Circular No.1/2009-Customs

F. No. 450/151/2008-Cus.IV

Government of India

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

North Block, New Delhi.
13th January, 2009.

Subject: Examination norms for goods exported under Reward Schemes- reg.

Sir / Madam,

Reference is invited to the Board's Circular No.6/2002-Customs dated 23.1.2002 as amended vide Circular No.13/2003-Customs dated 3.3.2003 and Circular No.30/2003-Customs dated 4.4.2003 laying down the examination norms for export of goods under different export promotion schemes. As may be seen under Para 2.1(B) of Circular No.6/2002-Customs, the scale of examination of export goods in respect of exports under Free Shipping Bills, for which no benefits / export incentives are claimed, has been prescribed as "no examination except where there is a specific intelligence".

2. Subsequently, it has been noticed that in respect of some Export Promotion Schemes, export incentives are available even against Free Shipping Bills such as Export and Trading House Status, Served from India Scheme (SFIS), Vishesh Krishi and Gram Udyog Yojana (VKGUY), Focus Market Scheme (FMS), Focus Product Scheme (FPS), High-Tech Products Export Promotion Scheme (HTPEPS) etc.

3. The matter was examined in consultation with Director General of Foreign Trade (DGFT) and Ministry of Commerce and it was decided that the exporters who want to claim incentives under any of the aforementioned schemes should make their intention clear to claim such benefits at the time of export itself. Accordingly, it has been provided under Para 3.23.8 of the FTP 2008-09 that the exporter shall state the intention to claim benefits under Chapter 3 of the FTP by declaring on the Free Shipping Bills as under:

'I/We, hereby, declare that I/We shall claim the benefits, as admissible, under Chapter 3 of FTP.'

4. Therefore, it has been decided that exports made on Free Shipping Bills, where the exporter is claiming benefits of only Schemes under Chapter 3 of FTP as explained above, shall be governed by the following examination norms:

S.No.	Category of Exports	Scale of Examination	
		Export consignments shipped to sensitive places viz. Dubai, Sharjah, Singapore, Hong Kong and Colombo	**Others**
(i)	Exports under Free Shipping Bills where benefits under Chapter 3 of the FTP have been claimed by the Exporter and where the FOB value is Rs.20 lakhs or less	25%	2%
(ii)	Exports under Free Shipping Bills where benefits under Chapter 3 of the FTP have been claimed by the Exporter and where the FOB value is more than Rs.20 lakhs.	50%	10%

5. However, if the export is made claiming benefits of Drawback / DEPB or any other export promotion scheme in addition to claiming benefits under any Schemes of Chapter 3 of FTP, then the examination norms as prescribed by the Board for the respective export promotion schemes would apply.

6. If the exports are made on free shipping bill without any declaration of any claim under Chapter 3 of FTP, the existing norms of "no examination except where there is specific intelligence" would continue to apply.

7. The relevant portions of Circular No.6/2002-Cus. dated 23.1.2002 stand amended as stated above. The revised examination norms under the Reward Schemes will be implemented w.e.f. 1.2.2009.

8. These instructions may be brought to the notice of all concerned by way of issuance of suitable Public Notices/Standing Orders.

9. Difficulties, if any, in the implementation of these instructions may be brought to the notice of the Board.

10. Hindi version will follow.

Yours faithfully,

(M.M. Parthiban)
Director (Customs)

IV Circular No. 90/98- Customs

IV dated 8/12/1998

F.No. 450/ 126/ 98- CUS.

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise & Customs, New Delhi

Subject: Simplification in procedure for movement of export goods from factories, 100% EOUs/EPZs etc. on the basis of self certification and reduced percentage of Physical examination - reg.

2. Reduction in percentage of Physical Examination of Export Cargo.

Ref : F.No. 446/ 42/ 91- Cus. IV dated 6-8-91.

