Circular No. 22/ 97- Cus.
dated 4/ 7/ 97

F. No. 450/ 167/ 96- Cus. IV

Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Excise & Customs, New Delhi

Subject: Advance notice of Bs/ E before the delivery of IGM in the Import Deptt.- Noting involving Mother Vessel and Feeder Vessel - Reg.

Kindly refer to the amended provisions of Sec. 46 (3) of the Customs Act, 1962 which provide that Bill of Entry may be presented even before the delivery of import Manifest, if the vessel or Aircraft by which the goods have been shipped for importation, is expected to arrive within 30 days from the date of such presentation.

2. The Custom Houses were not clear about the procedure to be followed in case of advance Bill of Entry. The matter was examined in Board in consultation with Commissioners in Conference and representatives of Federation of Freight Forwarders Association, Bombay Custom House Agents Association and Air Cargo Agents Association. Board has decided that the following procedures may be followed in this regard.

3. The importers desirous of a veiling the above facility should submit application along with the advance B/E (five copies) to the Import Department. The 5th copy (additional copy) will be called Advance Noting copy. Alongwith Advance Bill of Entry the importer/ CHA will produce copy of Bill of lading/ AWB and invoice issued by the supplier and other documents required for assessment. They will affix following declaration with the original B/ E.

"We wish to clear the goods on arrival of the vessel. We request that our Bill of Entry be processed without waiting for the manifest. The vessel is due on _____. We shall formally present the Bill of Entry for noting as soon as the Import Manifest is filed. In case the Steamer Agent fails to deliver the IGM to the Import Department within 30 days from the date of advance noting of Bill of Entry, or the goods in question are not found to be listed in the import manifest we shall surrender advance noted bill of entry to the Import Department for cancellation and shall present fresh Bill of Entry u/ s 46 of the Customs Act, 1962 after the delivery of Import Manifest in the Custom House".

4. Copy of Bill of lading/ AWB & Invoice may be accepted provided the same are certified as correct by the importers.

5. The Office Superintendent in Import Department will verify if all the documents are in order and the dealing clerk will put 'Advance Nothing' stamp on all copies of B/ E indicating running Sr. No. of Advance Noting Register. There after he shall enter the relevant date on the systems and generate the Those number and data for the subject B/ E. He shall put the Those Number and date on all the copies of the B/ E.

6. After the Thoka Number has been assigned, the B/ E shall be forwarded to the Appraising Group for assessment. After the completion of assessment by Group Appraiser, the B/ E shall be audited by the concurrent Audit Section and all other formalities including counter signature by Assistant Commissioner wherever required, will be completed. The Group Appraiser shall also make assessment no the 5th copy of the B/ E which will be forwarded by group to import Department.

7. After delivery of the IGM by the Shipping Agent in the Import Department the B/ E shall again be presented to the Import Department alongwith all documents in original, which were not given with the advance copy of B/ E for entering IGM No., Date of Entry Inwards, Line No. etc. Then the Advance B/ E shall be noted in the IGM by the Import Department, they will also make proper endorsement on the 5th copy of the B /E. The other copies of the B/ E shall there after be forwarded to the Concurrent Audit Section for endorsement that there is no change in the rate of duty. However, if there is any change in the rates of duty, the concurrent Audit Section shall return such B/ E to the dealing group Appraiser for re-assessment.

8. If the final entry of IGM is not made within 30 days from the date of presentation of B/ E will have to be surrendered to the Import Department for cancellation. After cancellation, necessary endorsement to this effect will be made in the corresponding entry of 'Advance Noting Registers.

9. It shall be ensured that all Bs/ E noted in advance in anticipation of GIM, are again presented either for noting against the IGM or for cancellation, in case the IGM of the vessel is not delivered within 30 days or the goods are not covered by the manifest. It will be the responsibility of the Office Superintendent of the Import Department to see that every B/ E noted under this facility is properly accounted for.

10. The above facility will also be available in case of B/ E for warehousing, 100% EOU, Duty Exemption Schemes, etc.

11. **Noting on the basis of IGM of mother vessel**

Now a days a large number of containers are transhipped at intermediate ports by the mother vessel to feeder vessels. Such feeder vessels move quite frequently between intermediate ports & Indian ports. The name of feeder vessels is not known to the importer in India till last moment. In such cases the advance noting of B/ E will be allowed on the basis of master Bill of lading of mother vessel. On arrival of feeder vessel. Amended B/ E may be done on the basis of GIM of feeder vessel. Amended B/ E shall contain the name of master vessel as well as feeder vessel. The computer software may be modified suitable to accommodate both the names.

12. **Levy of interest on duty amount**

In terms of Section 47 (2) of the Customs Act, 1962 the importer is liable to pay interest on duty amount in case they fail to pay the import duty within seven days from the date on which B / E is returned to them for payment of duty.

In case of B/ E filed under Advance Noting, the interest liability will start on completion of seven days from the date on which B/ E is returned for payment of duty to importer/ CHA after no change in duty is endorsed by Concurrent Audit Section.

13. **Production of documents**

Wherever the goods have been imported against L/ C, the importers would provide bank attested invoice before clearance of goods.

14. **Rate of exchange**

In terms of proviso clause to section 14 the price is calculated with reference to rate of exchange as in force on the date on which B/ E is presented under section 46. The legal position in this regard remains unchanged.

The Rate of Exchange applicable is as in force on the date of 1st presentation of Bill of Entry whether on final entry basis or prior entry basis or advance nothing.

15. **Substitution of B/ E**

Some of the Custom Houses are not allowing substitution of advance B/ E for home consumption to B/ E or warehousing in case of advance noting of B/ E. In terms of section 46 (5) of Customs Act, 1962 substitution of B/ E for home consumption or B/ E for warehousing or vice-versa is allowed provided the interests of revenue are not prejudicially affected. The substitution to B/ E may be dealt as per the above mentioned provisions in case of advance noting B/ E also.

16. Custom Houses 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.

17. Kindly acknowledge the receipt of this circular.

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

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