

F. No. 450/67/2003-Cus IV
Government of India
Ministry of Finance
Department of Revenue
(Central Board of Indirect Taxes & Customs)

Room No-229A, North Block, New Delhi,
Dated the August 23.08.2022

To,

All Principal Chief Commissioners/ Chief Commissioners of Customs/ Customs
(Preventive) / Customs and Central Tax
All Principal Commissioners/ Commissioners of Customs / Customs (Prev.)
All Principal DGs/ DGs under CBIC

Madam/Sir,

**Subject: Simplification for procedure for compounding of offenses under
Customs Act, 1962 – regarding**

Reference is invited to Circular No. 54/2005-Customs dated 30.12.2005 on guidelines for compounding of offenses under Customs Act read with para 12 of the Circular 27/2015-Customs dated 23.10.2015. The Central Government has brought further changes in the Customs (Compounding of Offenses) Rules, 2005 vide Notification No.69/2022 Customs (N.T.) dated 22.08.2022.

2. The salient features of the amendment are as follows:

- i. Satisfaction of compounding authority has been limited only to verify and be satisfied that the full and true disclosure of facts has been made by the applicant;
- ii. The offense under section 135AA of the Customs Act has also been made compoundable. Further, the competent authority has been mandated to grant immunity when offense is only of this type.

3. While reviewing the provisions, a need was perceived to undertake awareness campaigns for conveying the benefits of compounding provisions which could enhance the use of such provision by concerned persons. Accordingly, Pr. Chief/Chief Commissioners are directed to undertake periodical (say, quarterly) comprehensive and targeted outreach programmes for this purpose.

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4. It has also been decided that Pr. DG, Director General & Data Management shall incorporate in the reporting, the performance of every Zone in terms of receipt and timely disposal within 6 months of compounding applications, as well as for recording of the sums realized as compounding amount, as envisaged in para 7 of the Circular No. 54/2015-Customs dated 30.12.2005.

5. The difficulty if any, in the implementation of the said rules may be brought to the notice of the Board.

Hindi version follows.

Yours faithfully,


23/8/2022

Manish Kumar Choudhary
Under Secretary (Cus.IV)