I am directed to refer to representations made by various Associations and the commitment by the Government in the Parliament for extending the benefit of self-certification to the exporters having clean track record. In the light of the above, the the following further orders are issued:

1. It has been decided vide Circular No. 426/ 59/98-CX.6 date 12-10-98, that the manufacturer exporters of specified turnover would be permitted clearance of goods on the basis of self -certification. In order to allow removal of export goods from the factories on the basis of self certification, a second proviso has been added to Rule 187-A of the Central Excise Rules 1944 vide Notification No. 36/98-CX (NT) dated 2.9.98 providing for sealing of packages or containers by the units themselves who pay duty of Rs. 10 crores and above or are accorded SSTH or STH status etc.

2. If an exporter opt for clearance under self-certification, the export goods and containers may be allowed to be moved from the manufacturer's premises after sealing by the exporter himself. In case of containers, the exporters shall seal it with tamper proof bottle seals and in case of movement by Bonded Trucks, the truck shall also be sealed by tamper-proof bottle seals. The exporter has to declare the number of bottle seals on all the documents and make an endorsement on the back of the packing list and invoice which will be attached to the S/B to be filed at the gateway ports; "I have examined the goods and the same are found to be as per the declaration. The goods are stuffed in the container and the container was sealed with sealed with bottle seal under my supervision. The seal number is _____ . I under take full responsibility for any difference in description, quality or quantity of the goods".

3. At the Gateway Port, for self-certification units, routine exannuation should be dispensed with. Only one out of 5 containers would be opened for visual inspection of the content. Thereafter from each opened container minimum of two packages and maximum of 5% packages may be examined. The Commissioner, after experience of now year may reduce this examination, with order in writing separately, for each exporter.

4. If the exporters so request, the goods can be examined at the factory of manufacture, ICD / CFS, Warehouses notified under Circular No. 422/55/98-CX dt. 21.8.98 and other places where Commissioner may be Special Order permit. The goods can be examined and containers can be stuffed and sealed at such places by the officers of Customs and Central Excise. In case of exports in the container, the container should be bottle sealed or lead sealed. In case of export through Bonded Trucks the truck should be similarly bottle sealed or lead sealed. In case of export by ordinary trucks/ other means, all packages are required to be lead sealed.

5. After examination and sealing of the containers the same can be transported through Gateway Port/ Airport /ICD/ CFS by road or rail or to foreign destination through land route.

6. Wherever it is required, samples may be drawn as per existing percent age/ guidelines.

7. In modification of Board's F.No. 446/4291-CUS.IV dated 6-8-91, the following percentage of examination may be adopted at the
Port of Export.

(a) the goods shipped under Free Shipping Bill only 10% of the consignment be selected at random.

(b) The goods belonging to SSTH /STH / TH / EH/ Government Departments/ Public Sector Undertaking whether they are covered under free Shipping Bill or under DBK, DEC, DEPB, EPCG Schemes only 10% of their, Shipping Bills may be examined provided the estimated incentives involved in each Shipping Bill is less than Rs. 1,00,000/- (one lakh)

(c) In case of DBK/ DEC/ DEPB Shipping Bills where the incentives in individual consignment is up to one lakh, but if this Sipping Bill belongs to the exports other than (b) above, 50% of the consignments would be taken up for physical examination.

(d) Where the estimated incentives in above Rs. 1,00,000 /- all such consignments should be examined.

8. In all of the cases above, a minimum of two packages from the consignments and maximum of 5% of the packages shall be examined. The Asstt. Commissioner or Deputy Commissioner or AO shall select the packages on random basis either manually or with the help of E.D.I.

9. Consequent upon the amendment, in Manufacture and other operations in Warehouse Regulation, 1988, vide Notn. No. 44/98- Cus. Dated 2.7.98, the Supervision of Customs Officer for manufacturing of goods in an EOU / EPZ / EHTP unit is no longer compulsory. Therefore, in all the 100% EOUs where the duty of excise on the export product and DTA sale to gather is estimated to be above rupees 10 crores per annum, the unit would be eligible to Self - certification of their consignments and their consignments can be examined in the docks in the same manner as other self-certified containers as given in Para 3.

