: ১১/০৬/২০২০ খ্রি:।

1969 (Act No IV
ীয় রাজস্ব বোর্ড Pre-
র পদ্ধতি আদেশ জারি

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কল্প ব্যবস্থাপনা)

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পূর্ব/চট্টগ্রাম/রাজশাহী/

ঢাকা।

কার্যক্রম গ্রহণের জন্য

১/বি, আগ্রাবাদ বা/এ,

- (গ) উড়োজাহাজ/জাহাজের রেজিস্ট্রেশন নম্বর পাওয়ার পর Import Manifest এ কোন অসঙ্গতি পরিলক্ষিত হইলে তাহা রেজিস্ট্রেশন নম্বর প্রাপ্তির ২৪ (চব্বিশ) ঘণ্টার মধ্যে সংশোধনের আবেদন করিতে হইবে। ক্ষমতাপ্রাপ্ত কর্মকর্তা কর্তৃক যথাযথ বিবেচিত হইলে প্রযোজ্য ফি/জরিমানা আদায় সাপেক্ষে Import Manifest সংশোধন করা যাইবে।
- (ঘ) উড়োজাহাজ/জাহাজের রেজিস্ট্রেশন নম্বর পাওয়ার পর আমদানিকারক বা তার মনোনীত এজেন্ট Bill of Entry দাখিল করিতে পারিবেন।
- (ঙ) Bill of Entry দাখিলের পর যে সমস্ত পণ্যচালান কায়িক পরীক্ষণের জন্য মনোনীত হইবে অর্থাৎ কাস্টমস কম্পিউটার সিস্টেমে Red Lane-এ নির্বাচিত হইবে সেইগুলি ব্যতীত অন্যান্য পণ্যচালান আইনানুগ পদ্ধতি পরিপালন এবং প্রয়োজনীয় দলিলাদি দাখিল সাপেক্ষে উড়োজাহাজ/জাহাজ আগমনের পূর্বেই শুদ্ধায়ন কার্যক্রম সম্পন্ন করিয়া রাখা যাইবে। প্রযোজ্য ক্ষেত্রে পণ্যচালান খালাসের সময় নমুনা পরীক্ষা করিয়া যথার্থতা নিশ্চিত করা যাইবে। তবে, ইহার মধ্যে কোন পণ্যচালানের বিষয়ে গোপন সংবাদ থাকিলে তাহা আগমনের পর প্রযোজ্য ক্ষেত্রে সংশ্লিষ্ট সংস্থার উপস্থিতিতে বিদ্যমান আইনানুগ পদ্ধতিতে শতভাগ কায়িক পরীক্ষা করা যাইবে।
- (চ) দাখিলকৃত Import Manifest সংশোধনীর ক্ষেত্রে নিয়োক্ত নির্দেশনা অনুসরণ করিতে হইবে:
- (১) Import Manifest এ বর্ণিত আমদানিকারক এবং সংশোধনীর মাধ্যমে যে আমদানিকারকের নাম অন্তর্ভুক্ত হইবে উভয়ের ক্ষেত্রে পণ্যচালান ছাড়করণের স্থগিতাদেশ বা Customs Act, 1969 এর Section 202 অনুসারে কোন কার্যক্রম চলমান নাই মর্মে নিশ্চিত হইতে হইবে;
 - (২) Import Manifest এ উল্লিখিত আমদানিকারকের অনাপত্তি পত্র ও সংশোধনীর মাধ্যমে যে আমদানিকারকের নাম অন্তর্ভুক্ত হইবে তাহার সম্মতিপত্র থাকিতে হইবে;
 - (৩) শিপিং এজেন্ট এবং সংশ্লিষ্ট লিয়োন ব্যাংক এর অনাপত্তিপত্র কাস্টমস কর্তৃপক্ষের নিকট দাখিল করিতে হইবে;
 - (৪) পণ্যচালান ১০০% (শতভাগ) কায়িক পরীক্ষা করে মূল্য, কান্ডি অব অরিজিন এবং প্রোপারিবিদ্যাস সম্পর্কে যথাযথ অনুসন্ধানপূর্বক শুদ্ধায়ন করিতে হইবে;
 - (৫) পণ্যের কায়িক পরীক্ষাকালে কিংবা দাখিলকৃত দলিলাদিতে কোন অনিয়ম পাওয়া গেলে পণ্য চালানের শুদ্ধায়ন বন্ধ থাকিবে এবং দলিলাদির সঠিকতা প্রাপ্তি সাপেক্ষে পণ্যের শুদ্ধায়ন ও খালাস দেওয়া যাইবে;

