

**UNDERTAKING OF BENEFICIARY OF CUSTOMS DUTY EXEMPTION UNDER
ITEM 109 OF PART II OF THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT
FOR THE CONVEYANCE OF SCHOOL CHILDREN**

I, (full name of owner)

residing at (full address)

hereby certify that I am holder of Public Service Vehicle (Contract Bus) Licence no
..... issued by National Transport Authority (NTA) in respect of one
motor vehicle classified under Heading 87.02 (not more than 3 years old) cleared as per Bill of
Entry No..... of.....

*I am aware of the conditions regarding the exemption of duty I am presently benefiting under
Item 109 of Part II of the First Schedule to the Customs Tariff Act and of my obligations under
section 5 of the Customs Tariff Act (As per annexed sheet).**

I hereby undertake that before the lapse of the period of **four years as from the date of this
customs duty** exemption:

- (i) to forthwith notify the Director General in case I intend to sell, transfer, use or apply the
vehicle, other than in respect of which the exemption was granted and to pay the duty and
taxes in accordance with section 5 of the Customs Tariff Act.
- (ii) subject to the second paragraph of Item 109 of Part II of the First Schedule to the Customs
Tariff Act, not claim Customs duty exemption on another motor vehicle.

A recent passport size photograph of beneficiary should be affixed at the box below.

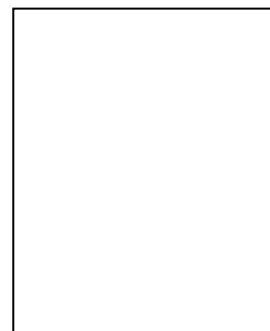
NID :

Tel No : Home

Mobile.....

Signature :

Date :



NB: The above declaration is to be signed by the beneficiary in presence of Customs Officer.

**The Motor Vehicle Corridor may be contacted for any further information/clarification on the above mentioned legal provisions.*

Section 5 of the Customs Tariff Act

5. When duty and taxes to be brought to account

- (1) This section shall apply where any goods, on which the whole or part of -
- (a) the duty under Part II or Part IIA of the First Schedule or any other enactment has been exempted;
 - (b) the excise duty under Part IA of the First Schedule to the Excise Act or any other enactment has been exempted; or
 - (c) the taxes under the Ninth Schedule to the Value Added Tax Act or under any other enactment have been exempted, and before the expiry of 3 years, in the case where the exemption is once every 3 years, or in any other case, before the expiry of 4 years from the date of the exemption -
 - (i) the goods are sold or transferred;
 - (ii) the goods are put to any use or applied to any object, other than that in respect of which the exemption was granted; or
 - (iii) there has been a breach of any of the conditions attached to the exemption.
- (2) The importer of the goods or any person who intends to sell, transfer, use or apply the goods, other than in respect of which the exemption was granted, or any person who may acquire or come into possession of the goods as a result of the sale or transfer, use or application, shall forthwith notify the Director-General of the fact, with such particulars as the Director-General may require, and, subject to subsection (3), pay the duty, excise duty and taxes in accordance with subsection (2A).
- (2A) (a) Where any goods are sold or transferred before the expiry of the 3-year period or 4-year period referred to in subsection (1) without breach of the notification referred to in subsection (2) or of any of the other conditions attached to the exemption, the duty, excise duty and taxes shall be computed proportionately by reference to any time remaining due out of the 3-year period or 4-year period, as the case may be.
- (aa) Notwithstanding subsections (1), (2) and (2A)(a), in the case of a motor vehicle or motorcycle purchased by an officer, or a beneficiary, in accordance with his entitlement, and transferred to his succession on his death, no duty, excise duty and taxes shall be claimed provided that the motor vehicle or motorcycle is not sold, transferred or disposed of within the time remaining due out of the 3-year period or 4-year period, as the case may be.
- (b) Subject to paragraph (a), where any goods to which subsection (1) applies -
- (i) are sold or transferred and there has been a breach of the notification referred to in subsection (2) or of any of the other conditions attached to the exemption; or
 - (ii) put to any use or applied to any object, other than that in respect of which the exemption was granted,
- the total amount of duty, excise duty and taxes which would have been payable, but for the exemption, shall become due and payable, together with a penalty not exceeding 50 per cent of the amount due and interest at the rate of 0.5 per cent per month or part of the month on the amount due from the time the goods have been exempted to the date of payment.
- (c) The Director-General shall compute the amount payable in accordance with paragraph(a) or (b) and issue, by registered post, to the person liable to pay the amount, a notice showing how the amount has been arrived at and the date by which the amount should be paid.
- (d) Where a person is dissatisfied with a notice under paragraph (c), the person may, within 28 days of the date of the notice, object to the notice in a form approved by the Director-General and send the form duly filled in to the Director-General by registered post.
- (e) Where a person makes an objection under paragraph (d), he shall specify in the form the detailed grounds of the objection.
- (f) Where it is proved to the satisfaction of the Director-General that, owing to illness or other reasonable cause, a person has been prevented from making an objection within the time limit specified in paragraph (d), the Director-General may consider the objection.
- (fa) Where the Director-General refuses to consider an objection made after the time limit specified in paragraph (d), he shall, within 28 days of the date of receipt of the letter of objection, give notice of the refusal to the person.
- (g) Any objection under this subsection shall be dealt with independently by an objection directorate set up by the Director-General for that purpose.
- (h) The burden of proving that the notice of the Director-General is incorrect, or what the notice should be, shall lie on the person.