10. A new Scheme for clearance of goods intended for storage in warehouse and export therefrom has been framed under Notn. No. 26/98-CE(NT) dt. 15.7.98 and the procedure for the same has been vide No. 422/55/98-CX dt. 21.9.98. The goods from such warehouses could also be treated as Departmentally sealed cargo, if they are sealed by the officers of Customs and Central Excise. If the goods are cleared sealed under self-certification, they would be treated as per para 6 above, provided the duty involved in value of clearance from such warehouses is more than Rs. 20 Crores during last one year.

11. It is reiterated that wherever the goods are examined and sealed by the officers of Customs/ Central Excise at the place of dispatch, it shall not be further examined at the place of export by the officers of customs. The sealing of containerised at the factory or warehouses would be treated as the same as the sealed cargo for the purpose of this examination. The sealed containers would not be opened or checked at the point of export unless the seals are found tampered with or there is specific intelligence the orders from the Assistant Commissioner, giving the reason may be obtained before examining the said container/ Consignment.

12. Difficulty if any, in implementation of the procedure, may kindly be brought to the notice of the Board.

The procedure may brought to the notice of the trade as well as the Departmental officers by way of issuing suitable Public Notice and Standing Orders.

Sd/-
(Vijay Kumar)
Under Secretary to the Government of India

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Circular No.6/2002-Cus.
23rd January, 2002

F.No.450/126/98-Cus.IV
Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Excise & Customs

Subject: Examination norms for export goods at port of export - reg. -

I am directed to refer to Circular No.90/98-Cus.IV dated the 8th December, 1998 as amended, wherein a procedure for clearance of export goods from factories on the basis of self-certification and scale of physical examination at port of export was prescribed. Since then several references have been received from the trade and industry, seeking reduction in percentage examination of export consignments for faster clearance of cargo. The matter was considered by the Export Promotion Board (EPB), and EPB had recommended that in case of exports where the duty benefit is above Rs. 1 lakh, 10% shipments should be checked on a random basis, and in cases where the duty benefit is below Rs.1 lakh, only surprise checks should be resorted to.

2. The proposals received in this regard have been carefully examined by the Government, and pursuant to this examination, it has been decided to revise the examination norms keeping in view the quantum of incentive, value of export goods, the country of destination etc. As such, the following decisions have been taken :

2.1 The scale of physical examination of various categories of exports at the port of export shall be as follows:

A. **Factory Stuffed Export Cargo:**

Category of Exports	Scale of Examination
Export goods stuffed and sealed in the presence of the Customs/Central Excise officers at the factories of manufacture, ICD/CFS, notified warehouses and other places where the Commissioner has, by a special order, permitted examination of goods for export.	No examination except (a) where the seals are found tampered with; or (b) there is specific intelligence in which case, permission of Deputy/Assistant Commissioner would be required before checking.

B. Export under Free Shipping Bills:

Category of Exports	Scale of Examination
Exports under Free Shipping Bills i.e. where there is no export incentive	No examination except where there is a specific intelligence.

C. **Export under Drawback/DEPB Schemes :**

S.No.	Category of Exports	Scale of Examination	
		Export consignments shipped to sensitive places viz. Dubai, Sharjah, Singapore, Hong Kong and Colombo	Others
(i)	Consignments where the amount of drawback/DEPB involved is Rs.1lakh or less	25%	2%
(ii)	Consignments where the amount of drawback/DEPB involved is more than Rs.1 lakh	50%	10%

D. Export under EPCG/DEEC Schemes :

.No.	Category of Exports	Scale of Examination	
		Export consignments shipped to sensitive places viz. Dubai, Sharjah, Singapore, Hong Kong and Colombo	Othe
)	Consignments where the FOB value is Rs.5 lakh or less	25%	2%
i)	Consignments where the FOB value is more than Rs.5 lakh	50%	10%

2.2 In all cases referred to above, in respect of consignments selected for examination, a minimum of two packages with a maximum of 5% of packages (subject to a maximum of 20 packages from a consignment) shall be opened up for examination. The package number to be opened for examination will be selected by the system.