- (৬) Import Manifest সংশোধনের ক্ষেত্রে নির্ধারিত ফিস আদায়যোগ্য হইবে;
- (৭) আলোচ্য ক্ষেত্রে পণ্যের মূল্যের বিষয়টি সংশ্লিষ্ট কমিশনার বিধি মোতাবেক নিষ্পত্তি করিবেন।

৩। এই আদেশ জনস্বার্থে জারি করা হইলো এবং ইহা অবিলম্বে কার্যকর হইবে। তবে শর্ত থাকে যে, ব্রেক বান্ড কার্গো, স্ক্যাপ জাহাজ এবং অয়েল ট্যাঙ্কারে আমদানির ক্ষেত্রে এ বিধান বোর্ড কর্তৃক নির্ধারিত তারিখ হইতে কার্যকর হইবে।

জাতীয় রাজস্ব বোর্ডের আদেশক্রমে,

স্বাক্ষরিত/-
আবু হেনা মোঃ রহমাতুল মুনিম
চেয়ারম্যান
জাতীয় রাজস্ব বোর্ড, ঢাকা।

মোঃ তারিকুল ইসলাম খান, উপপরিচালক, বাংলাদেশ সরকারী মুদ্রণালয়, তেজগাঁও, ঢাকা কর্তৃক মুদ্রিত।
মোঃ আসাদুজ্জামান, উপপরিচালক (অতিঃ দায়িত্ব), বাংলাদেশ ফরম ও প্রকাশনা অফিস, তেজগাঁও,
ঢাকা কর্তৃক প্রকাশিত। website : www.bgpress.gov.bd

Some important Sections of Customs Act :

Section-4: Powers and duties of officers of customs.- An officer of customs appointed under section 3 shall exercise such powers and discharge such duties as are conferred or imposed on him by or under this Act; and he shall also be competent to exercise all powers and discharge all duties conferred or imposed upon any officer subordinate to him:

Provided that, notwithstanding anything contained in this Act or the rules, the Board may, by general or special order, impose such limitations or conditions on the exercise of such powers and discharge of such duties as it thinks fit.

Section-6: Entrustment of functions of the customs officers to certain other officers.- The Board may, by notification in the official Gazette, entrust, either conditionally or unconditionally, any functions of any officer of customs under this Act to any officer of the ⁸[Government].

Section-19: General power to exempt from customs-duties.- ¹[(1)] ²[If the Government is satisfied, after consultation with the Board, that it is necessary in the public interest to do so, it may, subject to such conditions, limitations or restrictions, if any, as it thinks fit to impose,] by notification in the official Gazette, exempt any goods imported into, or exported from, ³[Bangladesh] or into or from any specified port or station or area therein, from the whole or any part of the customs-duties chargeable thereon ⁴[:

Provided that if, in a financial year, exemption under this sub-section is given in respect of any goods the rate of duty cannot be changed more than once in that year so as to increase that rate.

⁵[(2) An exemption granted under sub-section (1) shall be effective from the date mentioned in the notification issued under that sub-section.]

Section-20: ⁶[Government's power] to grant exemption from duty in exceptional circumstances.- ⁷[If the ⁸[Government] is satisfied that it is necessary in the public interest to do so, it may, under circumstances of exceptional nature,] subject to such conditions, limitations or restrictions, if any, as it thinks fit to impose, by a special order in each case recording such circumstances, exempt any goods from payment of the whole or any part of the customs-duties chargeable thereon.

Session-02

Prohibition, Conditions and restrictions of importation and exportation

Section:15 Prohibitions:

No goods specified in the following clauses shall be brought whether by air or land or sea, into Bangladesh

