Circular No. 63/97-Cus.
dated 21/11/97

F.No. 446/ 5/ 97- CUS.IV

Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs, New Delhi

Subject: 'Fast track Clearance' for goods imported by eligible importers.

Your kind attention is invited to the Board's circular letter F.No. 450/ 68/93- Cus. IV dated 10.6.94 prescribing a procedure for expeditious assessment and clearance of goods and Board's Circular F. No. 450/ 51/ 92-Cus.IV, dated 25.5.92 prescribing a self-assessment procedure for Government Departments, Public Sector Undertakings and other importers fulfilling certain conditions.

2. A review of the working of these procedures has revealed that on account of several factors many importers have not been able to avail of the procedures or have preferred to observe the usual procedure for reasons of their own. The procedure, as observed, has, however, been generally perceived to be restrictive in its application.

3. Taking note of the above perception and the representation of trade interests to liberalise the procedure further, it has been decided by the Board to introduce a 'Fast Track Clearance' scheme for certain identified categories of imports. The scheme would be available initially at the sea ports of Mumbai, Chennai, Calcutta, Cochin, Kandla, Nhava-sheva, Visakhapatnam and the air cargo complexes at Delhi, Sahar, Chennai Calcutta, Bangalore and ICD at Tughlakabad, Delhi. This scheme, apart from facilitating quick clearance of the goods imported by eligible importers, would have the way for redeployment of appraising staff in the more critical and sensitive areas.

4. The salient features of "Fast Track Clearance" scheme are as follows:-

A. **Categories of Eligible Importers :**

Only the following categories of importers would be eligible to avail of the scheme :

(i) Government Departments;
(ii) Public Sector Undertakings engaged in manufacture;
(iii) Units located in the various Export Processing Zones;
(iv) All 100% EOUs including units in HTP and STP;
(v) Central Government approved Research Institutions and Test Houses;
(vi) Top 20 importers in terms of their duty payment in major Custom House and top 5 importers of other customs formations;
(vii) Manufacturer - importer of electronic goods having investment of Rs. 30 crores and above.

Note : Major Custom House for this purpose would be - Seaports at Mumbai, Nhava-Sheva, Calcutta and Chennai and air cargo complexes at Sahar and Delhi and other Customs formations would be Kandla, Visakhapatnam, Cochin Ports, Chennai (Air Cargo), Cochin Bangalore (Air Cargo) and ICD at Tughlakabad.

Importers who have been found to be involved in any proven case of fraud, forgery or suppression of facts, are, however, Not
eligible to avail of the scheme.

B. **Goods not Covered under the Scheme :**

(I) Goods for which an import licence or the execution of a Bond and or Bank guarantee is required i.e. other than cases where an LUT is prescribed / is required under the EXIM Policy; and
(ii) Goods which are enumerated in the list at Annexure I to this letter, (which list may be amended from time to time) except when they are imported by importers covered under A(i) to A (v).

C. **Goods also Eligible for the Treatment Envisaged Under the Scheme**

The facility available under the scheme can also be extended to the following goods even when they are imported by any importer:

(i) Pulses
(ii) Bulk imports of sulphur, rock phosphate and coal
(iii) Fertilisers
(iv) Crude petroleum and petroleum products

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(v) All goods falling under Chapter 86 of the Customs Tariff Act, 1975

(vi) Project imports

D. **Pre-Availment Requirement**

(i) An importer desirous of availing of the scheme shall file an application (Annex.II) with the concerned Custom House and obtain a registration number.

(ii) An importer who has been extended the benefit of the scheme should maintain a minimum balance of Rs. 5 lakhs in his Personal Deposit Account (PDA/ C) as long as he avails of the scheme.

(iii) An importer desirous of availing of the scheme would also give an undertaking to the effect that he would be fully responsible for any error or mis-statement in relation to the declarations made of the goods imported under the scheme or any documents submitted and he agrees to pay short assessed or paid.

(iv) The importer shall submit, along with the Bill of Entry, the name and Telephone and Fax number of the Manager / Executive or authorised representative who can be contacted by the Special Group for query, if any, in connection with the import of the consignment.

E. **Assessment Procedure (Under the Manual System)**

In Custom Houses where the procedure of Fast Track Clearance is to be operated, a separate Section (other than existing appraising Groups) is to be created for dealing with Bills of Entry filed under this scheme.

A Bill of Entry filed under this Scheme shall be identified by placing a green colour bank and a stamped endorsement 'Fast Track Clearance' on the right hand corner of each copy of Bill of Entry. The Bill of Entry should be accompanied by all the required documents, The Bill of Entry will be noted by the Import Department and passed on to the Fast Track Clearance Section where the duty calculations and exchange rates will be checked by the comptist. The importers can proceed to pay duty on the basis of self-assessment of duty liability. At the time of duty payment he will submit all the original documents along with original Bill of Entry. An appraiser posted at the Cash Section specially for handling Bills of Entry filed under the scheme will give "Out of Charge" after satisfying that all the accompanying documents are relevant, are in original and are intact. He will also endorse all copies of the Bill of Entry before releasing the 'duplicate' and other copies to the importer. No scrutiny of the declared value or the classification of the goods would be done at this stage.