2.3 It is to be ensured that exporters do not split up consignments so as to fall within the lower examination norms. Therefore, wherever on the same day the same exporter attempts to export a consignment (other than free shipping bills) involving export incentive of Rs.1 lakh or less (Drawback/DEPB) or in other cases having the FOB value upto Rs.5 lakh to the same country, the system would alert the examining officer that this is second shipment of the same exporter. The examining officer can then decide whether to subject the second consignment for examination or not. In case the buyer in both or more consignments happens to be the same person, subsequent consignments should be examined.

2.4 It may also be noted that after the goods have been presented for registration to Customs and determination has been made whether or not to examine the goods, no amendments in the normal course are expected. However, in case an exporter wishes to change any of the critical parameters resulting in change of value, DBK, DEPB credit, port etc. such consignment should be subjected to examination.

2.5 Notwithstanding anything contained above, any export consignment can be examined by the Customs (even upto 100% examination), if there is any specific intelligence in respect of the said consignment. Further, to test the compliance by trade, once in three months a higher percentage of consignments (say for example, all the first 50 consignments or a batch of consecutive 100 consignments presented for examination in a particular day) would be taken up for examination. Out of the consignments selected for examination a minimum of two packages with a maximum of 5% of packages (subject to a maximum of 20 packages from a consignment) would be taken up for checking/examination.

3. In the case of export goods which are stuffed and sealed in the presence of Customs/Central Excise officers at the factory of manufacture, ICD/CFS, warehouses and other places where the Commissioner has, by a special order, permitted, it may be ensured that the containers are bottle sealed or lead sealed. In case of export through bonded trucks, the truck should be similarly bottle sealed or lead sealed. In case of export by ordinary truck/other means, all the packages are required to be lead sealed. In the case of goods examined by central excise/Custom officers and sealed and stuffed under their supervision at a factory or in an approved warehouse, the consignments shall be accompanied by an examination report in the form annexed (Annexure).

4. The Circular No.90/98-Cus., dated the 8th December, 1998 stands rescinded. Likewise, the Green Channel facility being allowed in some Custom Houses shall be discontinued.

5. These instructions may be brought to the notice of all concerned by way of issuance of suitable Public Notice/Standing Orders.

6. Difficulties, if any in implementation of these instructions, may be brought to the notice of the Board. Kindly acknowledge receipt of this Circular.

ANNEXURE C1

OFFICE OF THE SUPERINTENDENT OF CENTRAL EXCISE

.....	DIVISION ..... .
ONERATE	

.....		
	Date	Shi Bil No

EXAMINATION REPORT FOR FACTORY SEALED PACKAGES/CONTAINER

	Name of Exporter	:		
	a)	IEC No.	:	
	b)	Branch Code	:	
	c)	BIN (PAN based Business Identification Number of the exporter	:	
	Name of the manufacturer (if different from the exporter)	:		
	Factory address	:		
	Date of examination	:		
	Name & designation of the examining officer-Inspector/EO/PO	:		
	Name & designation of the supervising officer-Appraiser/Superintendent	:		
	(a)	Name of Commissionerate/Division/Range	:	
	(b)	Location Code**	:	
	Particulars of export Invoice			
	(a)	Export Invoice No.	:	
	(b)	Total No. of packages	:	
	(c)	Name and address of the consignee abroad	:	
0.	(a)	Is the description of the goods, the quantity and their value as per particulars furnished in the export invoice? :	:	Yes/N
	(b)	Whether sample is drawn for being forwarded to Port of export?	:	Yes/N
	(c)	If yes, the number of the seal of the package containing the sample	:	
1.	Central Excise/Customs Seal Nos.			
	(a)	For Non-containeraised cargo Seal Nos. No. of packages	:	

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	(b)	For Containerised Cargo	

ontainer Number	Size	Seal No.	No. of Packages stuffed in container
)	(2)	(3)	(4)