- (a) counterfeit coin;
- (b) forged or counterfeit currency notes and any other counterfeit product;
- (c) any obscene book, pamphlet, paper, drawing, painting, representation, figure, photograph, film or article, video or audio recording, CDs or recording on any other media;
- (d) goods having applied thereto a counterfeit trade mark within the meaning of the Penal Code (Act XLV of 1860), or a false trade description within the meaning of the ট্রেডমার্ক আইন, ২০০৯ (২০০৯ সনের ১৯ নং আইন) [Trademark Act, 2009 (Act No. 19 of 2009)];
- (e) goods made or produced outside Bangladesh and having applied thereto any name or trade mark, being or purporting to be the name or trade mark of any manufacturer, dealer or trader in Bangladesh unless-
 - (i). the name or trade mark is, as to every application thereof, accompanied by a definite indication of the goods having been made or produced in a place outside Bangladesh; and
 - (ii). the country in which that place is situated is in that indication shown in letters as large and conspicuous as any letter in the name or trade mark, and in the same language and character as the name or trade mark;
- (f) piece-goods manufactured outside Bangladesh (such as are ordinarily sold by length or by the piece), unless the real length thereof in standard meters or other measurement for the time being applying in Bangladesh has been conspicuously stamped on each piece in Arabic numerals
- (g) goods made or produced outside Bangladesh and intended for sale, and having applied thereto, a design in which copyright exists under the Patents and Designs Act, 1911 (Act No. II of 1911) and in respect of the class to which the goods belong and any fraudulent or obvious imitation of such design except when the application of such design has been made with the license or written consent of the registered proprietor of the design;

- (h) goods or items produced outside Bangladesh involving infringement of কপিরাইট আইন, ২০০০ (২০০০ সনের ২৮ নং আইন) [Copyright Act, 2000 (Act No. 28 of 2000)] or infringement of layout design of integrated circuit that are intended for sale or use for commercial purposes within the territory of Bangladesh. and
- (i) Goods made or produced outside Bangladesh in violation of the provisions of ভৌগোলিক নির্দেশক পণ্য (নিবন্ধন ও সুরক্ষা) আইন, ২০১৩ (২০১৩ সনের ৫৪ নং আইন) intended for sale or use for commercial purpose within the territory of Bangladesh

Section 16: Power to prohibit or restrict importation and exportation of goods:

The Government may, from time to time, by notification in the official Gazette, prohibit or restrict the bringing into or taking out of Bangladesh of any goods of specified description by air, sea or land.

Section 17: Detention and confiscation of goods imported in breach of section 15 or section 16:

Where any goods are imported into or attempted to be exported out of Bangladesh in violation of the provisions of the section 15 or of a notification under section 16, such goods shall, without prejudice to any other penalty to which the offender may be liable under this Act, or any other law, be liable to be detained and confiscated and shall be disposed of in such a manner as may be prescribed

ANNEXURE – B

(Import & Export Policy Order 2021-2024)

Session-03

Customs Valuation (including minimum value and tariff value)

Section 25: Value of goods for assessment purposes:

(1) Whenever customs duty is leviable on any goods by reference to their value, the actual price, that is, the price actually paid or payable, or the nearest ascertainable equivalent of such price, at which such or like goods are ordinarily sold, or offered for sale, for delivery at the time and place of importation or exportation, as the case may be, in course of international trade under fully competitive conditions, where the seller and the buyer have no interest in the business of each other and the price is the sole consideration for sale or offer for sale, shall be the value.

Explanation.- For the purposes of this sub-section, the expression –

- (a) “the time of importation” means the date on which a bill of entry is delivered under section 79;
 - (b) “the time of exportation” means the time when the bill of export is delivered under section 131, or when export of the goods is allowed under that section without a bill of export or in anticipation of the presentation of a bill of export, the time when the goods is taken to the customs port or customs airport or customs station for the purpose of export;
 - (c)(i) “the place of importation” means the customs port or customs airport or the customs station at which the bill of entry is first submitted; and
(ii) “place of exportation” means the customs port or the station at which the bill of export is submitted.
- (2) Subject to the provision of sub-section (1), the price referred to in that sub-section in respect of imported goods shall be determined in accordance with the rules made in this behalf.
- (3) Notwithstanding anything contained in this section, the Government may, by notification in the official Gazette, fix, for the purpose of levying customs duties, tariff values or minimum values for any goods imported or exported as chargeable with customs duty ad valorem:

Provided that any imported or exported goods, the declared value of which is higher than its tariff value fixed under this sub-section, shall be chargeable with customs duties on the basis of its declared value.

(4)The average rate of exchange prevailing during the thirty days preceding the last working day of the third week of the month preceding the month during which the bill of entry or the bill of export is delivered under sections 79 or 131 or electronically transmitted to the Customs computer system shall be the rate of exchange for the computation of the value of any imported or exported goods and such rate shall be fixed by the Board or by such officer as the Board may authorize in this behalf.

