Circular No. 79/2001-CUS.
7th December, 2001

F.NO.450/54/99-CUS.IV
Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Excise & Customs

Subject: Transhipment of cargo from gateway ports to other ports/ICDs/CFSs - Issuance of transhipment permit - reg. -

A number of references have been received from the trade, stating that the existing procedure for issuance of transhipment permits for transhipment of cargo from gateway port to other ports/ICDs/CFSs is time consuming and that delays in transhipment add to the transaction cost. It has been suggested that the system of issuance of transhipment permit should be done away with and that containers mentioned in the IGM for transhipment to another Customs station should be allowed to be transhipped automatically.

2. The matter has been examined. It is observed that once EDI is fully implemented and all the ICDs/CFSs are linked with the ports by the system, the transhipment of containers from the ports to ICDs/CFSs would be allowed automatically without any procedural hassles. However, pending implementation of EDI connectivity, it has been decided to simplify the procedure for issuance of transhipment permit as mentioned below:

(a)	The Customs shall introduce a single window system and will make use of a personal computer (PC) for issuance of transhipment permit. A negative list of shipping agents/carriers who have violated the Customs law in the past or against whom an alert notice is pending, shall be prepared and fed into the computer. The details of bonds and bank guarantees executed by the carriers shall also be maintained in the computer. The scrutiny of documents and issuance of transhipment permit shall be undertaken by an officer, preferably an Appraiser/Superintendent appointed by the Commissioner of Customs in this behalf.
(b)	The shipping agents may file the IGM containing cargo meant for clearance from different ports, ICDs/CFSs in different parts, i.e. containers meant for transhipment to different ports/ICDs/CFSs shall be mentioned in separate pages of the IGM. This will facilitate checking by Customs at the time of issuance of transhipment permit and it will avoid having to enclose voluminous IGM with the transhipment permit. Only relevant part of the IGM shall be enclosed with the transhipment permit. Details of amendments of IGM in respect of cargo to be transhipped, made by the Import Department shall be made available to the Appraiser/Superintendent dealing with the issue of transhipment permit, who may forward such details to the destination Customs.
(c)	The shipping agents shall submit application for transhipment in prescribed forms (5 copies) along-with copies of relevant parts of IGMs to the Appraiser/Superintendent, as is being done under the existing procedure. However, instead of writing complete details of cargo in the application for transhipment, reference of relevant IGM may be made in the transhipment application by mentioning ***"details as per part/page .... of IGM No. ..... as enclosed"*** . The shipping agents shall also submit an authorisation from the carriers appointed for transportation of goods from gateway port to other ports/ICDs/CFSs, so that issuance of transhipment permit and debiting of bond and bank guarantee can be done simultaneously. The present practice of filing of sub-manifest which is mere duplication of IGM, shall be dispensed with.
(d)	On receipt of the application from the shipping agent, the Appraiser/Superintendent shall check whether the name of carrier/shipping agent appear in the negative list. Transhipment permit may be denied in case the name of the shipping agent figures in the negative list.
(e)	In case the name of shipping agent does not figure in the negative list, the details furnished by the shipping agent in the transhipment form shall be scrutinised by the officer, and if these are found to be in order, the officer shall debit the bond and bank guarantee of the carrier on the basis of notional value of the goods as is being done under the existing procedure. After scrutiny of the transhipment form and debiting of bond and bank guarantee, the officer shall sign all the copies of transhipment permit and put a seal. A print out of bond and bank guarantee showing opening balance, credit, debit and closing balance shall be taken from the

	computer. One copy of the print out may be handed over to the shipping agent and another may be kept for office record.
(f)	Container numbers being transhipped against a particular permit shall be entered in the computer, which will help in reconciliation of landing certificates. The details of cargo in the containers shall be verified with the help of IGM by the Customs at the destination port/ICD/CFS. If any discrepancy is noticed, it will be recorded in the landing certificate. The carrier shall bring the landing certificate duly certified by destination Customs within the stipulated time and submit these to the officer for giving credit in the bond/bank guarantee and for reconciliation of record. After crediting the bond/bank guarantee, print outs shall be taken, a copy of which shall be handed over to the shipping agent and another copy kept for office record. A copy of landing certificate shall then be sent to Manifest Closing Department (MCD) for closure of manifest in respect of containers transhipped to other destinations.
(g)	In case the landing certificates are not produced within the stipulated time, the bond /bank guarantee may be enforced.

3. The work relating to execution of bonds by the shipping agents for re-export of transhipment containers presently being handled by the Container Cell, shall be transferred to the Appraiser/Superintendent dealing with the issuance of transhipment permits. However, the work relating to maintenance of bond for re-export of containers to be cleared at the gateway port itself, shall continue to be handled in the Container Cell. The shipping agents shall execute running bonds with Assistant/Deputy Commissioner of Customs(Import) for re-export of containers to be transhipped to other port/ICD/CFS. The details of bonds executed by the shipping agents shall be maintained in the PC to be used for processing of the transhipment permits. The running bonds of shipping agents may be debited at the time of issue of transhipment permit and credited when evidence for re-export of container is produced.

4. The existing procedure of sealing of containers and supervision of loading of containers by Customs shall continue. The collection of overtime for supervision of transhipment shall be governed by the Customs (Fees for Rendering Services by the Customs Officers) regulations, 1998 and instructions issued by the Board from time to time.

5. The Commissioner of Customs shall get a suitable software made with the help of NIC or private consultant, to implement the above-said procedure within 15 days. In this connection, help of the Shipping Agents Associations may also be taken.

6. The above said simplified procedure for issuance of transhipment permit shall be applicable only for the containers manifested for transhipment to other ports/ICDs/CFSs.

7. The above said instructions may be brought to the notice of all concerned by issuing suitable Public Notice and Standing Order.

8. Difficulties, if any, in implementation of this circular may be brought to the notice of the Board. Kindly acknowledge receipt of the circular.