Warehouse (Custody and Handling of Goods) Regulations, 2016

Notification No. 68 /2016- Customs (N.T.) Dated 14th May, 2016

G.S.R (E).- In exercise of the powers conferred by section 157 read with section 57, section 58 and sub-section (2) of Section 73A of the Customs Act, 1962 (52 of 1962), the Central Board of Excise and Customs hereby makes the following regulations, namely:-

1. **Short title and commencement**. – (1) These regulations may be called as the Warehouse (Custody and Handling of Goods) Regulations, 2016.

   (2) They shall come into force on the date of their publication in the Official Gazette.

2. **Definitions**. – (1) In these regulations, unless the context otherwise requires,-

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

   (b) "bond officer" means an officer of customs in charge of a warehouse;

   (c) "Controller of Certifying Authorities" means the authority appointed under sub-section (1) of section 17 of the Information Technology Act, 2000 (21 of 2000);

   (d) "section" means section of the Act.

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(2) The words and expressions used herein and not defined in these regulations but defined in the Act shall have the same meanings respectively as assigned to them in the Act.

3. Appointment of warehouse keeper. – (1) A licensee shall appoint a warehouse keeper who has sufficient experience in warehousing operations and customs procedures to discharge functions on his behalf.

(2) The warehouse keeper shall obtain a digital signature from authorities licensed by the Controller of Certifying Authorities for filing electronic documents required under the Act, rules or regulations made thereunder.

4. **Facilities, equipment and personnel**. – A licensee shall provide at the warehouse in respect of which a licence has been issued,-

(a) such facilities, equipment and personnel as are sufficient to control access to the warehouse and provide secure storage of the goods in it, including, -

   (i) doors and other building components of sturdy construction;

   (ii) secure locks on doors and windows; and

   (iii) signage that prominently indicates that the site or building is a customs bonded

warehouse.

(b) adequate personnel, equipment and space for the examination of goods by officers of customs; and

(c) a computerised system for accounting of receipt, storage, operations and removal of goods.

5. Receipt of goods from customs station. – (1) Upon receipt of goods at a warehouse from a customs station, the licensee shall –

(a) verify the one-time-lock affixed by the proper officer at the customs station on the container or means of transport, as the case may be, carrying the goods to the warehouse;

(b) inform the bond officer immediately if the one-time-lock is not found intact, and refuse the unloading of the goods;

(c) allow unloading, provided the one-time-lock is found intact and verify the quantity of goods received by reconciling with the bill of entry for warehousing and invoice;

(d) report any discrepancy in the quantity of the goods within twenty four hours to the bond officer;

(e) endorse the bill of entry for warehousing bearing the order referred to in sub-section (1) of section 60, with the quantity of goods received and retain a copy thereof;

(f) acknowledge the receipt of the goods by endorsing the transportation document presented by the carrier of the goods and retain a copy thereof; and

(g) take into record the goods received.

(2) Upon taking into record the goods received in the warehouse, the licensee shall cause to be delivered an acknowledgement to the proper officer referred to in sub-section (1) of section 60 and to the bond officer regarding the receipt of the goods at the warehouse.

6. Transfer of goods to another warehouse. – (1) A licensee shall not allow transfer of warehoused goods to another warehouse without the permission of the bond officer under section 67 on the Form for transfer of goods from a warehouse.

(2) Where an owner of the warehoused goods produces the Form for transfer of goods from a warehouse bearing the orders of the bond officer, the licensee shall,-

(a) allow removal of the goods and their loading onto the means of transport;

(b) affix a one-time-lock to the means of transport;

(c) endorse the number of the one-time-lock on the Form for transfer of goods from a

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warehouse and retain a copy thereof;

(d) endorse the number of the one-time-lock on the transport document and retain a copy thereof;

(e) take into record the removal of the goods; and

(f) cause to be delivered, copies of the retained documents to the bond officer.