(5)For the purpose of this section

- (a) "rate of exchange" means the rate of exchange determined by the Government for the conversion of Bangladesh currency into foreign currency or foreign currency into Bangladesh currency;
- (b) "foreign currency" and "Bangladesh currency" have the meaning respectively assigned to them in the Foreign Exchange Regulation Act, 1947 (VII of 1947).

(6)For the purposes of sub-section (1)-

- (a) the value of any goods shall include the freight, insurance, commission and all other costs, charges and expenses incidental to the sale and delivery at the place of importation or exportation; and the Board may, by notification in the official Gazette, fix the freight for the transportation of any goods or
- (b) class of goods by aircraft that are delivered or could have been delivered at a Customs airport to the buyer.

ANNEXURE – C

(Valuation Rules (SRO no. 57- Law/2000/1821/Customs, dated 23.02.2000)).

ANNEXURE – D

Tariff value and Minimum value (SRO no. 203-law/2022/111/ Customs, dated 28.06.2022)

Overview on Valuation

- Provisions relating to valuation of imported goods are contained under Section 25 of the Customs Act 1969 ('Customs Act'), read with Customs Valuation (Determination of Price of Imported Goods) Rules, 2000 ('Valuation Rules'). The above provisions lay down the valuation of goods under the following 2 categories:

- a) Goods on which customs duty is leviable by reference to their value – under section 25(1) and 25(2) of the Customs Act read with Valuation Rules.

- As per rule 3(i) of Valuation Rules, the 'Transaction Value' of imported goods is taken as the assessable value for computation of import duties.

'Transaction Value' has been defined under rule 4 of the valuation rules to mean the price actually paid or payable for the goods when sold for export to Bangladesh (with certain adjustments specified in rule 10 of valuation rules), subject to conditions, inter-alia, that the buyer and seller are not related.

- In cases where the buyer and seller are related, rule 4(2) of the valuation rules provide that the transaction value is accepted subject to the following conditions:

- Examination of the circumstances of the sale of imported goods indicate that the relationship did not influence the price. However, in case the customs officer not below the rank of Assistant Commissioner upon the available information consider the value has been influenced due to the relationship then the matter will have to be solved by informing the reasons in writing and giving a reasonable opportunity to the importer.

- the importer demonstrates that the declared value of the goods being valued with close approximates to one of the following values ascertained at or about the same time of import:

- i. The transaction value of identical goods, or of similar goods, in sales made to unrelated buyers in Bangladesh;
- ii. The deductive value for identical goods or of similar goods;
- iii. The computed value for identical goods or of similar goods.

Provided that in applying the values used for comparison due account shall be taken of demonstrated difference in commercial levels, quantity and other adjustments in accordance with the provisions of rule 10 and the cost incurred by the seller in sales in which the seller and buyer are not related.

Explanation:

As per Rule 2(d) of Valuation Rules, “Related” means only those persons, who-

- a) are an officer or director of another’s business;
- b) are legally recognized business partner of a same business;
- c) is an employer and the other is officer or employee;
- d) owns 5% or more of each other’s business share directly or indirectly;
- e) controls one another directly or indirectly;
- f) are (both) controlled directly or indirectly by a third party;
- g) jointly controls a third party directly or indirectly;
- h) are sole agent or sole distributor or sole concessionaire of another’s business; or
- i) members of the same family.

☐ In terms of rule 3(ii) of Valuation Rules, in cases where the value cannot be determined as per above, then the value shall be determined by proceeding sequentially through rule 5 to rule 9 of the valuation rules, as below:

- Rule 5 : Transaction value of identical goods
- Rule 6 : Transaction value of similar goods
- Rule 7 : Deductive value
- Rule 8 : Computed value
- Rule 9 : Residual Method [i.e., the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of price data available in Bangladesh]

b) Goods on which customs duty is leviable based on fixed tariff value or minimum value – under section 25(3) of the Customs Act.

- Section 25(3) of the Customs Act empowers the Government to fix tariff values or minimum values for any goods imported or exported as chargeable with customs-duty ad valorem.
- The Government has issued Statutory Regulatory Orders (SROs) specifying the tariff value, minimum value and the unit of measurement of specified goods for the purpose of payment of customs duty. (SRO no. 203-Law/2022/111/Customs dated 28 June 2022 of IRD, MoF, GoB)
- The above section further provides that any imported or exported goods, the declared value of which is higher than its tariff value fixed under the above sub-section, shall be chargeable with customs duties on the basis of its declared value.
- Thus, in case of these specified goods, the valuation for the purpose of payment of customs duty would be the assessable value would be higher of declared value or the minimum value and is not dependent whether the imports are made from related party or independent buyers.

