

**F.No.15021/18/2020 (ICD)**  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes and Customs

North Block, New Delhi  
Dated 29<sup>th</sup> September, 2020

To,

All Chief Commissioners of Customs/Customs (Prev.)  
All Chief Commissioners of GST and Customs  
All Director Generals under CBIC

Sir/Madam,

**Subject: Amending Circular 38/2016-Cus on Guidelines for Provisional Assessment under Section 18 of the Customs Act 1962- reg.**

Reference is drawn to Board's Circular no. 38/2016-Customs, dated 22.08.2016 which provides guidelines regarding provisional assessment under section 18 of the Customs Act 1962 and Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (hereafter referred to as the CAROTAR, 2020) issued vide Notification No. 81/2020-Customs (N.T.) dated 21<sup>st</sup> August, 2020.

2. In order to align the Circular no. 38/2016-Customs dated 22.08.2016 with CAROTAR, 2020, the entries at Sl No. 1, 2, 5(a) and 5(c) of Table at paragraph 3 of the said Circular are substituted with the entries as below-

1	Imports by Authorised Economic Operators (AEO – T3)	0 %  (including cases at Sl. No. 4 to 6b, except 5(a) and 5(c)).	In terms of Circular no.33/2016-Customs dated 22 <sup>nd</sup> July 2016, as amended.
2	Imports by Authorised Economic Operators (AEO – T1 and AEO – T2)	(a) 0% (in terms of Sl. No. 5 (b), 6(a) and 6(b) (2)  (b) 50% (for AEO-T1) or 25% (for AEO-T2) of the	In terms of Circular no.33/2016-Customs dated 22 <sup>nd</sup> July 2016, as amended.

	(excluding importers mentioned at Sl. No. 3)	applicable bank guarantee or cash deposit specified at Sl. No. 4, 6(b)(1).	
5 (a)	Cases related to determination of origin under FTAs based on the reasonable belief that the matter involves mis-declaration of origin.	100%	In terms of Rule 5 or Rule 6(1)(b) of CAROTAR, 2020 (notification no. 81/2020 dated 21.08.2020)
5 (c)	Cases related to verification of signatures and seals under FTAs	100%	In terms of Rule 6(1)(a) of CAROTAR, 2020 (notification no. 81/2020 dated 21.08.2020)

3. With the above amendments, all class of importers, including Authorised Economic Operators (AEO) are required to furnish 100% of differential duty as a security if provisional assessment is requested by the importer when inquiry is initiated in terms of rule 5 or when verification is initiated in terms of rule 6(1)(a) or 6(1)(b) of CAROTAR, 2020.

4. It is requested that the officers under your charge be directed to follow revised guidelines vide amended Circular 38/2016-Customs dated 22.08.2016 while implementing CAROTAR, 2020.

5. Hindi version follows.

Yours faithfully

(Abhishek Kumar Sharma)  
Senior Technical Officer