Circular No. 19 /2011-Customs

F.No.450/29/2011-Cus-IV
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

227-B, North Block,
New Delhi-110001.
15th April, 2011.

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 (Appeals).
All Commissioners of Customs & Central Excise.
All Commissioners of Customs & Central Excise (Appeals).

IndiaCode

Subject: **Compliance of DGFT Notification No. 44 (RE-2000)/1997-2002 dated 24.11.2000 - Labeling of goods in bond prior to Ex-bond clearance - regarding.**

*****

Sir / Madam,

Representations have been received about difficulties being faced by importers in carrying out labeling of certain commodities which are small sized and sensitive to heat and dust in CFSs prior to clearance of the same under the provisions of DGFT Notification No.44 (RE-2000)/1997-2002 dated 24.11.2000. The problem is further compounded due to shortage of space in various CFSs. It has been represented that importers should be allowed to carry out the labeling activities as mandated under DGFT Notification No.44 (RE-2000)/1997-2002 dated 24.11.2000 in the warehouse before the clearance of the goods by the proper officer of Customs for home consumption.

2. DGFT Notification No.44 (RE-2000)/1997-2002 dated 24.11.2000 provides for labeling of the goods imported into India which are covered by the provisions of 'Standards of Weights & Measures (Packaged Commodities) Rules, 1977'. This Notification mandates that compliance of labeling conditions have to be ensured before the import consignment of such commodities are cleared by Customs for home consumption.

3. The matter has been examined in the Board. In order to redress the issue and to remove the difficulties faced by importers on account of space constraints at CFSs/ Port /

ICDs and the nature of goods, etc., it has been decided to extend the facility of labeling on imported goods in Bonded warehouses subject to certain procedural conditions.

4. In this regard, it is clarified that the importers should first ascertain that for such marking / labeling facility, space, is available in warehouse prior to exercising this option. In such cases, importers may file Warehousing Bill of Entry. The assessing group will give suitable directions to Dock staff to allow bonding of the goods without labeling and with endorsement on the Warehousing Bill of Entry that verification of compliance of DGFT Notification No.44 (RE-2000)/1997-2002 is to be done prior to de-bonding by Bond Superintendent. The goods will be labeled in the bonded premises and compliance of DGFT Notification No.44 (RE-2000)/1997-2002 will be ensured at the time of ex-bonding of the goods, by the Bond Officer, by examining the goods again and endorsing the Examination Report on the Ex-bond Bill of Entry. It is provided that 100% examination at the time of Ex-bond clearance of goods should be done to ensure compliance of DGFT Notification No. 44 (RE-2000)/1997-2002. The Examination Report can be endorsed on hard copy of Ex-bond Bill of Entry where EDI facility is not extended, and on hard copy as well as EDI system where EDI facility is extended to Bonded Warehouses. It is also clarified that this facility is applicable only to goods that cannot be easily labeled in ports / CFS, having regard to their size and other factors such as sensitivity to temperature and dust.

5. Further, as the activity of labeling and re-labeling including declaration of Retail Sale Price (RSP) on goods amounts to manufacture in terms of section 2(f) of the Central Excise Act, 1944, if the same is carried out on goods warehoused, it would be considered as manufacturing operations having been undertaken in bond / warehouse and accordingly, the provisions of 'Manufacture and Other Operations in Warehouse Regulations, 1966' would apply on those goods. Importers can, therefore, avail the facility of carrying out labeling in warehouse after following above procedure and the provisions of 'Manufacture and Other Operations in Warehouse Regulations, 1966'.

6. Suitable trade notice / standing order may be issued to guide the trade and industry in this regard.

7. Difficulty faced, if any, in implementation of these instructions may be brought to the notice of the Board immediately.

Yours faithfully,

(R. P. Singh)
Director (Customs)