► In general, duties and taxes, collected at import stage, are given below.

- Customs duty – levied on goods specified in First Schedule of Customs Act, 1969 [Bangladesh Customs Tariff]
- Regulatory duty – levied on imported goods where the rate of customs duty is 25%. In addition, other rates are listed for specified imported goods

- Advance Income Tax (AIT) - levied on all imported goods (unless specifically exempted)
- Supplementary Duty (SD) - levied on goods imported under the 2nd Schedule of VAT & SD Act
- Value added tax (VAT) - levied on all imported goods (unless specifically exempted)
- Advance Tax (AT) - levied on all imported goods (unless specifically exempted)

However, these duties and taxes may be reduced by special duty reduction programs and trade preferences and may be increased by means of antidumping or countervailing duties or safeguard duties.

Session-04

Goods dutiable, Date for determination of duty, Value and exchange rate, Customs Procedure in General, Amendment of assessment, Audit of records

Section 18: Goods dutiable:

- (1). Except as hereinafter provided, customs-duties shall be levied at such rates as are prescribed in the First Schedule or under any other law for the time being in force on-
 - (a) goods imported into or exported from Bangladesh;
 - (b) goods brought from any foreign country to any customs-station and without payment of duty there, transhipped or transported for or thence carried to and imported at any other customs-station; and
 - (c) goods brought in bond from one customs-station to another:

Provided that no customs duty and regulatory duty under this Act or any other tax leviable under any other law for the time being in force shall, subject to such conditions, limitations or restrictions as the Board may, from time to time, by notification in the official Gazette, impose, be levied or collected in respect thereof, if the value of the goods for assessment purpose in any one consignment does not exceed two thousand taka.

- (2). The Government may, by notification in the official Gazette, levy, subject to such conditions, limitations or restrictions as it may deem fit to impose, a regulatory duty on all or any of the goods specified in the First Schedule at the rate not exceeding two times of the highest rate of customs duty specified in the said Schedule.

Explanation: The rate of regulatory duty on any such goods may be higher than that of the customs duty leviable on that goods as prescribed in the said Schedule, provided such regulatory duty does not exceed two times of the highest rate of customs duty of that Schedule.

- (3). The regulatory duty levied under sub-section (2) shall be in addition to any duty imposed under sub-section (1) or under any other law for the time being in force.

(4). Any notification issued under sub-section (2) shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued.

Section 30: Date for determination of rate of duty, value and exchange rate for imported goods:

The rate of duty, value and exchange rate applicable to any imported goods, shall be the rate of duty, value and exchange rate in force, -

- (a) in the case of goods cleared for home consumption under section 79, on the date a bill of entry is presented under that section and a bill of entry number is allocated thereto;
- (b) in the case of goods cleared from a warehouse for home consumption under section 104, on the date a bill of entry was presented under section 79 and the bill of entry number was allocated thereto; and
- (c) in the case of any other goods, on the date of payment of duty:

Provided that if a bill of entry is presented in anticipation of arrival of a conveyance by which the goods are imported, the relevant date for the purpose of this section shall be the date on which the manifest of the conveyance is delivered after its arrival.

Section 30A: Value and effective rate of duty:

Not with standing anything contained in any other law for the time being in force or any decision of any Court, for the purposes of section 30, the value and the rate of duty applicable to any goods shall respectively include the value as determined under section 25 and any amount of duty imposed under section 18, 18A or 18B and the amount of duty that may have become payable in consequence of the withdrawal of the whole or any part of the exemption or concession from duty whether before or after the conclusion of a contract or agreement for the sale of goods or opening of a letter of credit in respect thereof.

Section 31: Date for determination of export duty:

The rate of duty applicable to, and the rate of exchange for computation of the value of, any goods exported shall be the rate of duty or, as the case may be, the rate of exchange prevailing on the date of the delivery of the bill of export under section 131:

Provided that where the export of any goods is permitted without a bill of export or in anticipation of the delivery of such a bill, the rate of duty applicable to, and the rate of exchange for the computation of the value of, such goods shall be the rate of duty or, as the

case may be, the rate of exchange applicable on the date on which loading of the goods on the outgoing conveyance commences.

