**Circular No. 40/97-Cus.**
**dated 19/9/97**

**F.No. 450/86/ 92 - Cus. IV**

Government of India
Ministry of Finance
(Department of Revenue)
(Central Board of Excise & Customs), New Delhi

**Subject :** Relaxation in customs procedures in case of vessels carrying coastal goods exclusively Regarding.

I am directed to refer notification 43/ 97-Customs (N.T.) dated 11th September, 1997 issued under Sec. 98A of the Customs Act, 1962 to exempt vessels from the provisions of Section 92, 93, 94, 97, & 98 (1) of the said Act.

2. The relaxations are applicable to the vessels which exclusively carry coastal goods and ply as coastal vessels. It will not be applicable for vessels which convert the status from foreign run to coastal run & *vico versa.* The loading & unloading operation by coastal vessels must take place at separate & exclusive berths in the ports where both coastal and foreign traffic is handled. The provisions of Section 95, 96 & 98 (2) will also remain operative in case of such vessels. In terms of section 95, the master of vessels is required to maintain "advice book" and the proper officer of customs can inspect the book and make entries as deemed fit, relating to goods loaded at the port.

In terms of section 96 the coastal goods can only be loaded or unloaded at places notified under section 7 of the Customs Act, 1962. In terms of section 98 (2), the provision contained in section 37 & 38 are applicable for coastal goods as applicable to vessels carrying import and export goods.

Accordingly, the Customs Officers would continue to have powers to board any vessels carrying coastal goods and can require the person incharge of Vessels to produce any documents & to answer any question. They should devise selective checks of coastal vessels, at random both at the ports, of loading and unloading so that there is effective check and the impression that the department has abdicated its responsibility, does not gain ground.

The light dues charges leviable on such coastal vessels may be collected by the customs till alternate arrangements are made by Ministry of Surface Transport.

In case of the vessels which change their status from foreign to coastal or vice versa, the existing provisions contained under Chapter XII of the Customs Act, 1962 shall continue to be operative. The difficulty if any in implementation of the new changes may kindly be brought to the notice of Board.

The required standing order & public notice may kindly be issued.

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