

TAX ALERT

CUSTOMS UPDATE



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Newly inserted Section 18A of Customs Act, 1962 – Revision permitted post clearance

A. Executive Summary

The Central Board of Indirect Taxes and Customs have issued Notification No 70/2025-Customs (N.T.) dated 30 October 2025 introducing the Customs (Voluntary Revision of Entries Post Clearance) Regulations, 2025 (“**the Regulations**”). The Regulations seek to operationalize Section 18A of the Customs Act, 1962 (“**the Act**”) which allows the importer or exporters of goods to revise an entry even after customs clearance of goods. The Regulations have come into effect from 01 November 2025. Simultaneously, CBIC has issued Circular No.26/ 2025-Customs dated 31 Oct 2025 (“**the Circular**”) to provide additional guidelines and to explain the salient features of the Regulations.

As an important initiative towards Ease of Doing Business, Section 18A of the Act was inserted *vide* the Finance Act, 2025 explicitly to “**incentivize voluntary compliance.**” The newly inserted Section 18A empowers importers/ exporters to **voluntarily revise** their bills of entry, shipping Bills, bills of export or any entries relating to import/ export goods through post or courier, *after* customs clearance of goods. Section 18A also permits voluntary payment of additional customs duty and interest, as may be payable on a self-assessment basis or claiming a refund for any excess customs duty considered payable post such revision.

B. Summary of the Regulations

- **Application process:** An importer, exporter or authorized customs broker can file an *electronic* application for revision of entries. The application should be submitted on the portal at the port where the original duty was paid. Upon submission, the system will generate an Acknowledgement Reference Number (“**ARN**”). The application can be for “*revision of entries*” or for “*revision of entries cum refund*” (if the application includes at least one entry claiming a refund). A fee of Rs 1,000 has been prescribed for an electronic application *vide* Fees (Customs Documents) Amendments Regulations, 2025.
- **Self-assessment and duty payment:** The revision application will be considered as “self-assessment” and will be dealt as such. The applicant must pay any additional customs duty (if due after the revision), along with interest under Section 28AA of the Act, against the ARN. After payment, the system will issue a **Revised Entry Reference**, reflecting the updated duty assessment. No penal proceedings will be triggered for voluntary payments under the Regulations.
- **Risk screening and verification:** The revision applications will be subject to Risk Management System (RMS) checks. Under a risk-based approach, certain applications (especially those involving refunds) will be routed to a customs officer for verification. The officer may request the applicant to produce additional documents or information to verify the

revised assessment. If the self-assessment is found to be incorrect, the officer can reassess duty by issuing a reasoned (speaking) order in accordance with principles of natural justice.

- **Refund:** If the revised entries result in a refund situation, the revision application will be deemed to be an application for refund under Section 27, eliminating the need for a separate refund claim. The Circular clarifies that the date of ARN generation will be treated as the date of refund claim, fixing the “relevant date” for interest on delayed refunds. The customs officer will then process the refund, as prescribed under Section 27 of the Act.
- **Exclusions:** Revision application is *not permitted* in cases involving customs audit, search, seizure or investigation that may have begun and intimated to the applicant. Similarly, entries already reassessed under Sections 17, 18 or 84 of the Act cannot be revised again. Revisions are also not permitted for imports under certain schemes where a different revision/ amendment procedure is already prescribed e.g. for EPCG, Advance Authorization, etc. For this, CBIC has also issued Notification No 71/2025-Customs (N.T.) dated 30 October 2025.10.2025 seeking to exclude certain revisions from the purview of Section 18A of the Act.
- **Declaration:** The Circular requires applicants to furnish a self-declaration form in **Annexure I**, to confirm that the application does not fall under any of the prescribed exclusions.
- **Retention of documents:** The applicant is required to maintain for a period of five (5) years, all related documents pertaining to the revision application, including the declaration, supporting information, etc and the same can be requested by the customs officer in any future proceedings.

C. Conclusion

The Circular operationalizes the Section 18A regime, filling a long-standing gap in Customs law by allowing post-clearance corrections vide an electronic self-assessment process. This trust-based compliance measure is designed to reduce disputes and encourage importers/ exporters to proactively fix errors (or claim refunds) without waiting for departmental action. Stakeholders should take note of the scope and limits of this facility – including the strict timelines, documentation and exclusions, and update their compliance procedures/ SOPs accordingly.

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