(ii) Customs procedure in general (Calculation/Assessment of Duties and Taxes at Import stage)

Section 80: Assessment of duty.- (1) On the delivery ²[or electronic transmission] of such bill, the goods or such part thereof as may be necessary may, without undue delay, be examined or tasted ³[in the presence of the owner or his agent, unless due to any exceptional circumstance such presence cannot be allowed,] and thereafter the goods shall be assessed to duty, if any, and the owner of such goods may then proceed to clear the same for home-consumption or warehouse them, subject to the provisions hereinafter contained.

(2) Notwithstanding anything contained in sub-section (1), imported goods prior to examination or testing thereof may be permitted by the appropriate officer to be assessed to duty on the basis of the statements made in the bill relating thereto and the information furnished under the rules and the documents produced under section 26; but if it is found subsequently on examination or testing of the goods or otherwise that any statement in such bill or document or any information so furnished is not correct in respect of any matter relating to the assessment, the goods shall, without prejudice to any other action which may be taken under this Act, be re-assessed to duty.

⁴[(3) The Board may by notification in the official gazette, exempt in the public interest any goods or class of goods imported by an importer or a class of importer from the requirement of examination and testing of the goods under sub-section (1).

(4) Upon delivery or transmission of the bill of entry for the goods exempted under sub-section (3) the duty shall be deemed to have been duly assessed for the purposes of this section:

Provided that where the appropriate officer has reason to believe that in case of any bill of entry re-assessment is necessary, he may, by recording reasons in writing, re-assess the duty payable for the goods and take such other actions as he may deem fit under this Act.]

Section 81: Provisional assessment of duty.- (1) Where it is not possible immediately to assess the customs-duty that may be payable on any imported goods entered for home-consumption or for warehousing or for clearance from a

warehouse for home-consumption or on any goods entered for exportation, for the reason that the goods require chemical or other test ¹[or a further enquiry] for purposes of assessment, or that all the documents or complete documents or full information pertaining to those goods have not been furnished, an officer not below the rank of ²[Assistant Commissioner of Customs] may order that the duty payable on such goods be assessed provisionally:

Provided that the importer (same in the case of goods entered for warehousing) or the exporter pays such additional amount as security or furnishes such guarantee of a scheduled bank for the payment thereof as the said officer deems sufficient to meet the excess of the final assessment of duty over the provisional assessment.

[(2) Where any goods are allowed to be cleared or delivered on the basis of such provisional assessment, the amount of duty actually payable on those goods shall, within a period of one hundred and twenty working days from the date of the provisional assessment, where there is a case pending at any court, tribunal or appellate authority, from the date of receipt of the final disposal order of that case, be finally assessed and on completion of such assessment the appropriate officer shall order that the amount already guaranteed be adjusted against the amount payable on the basis of final assessment, and the difference between them shall be paid forthwith to or by the importer or exporter as the case may be:

Provided that the Board may, under exceptional circumstances recorded in writing, extend the period of final assessment specified under this sub-section.]

⁵[**82. Procedure in case of goods not cleared or warehoused or transhipped after unloading within a specified period.**- ⁶[(1) If any goods are not entered and cleared for home-consumption or warehoused or transhipped within ²²[thirty] days of the date of unloading thereof at a customs-port or a land customs-station ²³[or customs-inland container depot], or within ²⁴[twenty one] days of the date of unloading thereof at a customs-airport or within such extended period as the appropriate officer may allow, such goods may, after due notice given to the owner, if his address could be ascertained, or published in the newspaper, if his address could not be ascertained, be sold under the orders of the appropriate officer:

Provided that -

- (a) animals and perishable and hazardous goods may, with the permission of the appropriate officer, be sold at any time;
- (b) arms, ammunition or military stores may be sold or

otherwise disposed of at such time and place and in such manner as the Board may, with the approval of the Government, direct:

Provided further that nothing in this section shall authorise removal for home-consumption of any dutiable goods without payment of customs-duties thereon.]

¹[(2) Where any goods are sold under sub-section (1) pending adjudication, appeal, revision or decision of a court, the proceeds of such sale shall be deposited into the Government treasury; and, if on such adjudication or in such appeal or revision it is found or if the court finds that the goods so sold are not liable to confiscation, the proceeds of the sale shall, after necessary deduction of dues, taxes or duties as provided in section 201, be refunded to the owner.]

