



# CUSTOMS LAW

## PART 1

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# INTRODUCTION



- Customs derived from the term “Custom”-Customary for trader bringing goods to a particular kingdom to offer certain offerings as gifts to King.



- Arthashartha- Import and export duty to be collected



- Customs Act, 1962- replaced sea customs Act, 1878



- Customs tariff Act, 1975 (consists of schedule I and schedule II)




- Complete Code

# CONSTITUTIONAL PROVISIONS

Article 245- Power for enacting laws- 3 lists



Entry 83- List 1- Levy of duties of customs including export duties



Customs Act- 17 chapters



# IMPORTANT TERMS IN CUSTOMS

## Terms related with “Boundary”

- India Sec. 2 (27)
- Indian territorial water
- Indian customs water Sec. 2 (28)
- Exclusive economic zone
- Baseline

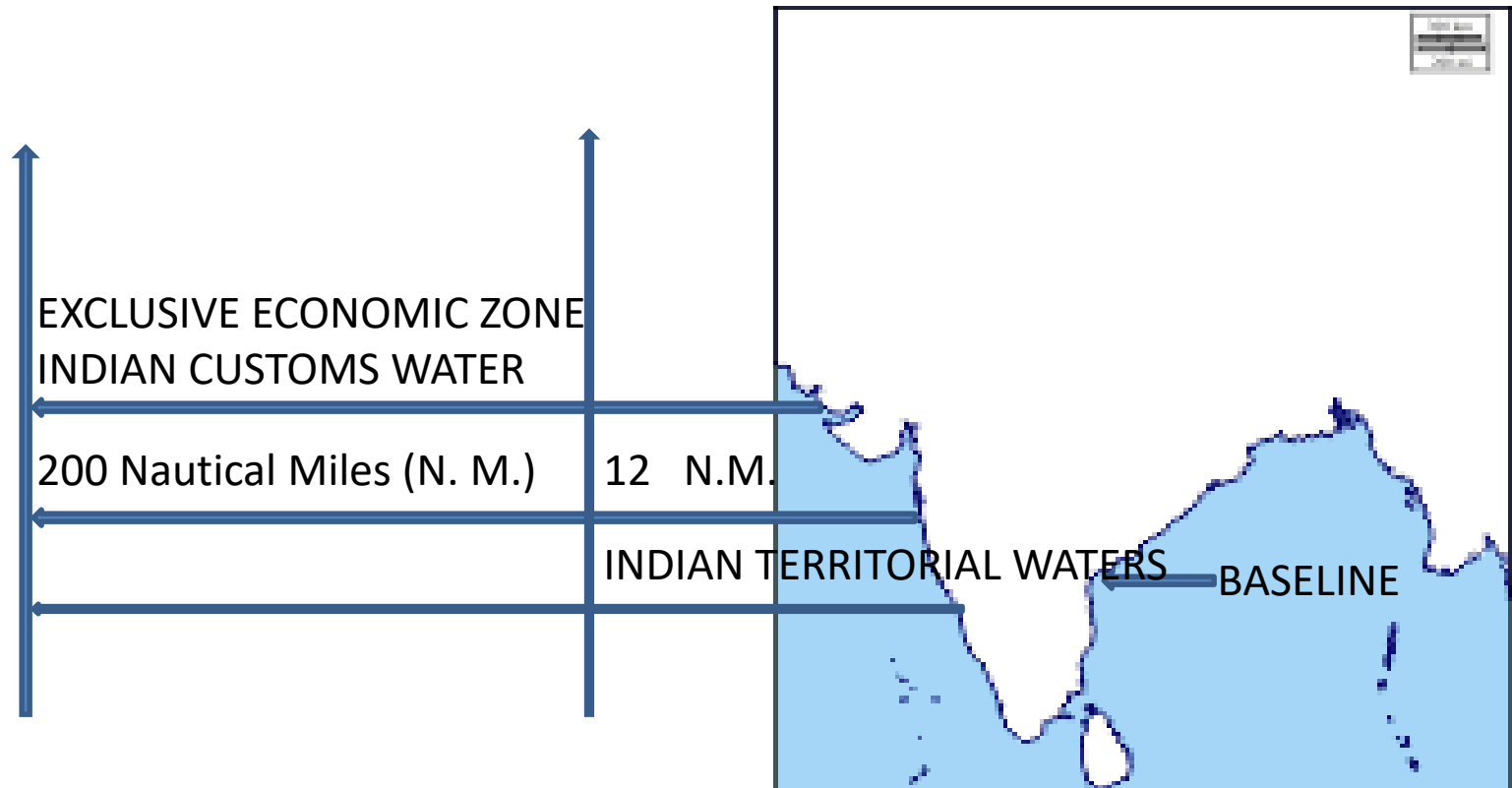
## Other terms

- Conveyance Sec. 2 (9)
- Coastal goods Sec. 2 (7)
- Goods Sec. 2 (22)

# Terms related with Boundary

- **India** Sec 2 (27) includes the territorial waters of India.
- **Indian Customs water** Sec 2 (28) means the waters extending into the sea up to the limit of Exclusive Economic Zone under section 7 of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, (80 of 1976)] and includes any bay, gulf, harbour, creek or tidal river.
- **Indian territorial water** – 12 nautical miles from the baseline
- **Exclusive economic zone** - 200 nautical miles from the baseline
- **Baseline**- Lower water mark along the coast.