7. Receipt of goods from another warehouse. – Upon receipt of goods from another warehouse, a licensee shall -

(a) verify the one-time-lock on the means of transport carrying the goods to the warehouse;

(b) inform the bond officer immediately if the one-time-lock is not found intact, and refuse the unloading of the goods;

(c) allow unloading, provided the one-time-lock is found intact, and verify the quantity of goods received by reconciling with the Form for transfer of goods from a warehouse bearing the orders of the bond officer;

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(d) report any discrepancy in the quantity of goods to the bond officer within twenty four hours;

(e) endorse the Form for transfer of goods from a warehouse with quantity received and retain a copy thereof;

(f) acknowledge the receipt of the goods by endorsing the transportation document presented by the carrier of the goods and retain a copy thereof;

(g) take into record the goods received; and

(h) cause to be delivered, copies of the retained documents to the bond officer and to the warehouse keeper of the warehouse from where the goods have been received.

8. Removal of warehoused goods for home consumption. –(1) A licensee shall not allow goods to be removed from the warehouse for home consumption, unless the bond officer permits the removal of the goods.

(2) Upon the owner of the goods producing an order made by the proper officer under section 68, the bond officer shall permit removal of the goods and the licensee shall, –

(a) deliver the quantity of goods as mentioned in the bill of entry for home consumption to the owner of the goods and retain a copy of the bill of entry; and

(b) take into record the goods removed.

9. Removal of warehoused goods for export. – (1) A licensee shall not remove or cause to be removed any warehoused goods for export except by an order made by the proper officer under section 69.

(2) Upon the bond officer permitting the removal of the goods from the warehouse, the licensee shall, in the presence of the bond officer, cause the goods to be loaded onto the means of transport and affix a one-time-lock to the means of transport.

10. O**perations in relation to warehoused goods.** – A licensee shall ensure that the warehoused goods are not manipulated, altered, processed or otherwise dealt, except for or during the course of operations permitted under section 64 or section 65.

11. **Maintenance of records in relation to warehoused goods.** – (1) A licensee shall, -

(a) maintain detailed records of the receipt, handling, storing, and removal of any goods into or from the warehouse, as the case may be, and produce the same to the bond officer, as and when required;

(b) keep a record of each activity, operation or action taken in relation to the warehoused goods;

(c) keep a record of drawal of samples from the warehoused goods under the Act or any other law for the time being in force; and

(d) keep copies of the bills of entry, transport documents, Forms for transfer of goods from a warehouse, shipping bills or bills of export or any other documents evidencing the receipt or removal of goods into or from the warehouse and copies of the bonds executed under section 59.

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(2) The records and accounts required to be maintained under sub- regulation (1) shall be kept updated and accurate and preserved for a minimum period of five years from the date of removal of goods from the warehouse and shall be made available for inspection by the bond officer or any other officer authorised under the Act.

(3) A licensee shall also preserve updated digital copies of the records specified under sub-regulation (1) at a place other than the warehouse to prevent loss of records due to natural calamities, fire, theft, skillful pilferage or computer malfunction.

(4) A licensee shall file with the bond officer a monthly return of the receipt, storage, operations and removal of the goods in the warehouse, within ten days after the close of the month to which such return relates.

(5) Where the period specified in section 61 for warehousing of goods is expiring in a particular month, the licensee shall furnish such information to the bond officer on or before

the 10th day of the month immediately preceding the month of such expiry.

12. Penalty. –If a licensee contravenes any of the provisions of these regulations, or abets such contravention or fails to comply with any of the provision of these regulations, he shall be liable to a penalty in accordance with the provisions of the Act.

13. Power to exempt. – The Board, having regard to the nature of the goods, their manner of transport or storage, may exempt a class of goods from any of the provisions of these regulations.

14. Compliance of regulations by existing warehouses.- (1) A public warehouse appointed under section 57 or a private warehouse licensed under section 58 as it stood immediately prior to the commencement of the Finance Act, 2016 (28 of 2016) shall comply with the provisions of these regulations within a period of three months from the date of commencement of these regulations.

(2) Upon compliance of sub-regulation (1), the bond officer shall cause the lock of customs to be removed.

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