Duty / Tax elements	Coverage [goods on which levied]	Base value for computing duty	Rate of duty	Remarks
Customs Duty (CD)	Goods specified in First Schedule of Customs Act [Customs Tariff]	Assessable Value (AV)*	Prescribed in Customs Tariff	Exemptions are available for specified goods
Regulatory Duty (RD)	i. Imported goods where the rate of customs duty is 25% ii. Other specified imported goods	AV	i. 3% ii. 3%, 5%, 10%, 15%, 20%, 25%, 30%, 35%	Exemptions are available for specified goods
Advance Income Tax (AIT)	All imported goods	AV	5% or 0% or 1% or 2% or 3% or 20% or fixed amount	Exemptions are available for specified goods
Supplementary Duty (SD)	Imported goods covered in Table-1 of Second Schedule of the VAT and SD Act	AV + CD + RD	Prescribed in Second Schedule of VAT and SD Act	
Value Added Tax (VAT)	All imported goods	AV + CD + RD + SD	15%	Exemptions are available for specified goods

Advance Tax (AT)	All imported goods	AV + CD + RD + SD	3% (for manufacturer subject to conditions) or 5%	Exemptions are available for specified goods
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Amendment of assessment, time for amendment, Audit of Records:

¹[83A. Amendment of assessment. - (1) An officer of Customs not below the rank of an Assistant Commissioner of Customs may from time to time make or cause to be made such amendments to an assessment of duty or to the value taken for the purpose of assessment of duty as he thinks necessary in order to ensure the correctness of the assessment even though the goods to which the value or the duty relates have already passed out of Customs control or the duty originally assessed has been paid.

(2) If the amendment has the effect of imposing a fresh liability or enhancing an existing liability, a demand notice in writing shall be given by the officer of Customs to the person liable for the duty.

(3) Unless otherwise specified in this Act, the due date for payment against the aforesaid demand notice shall be thirty working days from the date of issue of such a written demand notice by the officer of Customs.

83B. Limitation of time for amendment assessments.- (1) Where an assessment of duty has been made under this Act, the officer of Customs is not entitled to increase the amount of the assessment after the expiration of three years from the date on which the original assessment was made.

(2) Notwithstanding sub-section (1) of this section, in any case where the entry or any declaration made in relation to the goods was fraudulent or willfully misleading, the officer of Customs may amend the assessment at any time ^{26[***]} so as to increase the amount of the assessment.

83C. Audit or examination of records.- (1) An officer of Customs may at any time enter any premises or place where records are kept pursuant to section 211 of this Act and audit and examine those records either in relation to specific transactions or to the adequacy or integrity of the manual or electronic system or systems by which such records are created and stored.

(2) For the purposes of sub-section (1) of this section, an officer of Custom shall have full and free access to all lands, buildings and places and to all books, records and documents, whether in the custody or under the control of the licensee, importer, exporter or any other person, for the purpose of inspecting any books, records, and documents and any property, process, or matter that the officer considers.-

- (a) necessary or relevant for the purpose of collecting any duty under the Act or for the purpose of carrying out any other function lawfully conferred on the officer, or
- (b) likely to provide any information otherwise required for the purposes of this Act or for the discharge of any functions under this Act.

(3) The officer of Customs may make extracts from or copies of any such books, documents or records.

(4) Notwithstanding sub-section (2) and (3) of this section, an officer of Customs shall not enter any private dwelling except with the consent of an occupier or owner thereof or pursuant to a warrant issued under this Act.]

Session- 05

Untrue statement, Consequence of untrue statement, error (offences and Penalties)

Section 32: Untrue statement, error, etc.:

- (1) If any person, in connection with any matter of customs, -
 - (a) make or signs or causes to be made or signed, or delivers or causes to be delivered to an officer of customs any declaration, notice, certificate or other document whatsoever, or
 - (b) makes any statement in answer to any question put to him by an officer of Customs which he is required by or under this Act to answer, or
 - (c) transmits any statement, document, information or record through electronic device or produces soft copy thereof,and such document or statement is untrue in any material particular, he shall be guilty of an offence under this section.
- (2) Where, by reason of any such document or statement as aforesaid or by reason of some collusion, any duty or charge has not been levied or has been short-levied or has been erroneously refunded, the person liable to pay any amount on that account shall be served with a notice requiring him to show cause why he should not pay the amount specified in the notice.
- (3) Where, by reason of any inadvertence, error or misconstruction, any duty or charge amounting to not less than one thousand Taka has not been levied or has been short-levied or has been erroneously refunded, the person liable to pay any amount on that account shall be served with a notice within five years of the relevant date requiring him to show cause why he should not pay the amount specified in the notice.
- (4) The appropriate officer, after considering the representation, if any, of such person as is referred to in sub-section (2) or sub-section (3) shall determine the amount of duty payable by him which shall in no case exceed the amount specified in the notice, and such person shall pay the amount so determined

Provided that where the amount so determined is less than one thousand Taka, the person concerned shall not be required to make the payment.

