Circular No. 83/98-Customs

dated 5/11/1998

F.No. 450/53/98- Cus. IV

Government of India

Ministry of Finance, (Department of Revenue)

Central Board of Excise & Customs, New Delhi

Subject : Movement of containers and containerised cargo - Instruction regarding.

M/s Indian Freight Container Manufacturers Association has represented to Government of India that a huge dumping of empty containers into the system is affecting the off take of containers manufactured in the country because of lack of monitoring of the requirement to re-export the imported Containers within six months. Moreover, extinction beyond six months is granted by customs from time to time routinely. Ministry of Commerce have requested that in addition to close monitoring, bank guarantee be taken for Import of Containers.

2. On the issue of clearance of containerised cargo and re-export of marine containers, the attention is drawn to Board's earlier circular F.No. 434/ 17/ 94 - CUS. IV, dated 16th May, 1994. The Notification No. 104/94 as amended by Notification No. 101/95 dated 20.5.1995 exempts the freight containers of durable nature from payment of whole of the duty of customs and the whole of additional duty payable provided the containers are re-exported within six months for which a bond is executed by the importers or the shipping agent. It was stressed in the Circular dated 16.5.94 the extension may not be given routinely.

3. It has been observed that as & when request for extension beyond 6 month's period is received, the Customs Houses are routinely granting such extensions. This casual approach leads to the possibility of use of such containers for domestic trade in addition to affecting the domestic industry engaged in manufacturing of marine containers.

4. It has been felt that there is need to exercise more effective control over the clearance of marine freight containers & their subsequent re-rxport. Separate account may be kept and bonds taken for import of loaded Containers and empty Containers. The re-export bonds for clearance of containers should be regularly monitored. The demands in terms to bond should be issued immediately on expiry of six months. The Assistant Commissioner may grant an extinction beyond 6 months up to further 3 months for the reasons recorded in writing.

The extension beyond 9 months should not be granted, as a matter of routing. However in case of genuine difficulty further extension of a period not exceeding six months/at a time may be granted by the Commissioner of Customs on merits of each case for the reasons recorded in writing.

5. In case the goods are required to be detained for detailed examination, investigations, etc. the goods should be destuffed from the container and stored in any ware houses. The contains should be released so that the shipping agents can fulfil their commitment of re-erporting the container within six months of their import.

6. The instruction may kindly be brought to the notice of all officers by way of issuing suitable standing orders. The difficulty if any in implementation of this circular may kindly be brought to the notice of Board.

Sd/-

(Vijay Kumar)

Under Secretary to the Government of India

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