



**CUSTOMS (SUPPLEMENTARY NOTICE) REGULATIONS, 2019**  
**(Notification No.42/2019 – Customs (N.T.) dated 18<sup>th</sup> Jun '19)**

**28th Jun '19**

The Finance Act, 2018 had inserted provisions under the Customs Act, 1962 to provide for the issuance of a supplementary notice under circumstances and manner as may be prescribed. In this regard, the Customs (Supplementary Notice) Regulations, 2019 has been enacted that would be effective from 18<sup>th</sup> Jun '19.

**Applicability**

The said regulations shall apply to the notices issued:

- a. For recovery of duties or interest, not levied or not paid or short levied or short paid or erroneously refunded, for
  - Reasons other than collusion, suppression or wilful misstatement under section 28(1)(a) of the Customs Act, 1962,
  - Reasons of collusion, suppression or wilful misstatement under section 28(4) of the Customs Act, 1962, and
- b. For confiscation of goods under second proviso to section 124 of the Customs Act, 1962.

It can also be issued for those cases which have not been adjudicated on the date of enforcement of these regulations.

**Manner and circumstance under which supplementary notice (SN) may be issued**

Supplementary notice may be issued by the proper officer where notice u/s 28 or 124 of Customs Act, 1962, provided the same is issued within the time limit under such provisions i.e. 2 years or 5 years from the relevant date, respectively. SN can be issued under the following circumstances:



- (a) Cases where there is a difference in the quantum of duty demanded in such notice including case which may necessitate change in adjudicating authority;
- (b) For invoking penal action under the provisions of the Act against a person/persons in addition to those charged in such notice;
- (c) For invoking additional section/sections of the Act in such notice;
- (d) In case there is any additional evidence that may have a significant bearing on the outcome of the case.

*H&A comments: This regulation which allows the issue of a supplementary notice, the proper officers would be able to rectify or include, any material relating to the case including invoking additional provisions, rectifying the amount of duty demanded, etc. which was hitherto not possible after issue of the SCN. Further, this can also be issued for the notices that have not been adjudicated yet but within the time limit of issuance of the original notice i.e. 2 years or 5 years, as applicable.*

**Disclaimer:-** This material and the information contained herein prepared by Hiregange & Associates is intended for clients and other Chartered Accountants, to provide updates under GST and is not an exhaustive treatment of such subject. We are not, by means of this material, rendering any professional advice or services. It should not be relied upon as the sole basis for any decision which may affect you or your business.

Special thanks to Kenil Dharod for penning this article. For any further queries/comments please write to [kenil@hiregnage.com](mailto:kenil@hiregnage.com).

**Our Locations:** Bangalore | Hyderabad | Visakhapatnam | NCR (Gurgaon) | Mumbai | Pune | Chennai |

[www.hiregange.com](http://www.hiregange.com)