- (5) For the purposes of this section, the expression "relevant date" means-
- in any case where duty is not levied, the duty on which an order for the clearance of goods is made;
 - in a case where duty is provisionally assessed under section 81, the date of adjustment of duty after its final assessment;
 - in a case where duty has been erroneously refunded, the date of its refund;
 - in any other case, the date of payment of duty or charge.

Section 156: Punishment for offences:

- (1) Whoever commits any offence described in column 1 of the Table below shall, in addition to and not in derogation of any punishment to which he may be liable under any other law, be liable to the punishment mentioned against that offence in column 2 thereof :-

Offences	Penalties	Section of this Act to which offences has reference
14. If any person commits an offence under section 32	such person shall be liable to a penalty at least twice but not exceeding four times the amount of tax evaded in respect of which such offence is committed and such goods shall be liable to confiscation; and upon conviction by a Magistrate such person shall further be liable to rigorous imprisonment for a term not exceeding five years or to a fine not exceeding taka fifty thousand or to both.	32

Business Books and Records

Section 211: Keeping of business record:

- Every licensee, importer, exporter or their agents shall keep or cause to be kept such records as may be specified by the Board, for a period of five years.
- Every such person must, as and when required by an officer of Customs.-
 - make the records and accounts available to Customs;
 - provide copies of the records and accounts as required; and
 - answer any question relevant to the matters arising under this Act asked by any officer of Customs in respect of them.
- Where for the purpose of complying with sub-section (2) of this section, information is recorded or stored by means of an electronic or other device, the licensee, importer, exporter, or its agent, shall, at the request of an officer of Customs, operate the device, or cause it to be operated, to fulfil the requirements of sub-sections (2).

For the purposes of sub-section (2) and (3) the audit agencies appointed by the Government under section 25A and an employee of that agency shall be deemed to be the officers of Customs.

ANNEXURE – E
(Notification no- 129/2001/Customs Dt: 10.10.2001)

Subject: Questions on Customs Part

Session- 1	<ol style="list-style-type: none"> 1. What are the major functions of Bangladesh Customs? 2. Define the term ‘Appropriate Officer’ and ‘Bill of Entry’ according to The Customs Act, 1969. 3. What do you mean by ‘Smuggle’? Give 2 (two) examples. 4. What is Import Manifest? Who will submit Import Manifest in respect of a vessel? 5. Who has the authority to grant exemption from duty in exceptional circumstances? Mention the exceptional circumstances.
Session- 2	<ol style="list-style-type: none"> 1. Name 5 (Five) prohibited/ import banned item. 2. Who has the power to prohibit importation and exportation of goods? 3. Define sample according to import policy order 2021-2024. 4. Name five goods of conditional import. 5. Name five prohibited/export banned item.
Session-3	<ol style="list-style-type: none"> 1. What does section 25 of customs act deals with? 2. What is exchange rate according to the section 25(4)? 3. Under which section government can propose tariff values or minimum values? 4. What is transaction value? 5. Name different methods of valuation?
Session- 4	<ol style="list-style-type: none"> 1. How the exchange rate for imported goods is determined? 2. When provisional assessment of duty is applicable? 3. Mention 08 (eight) important fields of a Bill of Entry. 4. Where any goods are allowed to be cleared or delivered on the basis of provisional assessment, then within how many working days the final assessment should be done? 5. What is the Clearance time of imported goods as per Section-82?
Session- 5	<ol style="list-style-type: none"> 1. According to section 32 what is untrue statement? 2. What does the expression - relevant date mean? 3. What is the penalty for any goods taken or passed out of any Customs-station without due entry? 4. What is the punishment for unauthorized entry in the computer System? 5. If any person commits an offence under section 32 what kind of penalty will be applicable for him?

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