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F. **Examination**

In case of import of all eligible goods by the above mentioned categories of importers, the clearance of goods would be allowed without examination. The 'out of Charge' order would be endorsed by the Preventive Officer/ Inspector posted at the Gate through which the goods are removed form port or aircargo or ICD premises, after verifying that duty has been paid for the consignment, the 'out of charge' order has been signed by the authorised officer, the marks and numbers on the packages and the number of packages tally. He will also detach the duplicate copy of the Bill of Entry and forward at the end of the day all such Bills of Entry covered under the the scheme to the Special Group for post auditing Bills of entry covered under the Fast Track Clearance Scheme and ensure that the same reaches the group the same day or early next day.

G. **Post Clearance Checks**

The special group shall on receipt of original Bills of Entry with the accompanying documents, match the original with duplicate and check all the details of assessment including classification, eligibility to the exemption under notifications and valuation. This audit shall be completed within 48 hours of the clearance of the goods out of Customs control. In case any clarification is required, the matter will be examined by the same Group. They may also call for further documents from the party. In case any contravention of the Customs law and or non-fulfilment of the requirements of the Scheme is noticed, steps to recover the short levy and initiation of penal proceedings against the importers would be taken up by this Group. Where it is felf that a licence is required for the licit import of goods, and such a licence has not been produced by the importer, further proceedings in this regard would also be initiated by this group. Further, if any importer has, knowingly, indulged in any violation, he may be denied the benefits of this Scheme, after giving him due notice.

H. **Post Clearance Examination**

All the importers who intend to clear their goods under this scheme are required to declare on the B/ E the location of their factory / ware ware house where they intend to store the goods initially, after clearance for the next 3 days. In case any discrepancy is noticed by the Group, the Additional/ Deputy Commissioner incharge of the Group may given specific written instructions for examining the consignments in the Docks or in the premises where the goods are stored. Such examination may be assigned to SIIB or any special task force designated for this purpose by the Commissioner.

5. While the basic thrust of the Scheme is to provide clearance of imported goods with minimal scrutiny of documents and without physical examination exceptions may, however, be made in the following types of cases :

(i) Where there is a specific information or intelligence with regard to any consignment.
(ii) Where audit of the Bills of Entry relating to a previous consignment has revealed serious discrepancies and contraventions.

Besides, under the orders of the Commissioner of Customs, or if desired by the DRI or any other agency, a surprise check/ examination may be under taken. Surprise checks of this kind should have an element of randomness about the selection of the consignments and the parties.

6. The above scheme will come into effect from 1st January, 1998. Wide publicity may be given thorough Trade Notice and seminars/ interactive sessions may be held with the trade interests and the CHAs to explain the requirements and benefits of the Scheme. Officers and staff to be posted to the Group that would handle the work relating clearance /audit of the goods imported under the Scheme should be carefully selected and trained before the commencement of the Scheme. All applications for working under the Scheme should be acknowledged immediately on receipt and within 48 hours thereof the applicant should be informed whether he is eligible to work under the Scheme or not. Wherever any importer has been found to be eligible to work under the Scheme, a registration number should be allotted to him as illustrated : e.g. FTCS/ 9/ 97.

7. Commissioners may take special care and make proper preparation for the success of the Scheme. The Scheme would be run on pilot basis and would be reviewed after the same has been in operation for 6 months. Any difficulty experienced may be immediately brought to the notice of the Board.

Sd /-
(S.C. Choudhury)
Director (Customs)

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Annexure 1

S.No.	Product Description	Chapter / CTH No.
1.	Dry Fruits	8
2.	Marble	2515.11 & 2515.12
3.	Ash/ Dross (Zinc, lead & copper)	26.20
4.	Titanium Dioxide	28.23
5.	Polymers of ethlene, in primary forms (LDPE, HDPE etc)	39.01
6.	Polypropylene	3902.01
7.	Polymers of styrene, in primary forms	39.03
8.	Polyvinyl Chloride	3904.10
9.	Fibres, Yarns, Fabrics including lining materials, Umbrella panels and ready made garments	50-56, 58-63
10.	Flat rolled products of iron or non-alloy steel, alloy steel, stainless steel-coated / uncoated	72
11.	Second hand machinery	84
12.	Bearings (including parts)	84.82
13.	Air conditioners	84.15
14.	Electrical motors	85.01
15.	Generating Sets	85.02
16.	Diesel Engines	84.08
17.	Electronic items-ICs-Diodes, Tran-sistors, Capacitors, Resisters, PCBs,	85

	LED, Parts of Computer, Floppy Discs	
18	Motor Vehicle Parts	87
19	Buttons, Zip Fastners and Snap fastners	96.06 & 96.07
20.	All types of waste/ seconds/ scrap defective / stock-lot/ re-processed iems	39, 40, 47, 51, 72, 74, 75, 76, 78, 79, 80, 81, 85.

Annexure II

Application for Registration to work under the Fast Track Clearance System.

1. Name of the Importer :

2.

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