# INDIAN TERRITORIAL WATER (I.T.W.) INDIAN CUSTOMS WATER (I.C.W)



*What is the relevance of India Territorial water  
and Indian customs Water??*



# OTHER TERMS

**Conveyance** Sec 2 (9) " includes a vessel (*water*), an aircraft (*air*) and a vehicle (*road*).

**Coastal goods** Sec 2 (7) " means goods, other than imported goods, transported in a vessel from one port in India to another  
(*i.e. within India through a vessel only*)

**Goods** Sec 2 (22) includes

(a) vessels, aircrafts and vehicles; (b) stores; (c) baggage; (d) currency and negotiable instruments; and (e) any other kind of movable property

# STAGES OF IMPOSITION OF TAX

LEVY (when taxable event occurs i.e when goods are imported)

Where declaration of liability is made and the person to be taxed is identified



ASSESSMENT

Quantifying the amount of liability



COLLECTION

When the tax is actually collected

# Section 12-CHARGING SECTION

- Duties of customs
- Shall be levied
- At such rates as may be specified under the Customs Tariff Act, 1975, (*First Schedule – Imports; Second Schedule- Exports*)
- or any other law for the time being in force, on goods imported into, or exported from, India.
- The provisions shall apply in respect of all goods belonging to Government as they apply in respect of goods not belonging to Government.

# LANDMARK JUDGEMENTS FOR IMPORT

- **FOR HOME CONSUMPTION**

- **Garden Silk Mills Ltd vs. Union of India (1999)**

- Import of goods will commence when they cross the territorial waters, but continues and is completed when they become part of mass of goods within the country; the taxable event being reached at the time when the goods reach the customs barriers and bill of entry for home consumption is filed.

- **FOR WAREHOUSING**

- **Kiran Spinning Mills v. Collector of Customs (1999)**

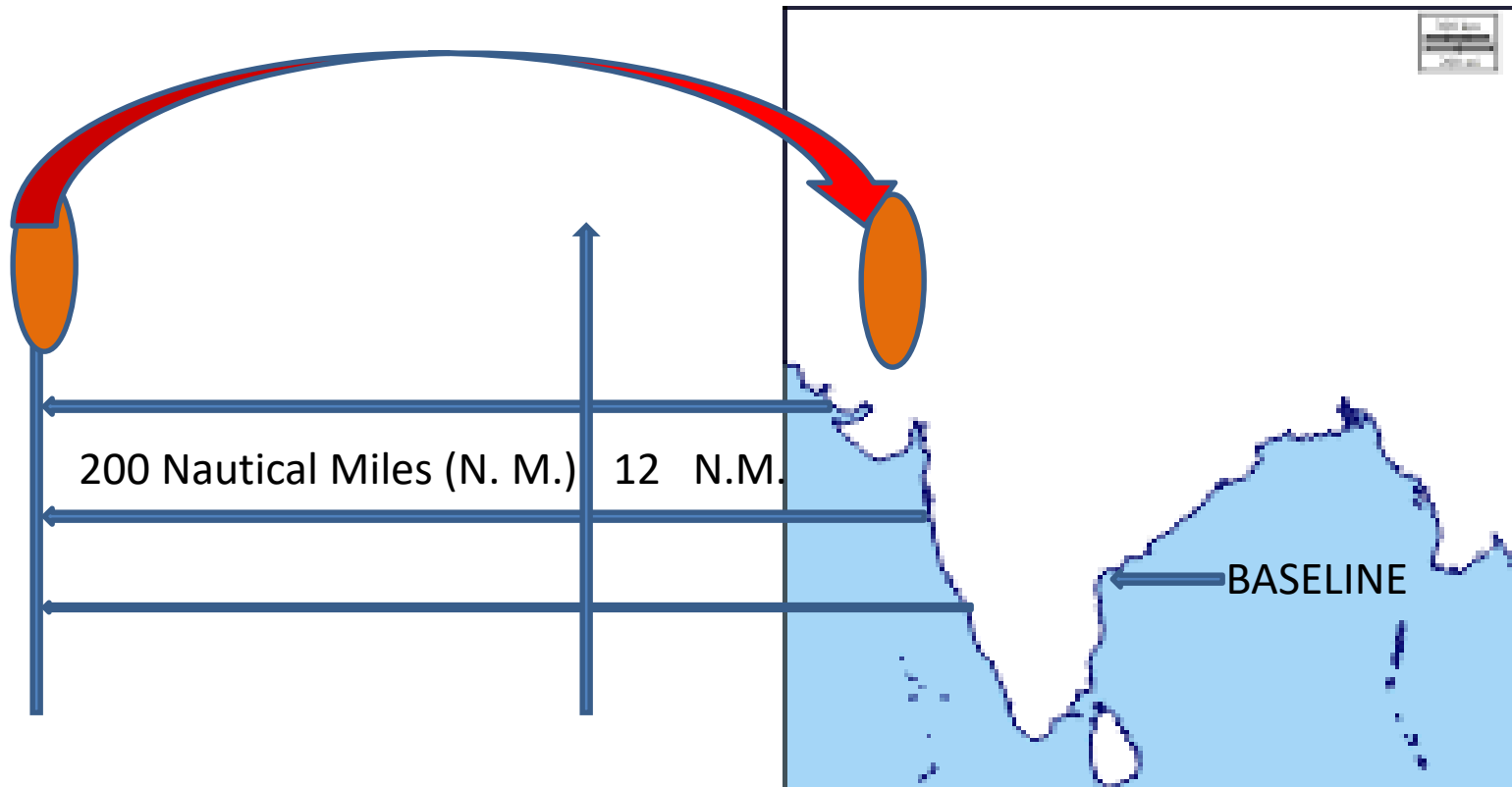
- In case of warehoused goods, the customs barriers would be crossed when they are sought to be taken out of customs and brought to the mass of goods in the country.

# EXPORTS

- When goods are cleared for export and cross the territorial water, the export is completed.

# CONCLUSION

Where is customs Law applicable?



*Thank You*

*End Of Part 1*