Special Economic Zones (Customs Procedures) Regulations, 2003

Notification No. 53/2003-Customs (N.T.) dated 22-07-2003

Amended by: 65/2003-Customs (N.T.), dated 14-08-2003
87/2003-Customs (N.T.), dated 14-10-2003
108/2003- Customs (N.T.), dated 29-11-2003
119/2003- Customs (N.T.), dated 31-12-2003
27/2004 - Customs (N.T.), dated 28-02-2004
48/2004 - Customs (N.T.), dated 31-03-2004
59/2004 - Customs (N.T.), dated 30-04-2004
62/2004 - Customs (N.T.), dated 11-05-2004

1. Short title, extent and commencement.-

(1) These regulations may be called the Special Economic Zones (Customs Procedures) Regulations, 2003.

(2) It extends to the whole of India.

(3) They shall come into force on 11th day of May, 2004.

2. Definitions.-

In these regulations, unless the context otherwise requires, -

(a) "Act" means the Customs Act, 1962 (52 of 1962);

(b) "Board" means the Board defined under clause (6) of section 2 of the Act;

(c) "Board of Approvals" means the combined Board of Approvals for export oriented unit and special economic zone units, as notified in the Official Gazette, from time to time, by the Government of India in the Ministry of Commerce and Industry;

(d) "custodian" means any person approved by the Commissioner of Customs under section 45 of the Act for the custody of imported goods unloaded in the customs area;

(e) "Development Commissioner" means the Development Commissioner of the concerned special economic zone;

(f) " developer" means a person engaged in development, or operation, or maintenance of zone or in providing public utility services within the special economic zone, duly approved by the Board of Approvals and includes any other person authorised by the developer for such purpose;

(g) "Export and Import Policy " means the Export and Import Policy, notified from time to time, in the Official Gazette by the Government of India in the Ministry of Commerce and Industry under section 5 of the Foreign Trade (Development and Regulations) Act, 1992 (22 of 1992);

(h) "export oriented undertaking" means an undertaking which has been approved as a hundred per cent. export oriented undertaking by the Board of Approvals;

(i) "Electronic Hardware Technology Park" means the "Electronic Hardware Technology Park Scheme notified by the Government of India in the Ministry of Commerce, and approved by the Inter-Ministerial Standing Committee appointed by notification of the Government of India in the Ministry of Industry (Department of Industrial Development);

(j) "Manufacturer Exporter" shall have the same meaning as defined in the Export and Import Policy.

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(k) "Nominated Agencies" means the Metals and Minerals Trading Corporation Limited, the Handicraft and Handloom Export Corporation, the State Trading Corporation, the Projects and Equipment of India Limited and any other agency authorized by the Reserve Bank of India;

(l) "self certification" means the certification regarding sealing of container or package of goods under export given by the zone unit and includes the certificate regarding contents and sealing of the container or package, given by the owner, the working partner, the Managing Director or Company Secretary of the said unit or any person, (holding a high position in such zone unit, authorised by such owner, working partner or the Board of Directors of such unit (m), as the case may be, on the copies of shipping bill, which indicates that such package or container in respect of goods under export have been sealed in his presence;

(m) "Software Technology Park Scheme" means Software Technology Park Scheme notified by the Government of India in the Ministry of Commerce, and approved by the Inter-Ministerial Standing Committee appointed by notification of Government of India in the Ministry of Industry (Department of Industrial Development);

(n) "status holder" shall have the same meaning as defined in the Export and Import Policy;

(o) "zone" means a special economic zone specified by the Central Government under section 76 A of the Act;

(nn) " Unit Approval Committee", in respect of a special economic zone means a committee set up for the special economic zone as notified in the Official Gazette by the Central Government in the Ministry of Commerce and Industry;

(p) "zone unit" means a special economic zone unit of business establishment set up in the processing area of the zone for carrying out authorised operations only;

(q) Words and expressions used herein and not defined, but defined in the Act or Rules made there under, shall have the meanings respectively assigned to them in the Act or the rules.

3. Setting up of unit in the zone.-

(1) A zone unit may be set up for the purposes of carrying out authorised operations;

(2) The Letter of Permission for setting up of zone unit shall be issued by the Development Commissioner;

(3) Each zone unit shall have separate establishment distinct and identifiable or distinct and partitioned, from other zone unit.

4. Import of goods by the zone unit.-

(1) The zone unit may import goods required for carrying its authorised operations or for the purposes of setting up the unit, through-

(a) ports or airports;

(b) land customs stations;

(c) inland container depots;

(d) foreign post offices;

(e) authorised courier;

(2) The goods may also be procured from public bonded warehouse or private bonded warehouse or international exhibition held in India.

(3) In case of software, imports shall also be allowed through data communication link, internet, e-mail or any other electronic mode.