IGNATURE OF EXPORTER	SIGNATURE OF INSPECTOR/EXAMINER	SIGNATURE OF APPRAISER/ SUPERINTENDENT
AME_____	NAME_____	NAME_____
ESIGNATION_____	DESIGNATION _____	DESIGNATION _____

STAMP		STAMP		STAMP	

Note:

1. Invoice(s) and any other document accompanying this document should be attested by the officer supervising the examination.
2. *To be filled in by the exporter before filing of this document at the time goods registration" in the export shed.
3. **Revised 6 digit code as assigned by the Directorate of S&I, XXYYZZ

   XX Commissionerate
   YY Division
   ZZ Range

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Circular No.31/2002-Cus.
7th June, 2002

F.No.450/126/98-Cus.IV
Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Excise & Customs

Subject: Examination norms for export goods - Clarification - reg. -

I am directed to refer to Circular No.6/2002-Cus., dated 23.1.2002 on the above mentioned subject. In this connection, a number of references has been received from the trade, seeking clarification as to whether the facility for removal of export goods from the factories on the basis of self-certification and self-sealing has been withdrawn vide the said Circular.

2. The matter has been examined. The Circular No.90/98-Cus., dated 8.12.1998 [which has now been rescinded vide Circular No.6/2002-Cus., dated 23.1.2002] had provided a procedure, as also norms for examination of self-sealed containers at the port of export. In terms of this Circular, out of 5 self-sealed containers brought for export, only one was to be examined. Under Circular No.6/2002-Cus., dated 23.1.2002, examination percentage has been drastically reduced for all categories of export goods. The maximum examination percentage for export goods under the new Circular (except for exports to sensitive countries) is 10%, which is lower than that prescribed for self-sealed containers under the Circular No.90/98-Cus., dated 8.12.1998. Therefore, it was felt that no useful purpose would be served by retaining the provisions of Circular No.90/98-Cus., dated 8.12.1998 as applicable to self-sealed containers in the Circular No.6/2002-Cus., dated 23.1.2002. However, the exporters can still avail of the facility of removal of export goods from the factories on the basis of self-certification and self-sealing; but these shall be examined at the port of export on the basis of examination norms prescribed under Circular No.6/2002-Cus., dated 23.1.2002.

3. These instructions may be brought to the notice of all concerned by way of issuance of suitable Public Notice/Standing Orders.

4. Difficulties, if any in implementation of these instructions, may be brought to the notice of the Board. Kindly acknowledge receipt of this Circular.

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Circular No.13 /2003-Cus.
3rd March, 2003

F.No. 450/126/98-Cus.IV
Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Excise & Customs

Subject: Examination norms for export goods at port of export for exports by EOUs and units in SEZs- reg.

I am directed to refer to the Board's Circular No. 6/2002-Cus. dated 23/1/2002 on the above-mentioned subject. In this connection, representations have been received by the Board as to what would be the examination norms for exports by EOUs and units in SEZs. It has been pointed out that such exports are undertaken under the Free Shipping Bills, but certain export incentives are available to them.

2. The matter has been examined and it is clarified that exports by EOUs and units in SEZs shall be governed by examination norms, as applicable for EPCG/DEEC schemes, prescribed in para 2.1 (D) of the Circular No. 6/2002-Cus. dated 23.1.2002. However, if the export consignment of EOUs or SEZs unit has been sealed by Customs/Central Excise Officer, the norms at para 2.1 (A) of the said Circular will apply. The norms prescribed in para 2.1(B) of the said Circular for exports under 'free shipping bill' is applicable to only those exports which are not under any export promotion scheme.

3. These instructions may be brought to the notice of all concerned by way of issuance of suitable Public Notices/Standing Orders.

4. Difficulties, if any, in the implementation of these instructions may be brought to the notice of the Board. Kindly acknowledge receipt of this Circular.

D.S. Garbyal
Under Secretary to the Govt. of India

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