Circular No. 02/2015-Customs

F. No. 450/221/2014-Cus IV

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise and Customs

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New Delhi, dated: 15.01.2015

To

The Chief Commissioner of Customs/Customs (Preventive)

The Chief Commissioner of Customs and Central Excise

The Commissioner of Customs/Customs (Preventive)

The Commissioner of Customs and Central Excise

Sir/ Madam

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Subject: Simplification of Customs procedures for shipping - regarding

The avoidable delays on account of non-uniform Customs procedures adopted at some ports/Customs stations not only increase transaction cost and time of clearance but also prove to be major constraints in making Indian ports international transshipment hubs. Therefore, a Committee was set up by Ministry of Shipping for simplification of shipping related Customs procedures. The Committee has made, *interalia,* certain recommendations for implementation by Customs:

2. Board has examined the recommendations of the said Committee in consultation with identified Chief Commissioners of Customs. Accordingly, the following decisions have been taken to streamline the extant procedures at various ports:

(i) It is reported that the number of hard copies of Import General Manifest (IGM) filed by shipping lines / steamer agents varies from 2 to 6 at various ports. Board, has noted that the Customs is already receiving the IGM electronically as well. The requirement of large number of hard copies of this document leads to unnecessary escalation of compliance cost. Therefore, taking into account the requirement of Customs as well the fact that an electronic version of IGM is already available, Board has decided that henceforth the number of hard copes of IGM required to be submitted by shipping lines / steamer agents at a Customs House shall be restricted to **2 (two)** only.

(ii) The port clearance requires submission of numerous documents on behalf of other agencies - Lighthouse Dues Certificate, NOC for Immigration, Port Health Certificate etc. At present, the port clearance is given on the strength of a bond and a guarantee which are given each time a vessel enters. As a measure of simplification, Board has decided to give an option

to the steamer agent to (a) give a continuity bond and (b) merge the guarantee with the continuity bond. This would reduce the number required documents from 2 (two) to **1 (one)** and periodicity (of submission) would also get reduced drastically.

(iii) Reportedly, in case of transshipped cargo, shipping lines send multiple hard copies of 'Sub Manifest Transhipment Permit' (SMTP) to the destination ICD despite the same also being transmitted electronically. However, there may be situations warranting hard copy of the document such as when amendments have to be made. Recognizing the need for reducing number of copies of SMTP, Board has decided that only **1 (one)** copy of SMTP would be sufficient and Customs at ICD should not insist on more number of hard copies of SMTP.

(iv) Currently, separate permissions are required whenever the mode of transport of transhipment containers changes from train to road or vice versa. The view is that this may be dispensed with since the carrier has already executed a bond for safe carriage of the goods to the destination port / ICD. With a view to boost inter-modal transportation of transshipped cargo and simply procedure, Board has decided that henceforth no separate permission is required from jurisdictional Customs in case of change of mode of transshipment under the Goods Imported (Conditions of Transhipment) Regulations, 1995. However, the carrier is required to intimate the change to the jurisdictional Commissioner of Customs who will ensure the bond covers both modes of transport.

3. Chief Commissioners of Customs/Customs and Central Excise are requested to ensure that the aforementioned decisions are complied with strictly by field formations in their jurisdiction. Suitable Trade notice/ Public Notice may also be issued for guidance of trade and staff.

4. Difficulty, faced if any, may be brought to the notice of the Board.

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Yours faithfully,

(**Pawan Khetan)**
OSD (Cus IV)