



Valuation if value cannot be determined on basis of transaction value – If valuation is not possible on basis of transaction value, valuation will be done by proceeding sequentially through rules 4 to 6 [Rule 3(3) of Customs Valuation (Determination of Value of Export Goods) Rules, 2007].

The methods are - Export value by comparison [Rule 4], Computed value [Rule 5] and Residual method [Rule 6].

6.6 SELF ASSESSMENT ON BASIS OF 'RISK MANAGEMENT SYSTEM' (RMS)

One major step is being taken to move in the direction of implementing international best practices in customs clearance. A 'Risk Management System' for customs clearance of import and export cargo has been introduced. The details of scheme are contained in MF(DR) circular No. 43/2005-Cus dated 24-11-2005 – see also CC, Bangalore-I PN 88/2006 dated 31-7-2006 (201 ELT T5).

Initially, the scheme will be introduced in Air Cargo Complex, Sahar Mumbai and then it will be introduced in other customs houses in phases.

Under Risk Management System (RMS), only high risk cargo is selected for examination. The system provides for special customs clearance for Accredited Clients having good track record and meet specified criteria.

The scheme proposes to do away with existing system of routine assessments and concurrent audit. Goods will be normally cleared on basis of self assessment of importer. Bill of Entry submitted electronically will be transmitted to RMS. The RMS will process the data and produce an electronic output. This output will determine whether the Bill of Entry will be taken up for appraisal/examination or be cleared after payment of duty without any assessment and examination. Any change in system will require prior approval of Commissioner of Customs and after recording reasons.

Focus will be on quality assessment, examination and post clearance audit of Bills of Entry selected by the Risk Concurrent audit will be replaced by Post Clearance Audit on Bill of Entry selected by the Risk Management System. Subsequently, demand can be raised even if goods have been cleared from customs.

No change in Custom Act and Rules - The scheme is being introduced without making any change in Customs Act or Rules, the basic procedures of sanctions and approvals remain unaltered and hence is not similar to scheme of self-assessment under Central Excise, where clearances are effected by assessee without supervision or presence of excise inspectors. Scope of the scheme is also very limited.

Scheme open only to 'Accredited Clients' - The scheme is limited to only 'Accredited Clients' as defined in MF(DR) circular No. 42/2005-Cus dated 24-11-2005. They should have imported goods valued at Rs 10 crores in previous financial year or paid duty more than Rs one crore. In case of importers who are central excise, they should have paid at least Rs one crore of duty