Circular No. 57 / 98 - Customs

dated 4/8/1998

F.No. 450/33/ 94-CUS. IV

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise & Customs, New Delhi

Subject : Movement of export cargo by containers / trucks from hinterland to Ports / Aircargo Complexes - regarding.

Various references have been received from Associations of Trade and Ministry of Commerce to allow movement of export goods through containers/ trucks from hinterland to gateway Airports for the purpose of exports by air. The matter was discussed in meeting of SCOPE AIR held at Jaipur on 10th September, 1997 also. The matter was examined by Board and it has been decided that the following procedure may be followed for transferring goods from factory of manufacture, ICDs / CFSs to Gateway airports for export of the goods from such airports. The procedure adopted for shipment by air and sea would remain alike.

2. The exiting Scheme provides that full container load (FCL) cargo can be transferred under Costumes / Central Excise seal from ICD / CFS or from the factories, in case of container stuffed inside the factory, to the Gateway Port. Similarly it is proposed that the goods from the factory of manufacture or from the ICD/ CFS can also be transferred in a truck, sealed by the Customs / Central Excise officer to the Airport for further shipment by air or for further consolidation of such goods in the port into a container. This would also enable carriage of smaller packages belonging to more than one exporter in one truck which would be sealed after stuffing in the ICD / CFS.

3. For accountability, in case the goods are moving from the factory of manufacture, it will be the responsibility of the factory owner or exporter and in case the goods are moving from ICD / CFS, it would be the responsibility of the custodian of the ICD / CFS. The custodian shall accept responsibility for shortages in the goods during transit and will be required to pay the amount equal to drawback / duty amount and other benefits availed by the exporters. They may be asked to execute separate bond for the transport of the goods from ICD to Ports / Airports and vice versa.

4. In case of movement of goods from ICD / CFS, the exporters are required to bring their goods meant for export to ICD / CFS and to file six copies of Shipping Bill along with all necessary documents like GR Form, AR Form, certificates issued by Export Promotion Councils, documents regarding quotas wherever applicable, etc. The Shipping Bills will be assessed as usual, the goods examined, samples drawn, if required, inspection carried out by other agencies under any one of Allied Acts. After the assessment of Shipping Bills, original and duplicate Shipping Bills along with two more copies (transference copies) and original GR from will be retained at the ICD. The original GR form will be forwarded to respective branch of Reserve bank of India.

5. The examination order would be given on duplicate and both transference copies of Shipping Bill. The report would also be recorded on all these copies, duplicate copy of S/B would be retained in ICD and transference copies would be forwarded to the Airport \ Port. FOB value of goods would be debited from the continuity bond executed by the custodians. After the examination is over, all the packages would be handed over by the Customs Authorities to the custodians of goods along with two transference copies of Shipping Bill, certified copy of invoice, packing list and other documents in sealed cover. The goods are to

be transported by container or truck, the entire cargo body of which can be sealed with tamper proof bottle seals, all the packages would be stuffed can be sealed with tamper proof bottle seals, all the packages would be stuffed in the container/trucks under supervision of customs and representatives of the custodians. After the stuffing, the containers/trucks would be sealed with tamper proof bottle seals. The examination order and endorsements that the trucks are sealed would be made on both copies of Shipping Bill and AR4 from, it would be signed by customs as well as custodian's representatives. The seal number would be endorsed on all documents.

6. The custodians would be required to move the goods by road or rail upto Gateway Ports / Airports.

7. At the Gateway Ports/ Airports, both the copies of Shipping Bill would be presented by the custodian's representative to the proper officer of Customs who would verify the genuineness of documents and check the marks and numbers of the seals on trucks/ containers as recorded on the documents. The customs officer would inspect the seals of trucks/ containers and will endorse the two transference copies of Shipping Bill and AR 4 in the following manner, "inspected and the seals found intact bearing the following marks and Nos._____".

8. In case customs seal on the container / trucks are found broken or tampered with or some discrepancy found in seal nos., the matter would be brought to the notice of Assistant Commissioner of Customs and such container/ trucks would be subjected to 100% examination. In case seals are found intact as per documents and documents in order, the Preventive Officer posted at Airport/ Port will endorse the Transference copies of Shipping Bill with 'shipment allowed' endorsements. The Preventive Officer posted at Port/ Port will endorse, let export" on both the copies of Shipping Bill and AR 4 at the time of actual shipment. One copy of Shipping Bill would be retained at the Port / airport of Shipment and another transference copy would be returned to ICD/ CFS from which the container/ trucks originated.

9. On receipt of transference copy of Shipping Bill the ICD/CFS would match it with duplicate copy of Shipping Bill and to ensure that the goods have been exported. If the copy is not received within 90 days, the Assistant Commissioner of customs shall raise a demand on the custodian equal to the duty & drawback contained in the export goods in addition to action against the exporter & intimate the DGFT & RBI.

10. The salient features would be :-

(i) The Shipping Bills would be passed at ICD / CFS and same are not required to be passed again at Gateway Ports / Airports. There would be no further examination of the goods if the seals are found intact.

(ii) The drawback would continue to be sanctioned after the 'let export' order is given on the Shipping Bill.

(iii) Original GR form would be retained at ICD / CFS and would be forwarded to respective branch of RBI there only.

(iv) The export for all statistical purpose would be taken from ICD / CFS and it would be included in all statements of exports from that station.

(v) The exports under DEC / DEPB etc. under the proposed scheme would be allowed in case the same are allowed from that station.

(vi) AR 4 and other Central Excise procedures as provided under Central Excise Rules and instructions issued by Board from time to time would be applicable.

11. On receipt of transference copy of Shipping Bill, the necessary credits would be given in continuity bond executed by the custodians for movement of goods.

12. The Customs/ Central Excise staff for above mentioned & all related work could be provided on cost recovery basis.

13. In case the exporters desire to get the goods examined and container/ trucks stuffed and sealed in factory of manufacture for the purpose of exports from Gateway Ports/ Airports, the procedure for examination of goods are sealing packages and trucks as contained in Rule 187 of the Central Excise Rules, 1944 and instructions issued from time to time on the subject, would be followed. Customs House and Central Excise Commissioner may issue suitable Public Notices incorporating the above positions. The difficulty if any in following the above procedure may be brought to the notice of the Board.

Sd/-
(Vijay Kumar)
Under Secretary to the Government of India

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