Circular No. 4/2010-Customs

F.No.450/122/2009-Cus.IV

Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

North Block, New Delhi.
15th February, 2010.

To

All Chief Commissioners of Customs / Customs (Prev.).
All Chief Commissioners of Customs & Central Excise.
All Commissioners of Customs / Customs (Prev.).
All Commissioners of Customs & Central Excise
All Commissioners of Customs (Appeals)
All Commissioners of Customs & Central Excise (Appeals).

IndiaCode

Subject: Carriage of domestic cargo on international flights - regarding.

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Sir / Madam,

Reference is invited to the Board's Circular No.15/99-Customs dated 22.3.1999, whereby the facility of carriage of domestic cargo between domestic airports on international flights was extended to M/s. Air India. In this regard, the Board had received certain requests for providing such a facility by other private airlines also.

2. The Board had examined the matter in consultation with various Customs field formations. It was seen that initially when the facility was first extended, M/s. Air India was the only airline that was undertaking carriage of both international and domestic cargo. However, presently a number of other private airlines have also started providing such a service. Therefore, it was felt that the facility of carriage of domestic cargo in international flights between two domestic airports may be allowed to other private airlines as well, subject to fulfilment of certain safeguards so as to prevent any misuse.

3. In this regard, it is stated that the Board has decided to allow domestic private airlines as well as M/s. Air India and Indian Airlines, to carry domestic cargo between domestic airports on their international flights subject to the fulfilment of the following conditions:

(i) Separate space shall be assigned by the airlines or custodian in the cargo complex / area of the airport for receipt and storage of domestic cargo till these are delivered or dispatched.

(ii) Domestic cargo will be received by the airlines in the designated area during the normal working hours of Customs at the respective airport.

(iii) The containers/ Unit Load Devices (ULDs) used for carrying the domestic or international cargo shall be clearly marked or coloured or strapped, for its identification, distinction at the time of loading/ unloading, transportation.

(iv) Domestic tags shall be prepared for identification of the domestic cargo with separate colour coding.

(v) Loading or unloading of domestic cargo in any international flight/ aircraft shall be carried under the supervision of Customs officers.

(vi) Domestic and international cargo will be loaded separately, and shall be carried in hold area onboard the aircraft distinctly identifying these cargoes.

(vii) On arrival of the domestic cargo, at the destination airport, the airlines shall make necessary arrangements to deliver the domestic cargo.

(viii) In respect of transhipment of international cargo by airlines, they shall be required to execute necessary bond and bank guarantee as prescribed vide Circular No.78/2001-Customs dated 7.12.2001. Further, those persons who fulfill the threshold limit of annual transshipment volume specified shall be exempt from the requirement of furnishing bank guarantee as specified Circular No.45/2005-Customs dated 24.11.2005. Accordingly, no separate bond or bank guarantee shall be required in respect of domestic cargo. In addition, transshipment procedure as specified in Board's Circular No. 06/2007-Cus dated 22.01.2007 may be strictly adhered to.

4. In case of any violation of the conditions prescribed here above or by any other regulations providing for the manner in which the imported goods/ export goods shall be received, stored, delivered or otherwise handled in a customs area, necessary action may be taken against the person including withdrawal of the facility and imposition of penalty under the Handling of Cargo in Customs Areas Regulations, 2009.

5. In view of the above, the jurisdictional Commissioner of Customs are requested to implement the above said procedure, while permitting the facility of carriage of domestic cargo between domestic airports on international flights by private airlines as well as M/s Air India and Indian Airlines. Difficulties, if any, experienced while implementing the above matter may be taken up for appropriate action with the Board.

6. The Board's Circular No.15/1999-Customs dated 22.3.1999 stands superseded by the aforesaid Circular

7. The Commissioner of Customs may issue a Public Notice bringing the above to the notice of the trade and industry.

Yours faithfully,

(Navraj Goyal)
Under Secretary