(4) For clearance of imported goods at all ports, airports, land customs stations, inland container depots, the zone unit or developer, as the case may be, shall be required to follow the procedures, namely:-

(i) the zone unit or developer, as the case may be, shall file a bill of entry for home consumption in quintuplicate giving therein, complete description, model, make, specifications, purpose of import of goods such as trading, manufacturing, nature of goods such as capital goods, raw materials, spares, consumables, with specially stamped endorsement as " special economic zone cargo" alongwith bill of lading or airway bill, a invoice, packing list and purchase order or contract for noting of the bill of Entry in the zone;

(ii) the bill of entry shall be assessed by the Custom officers in the zone;

(iii) the assessed bill of entry shall be submitted to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, (hereinafter referred to as proper officer) at the place of import such as port, airport, land customs station, inland container depot, and the same shall be treated as permission for transfer of goods to the zone;

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(iv) in case of sealed full container load (FCL) container, the goods shall be transferred to the zone on the basis of assessed bill of entry after verification of the seal, without customs escorts;

(v) in case of other cargo, the goods shall be allowed to be transferred to the zone on the basis of assessed bill of entry either under customs escort or under transshipment procedure, depending on the option made by the zone unit; and for such transshipment, no separate documents shall be required to be filed and the transshipment permission shall be stamped on the fifth copy of the bill of entry;

(vi) on arrival of the goods in the zone, the goods shall be subjected to verification of seal in case of full container load container or verification of marks and numbers of packages in other case and after such verification, if in order, such goods received shall be allowed admission in the zone;

(vii) the zone unit shall submit fifth copy of bill of entry bearing endorsement of the Customs officers in the zone that the goods have been received in the zone, to the proper officer in charge of the airport, port, inland container deport, land customs station, post office, public or private bonded warehouse, as the case may be, within a period of forty-five days from the date of clearance of goods from such airport, port, inland container deport, land customs station, post office, public or private bonded warehouse, as the case may be, failing which the proper officer in charge of such airport, port, inland container deport, land customs station, post office, public or private bonded warehouse, as the case may be, shall write to the proper officer having jurisdiction over the zone for raising demand of duty from the zone unit;

(viii) the zone unit shall be required to obtain notional out of charge of goods from the proper officer of the zone on the same day if the goods are brought during the working hours or immediately on the next working day in case goods are brought beyond working hours;

(ix) where goods are imported by the zone unit or developer through courier, customs officer in the zone shall assess the goods as per the Courier Import and Export (Clearance) Regulations, 1998.

(5) The goods imported by the zone unit or developer shall not be subject to detailed examination except in case of prior intelligence or information or to maintain an element of surprise.

(6) Where the goods have been imported by post, the zone unit or the developer, following the procedure specified in sub-regulation (4), shall file the bill of entry with the Customs officers in the zone marking clearly "Postal Imports" subject to following conditions, namely:-

(i) for the purpose of bill of entry, the post-office registration number as indicated in the intimation letter issued by the post office shall be taken as the import general manifest and item number, of the bill of entry;

(ii) copy of intimation letter received from the post office shall also be pasted on the reverse of the original bill of entry;

(iii) where the zone is away from the foreign post office, the goods shall be moved to the zone under customs escort from such post office or under control of the postal authorities.

5. Import of goods through personal carriage by gems and jewellery unit.-

(1) Notwithstanding anything contained in regulation 4, the zone unit engaged in manufacture and export of gems and jewellery, shall be allowed to import precious goods, namely gold, silver, platinum, gem and jewellery through personal baggage subject to the following procedure, namely:-

(i) the passenger bringing the precious goods shall declare the goods with the customs authorities at the airport in the arrival hall in the declaration form as specified by Commissioner of Customs in charge of concerned airport alongwith a duly acknowledged copy of intimation submitted to the Customs officers in the zone ;

(ii) the passenger shall hand over the goods duly packed indicating name and address of the consignee zone unit and accompanied by invoice and packing list to the customs authorities for detention in the warehouse under the detention receipt;

(iii) the Customs officers shall detain the goods and issue detention receipt indicating full details such as weight, purity and number of bars, name of unit, passport number of the passenger and name of the supplier, etc.;

(iv) the zone unit shall file the bill of entry in quintuplicate alongwith a copy of invoice, packing list, declaration with the Customs officers in the zone and in such cases, the detention receipt number issued by the Customs at Airport at the time of arrival of the passenger shall be treated as Import General Manifest and item number;

(v) after assessments of bill of entry, original copy of the bill of entry shall be retained by the Custom officers in the zone and the remaining copies shall be handed over to the representative of the zone unit for presenting at the airport detention counter where goods shall be allowed clearance after receiving the original detention receipt, authorization from the zone unit and making entries in the warehouse register, detention receipt register and obtaining signatures from the authorised representative of the zone unit;

(vi) after release of the goods, the goods shall be moved to the zone under customs escort and shall be allowed admission into the zone unit after verification of marks and numbers of packages and notional "out of charge" by the Customs officers in the zone;

(vii) the goods so detained at the airport may also be allowed to be transported by an authority or agency approved by the Commissioner of Customs having jurisdiction over the zone.

6. Import through data communication or telecommunication link.-

(1). Where the zone unit import computer software through data communication or telecommunication links, the zone unit shall file bill of entry within a period of twenty four hours of such import alongwith invoice and other relevant documents and shall obtain notional 'out of charge' from the Customs officers in the zone, subject to the following conditions, namely:-

(i) the documents such as invoice, etc. in respect of such import of computer software shall be routed through banks;

(ii) the value of such software shall be verified by the Development Commissioner of the zone;

(iii) instruction issued by the Reserve Bank of India, from time to time, if any, in this behalf shall be followed.

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