Circular No. 06/2007-Cus

F.No.450/96/2006-Cus. IV

Government of India

Ministry of Finance

Department of Revenue

{Central Board of Excise & Customs}

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22nd January, 2007

Subject: Transshipment procedure between any two Customs Airports- Reg.

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I am directed to inform that the Inter Ministerial Group on simplification of Customs procedures in Air Cargo and Air ports interacted with several stakeholders to redress the bottlenecks faced by them. During the deliberations, Air Cargo Agents Association of India (ACAAI) represented that there are divergent practices being followed at different international airports for transshipment of cargo. ACAAI and Airport Authority of India stated that only Mumbai has been given gateway port status and the same may be extended to other airports.

2. The issue was considered. It was felt that the scope of the term 'gateway port' needs to be clarified for the information of the trade. The term 'gateway airport' reportedly refers to an airport where the goods land in India for the first time in case of imports or from where the goods finally leave India in case of exports. However, there is no distinction under the Customs Act, 1962 between airports notified under the said Act. There is no concept of separate gateway port being notified by Customs. All International airports notified under Customs Act, 1962 may be used for transshipment of goods.

3.1 As regards transshipment, Goods Imported (Conditions of Transhipment) Regulations, 1995, provide that imported cargo can be transshipped to any customs station on permission being given by the jurisdictional Commissioner of Customs. In order to have uniformity, following procedure for transshipment of imported cargo to other airports is prescribed,-

1. On arrival of flight, the transshipment cargo should be segregated in Custodian's premises.
2. For transshipment of cargo, the carrier/ console agent is required to file an application for transshipment of cargo, consigned to another airport as indicated in HAWB. Cargo Transfer Manifest (CTM) prepared by the carrier /console agent, as the case may be, may itself be treated as application for transshipment. Separate CTMs may be prepared destination wise. Such transshipment should be approved by the proper officer.
3. The cargo mentioned in the CTM need to be escorted by the Preventive Officer from the warehouse of the Custodian to the warehouse of receiving airlines which acknowledges the same. The concerned Airlines / Custodian warehouse should have double locking arrangement, one key of which will be with the Airlines / custodian and the other with Customs, for storage of transhipment cargo. No physical examination needs to be conducted, except on specific intelligence, for allowing transhipment and only marks and numbers of cargo need to be verified.
4. The receiving airlines should prepare its cargo manifest and transshipment be allowed under Customs supervision. The value of transshipped cargo should be debited from the Transshipment Bond.
5. Customs at destination airport will acknowledge the receipt of the cargo and send back the acknowledgement manifest through the carrier. The carrier should produce such acknowledgement at the originating airport within 10 days of transshipment. On the basis of such acknowledgement the Transshipment Bond would be re-credited.
6. The usual procedure for Customs clearance of cargo shall be adopted at the destination airport for ultimate clearance of cargo.

3.2 In the case of movement of imported cargo in Bonded Truck from Airport / ACCs to ICDs / CFSs / Airports / ACCs, detailed instructions have been issued vide Boards's Circular No. 69/99 -Cus dated 6/10/1999. It is

clarified that the circular No.69/99 us dt.6.10.99 is applicable for movement of imported cargo both by containers and trucks.

3.3 For international transshipped cargo (Foreign to Foreign), the following procedure should be adopted,-

1. On the arrival of flight, the transshipment cargo meant for destination abroad should be segregated in the Custodian's premises.
2. The carrier is required to file application for transshipment of cargo. CTM prepared by the airlines itself be treated as application for transshipment. Such transshipment should be approved by the proper officer.
3. Cargo mentioned in CTM need to be escorted by the Preventive Officer from the warehouse of Custodian to the Export terminal. No physical examination needs to be conducted, except on specific intelligence, and only marks and numbers of cargo need to be verified. Such cargo may be exported with other export cargo.

4. The export of cargo tendered at one Customs airport for export from another Customs airport may be done in following manner,-

1. Shipping Bill should be filed at the originating Customs station and Let Export Order should be given by the Customs at the same station. Transshipment Permit (TP) should be prepared by the airlines/ carrier and approved by the proper officer. TP should be sent alongwith the cargo. Transshipment bond should be debited for the value of cargo.
2. On arrival at the gateway airport, the cargo should be taken to the warehouse of the domestic airlines/ Custodian in a clearly identified area. The concerned Airlines / Custodian warehouse should have double locking arrangement, one key of which will be with the Airlines / custodian and the other with Customs, for storage of transhipment cargo. The Customs officers in charge of warehouse should verify the details of the packages with the TP, Airway Bill, etc. The domestic airlines may prepare the CTM airlines-wise which is certified by the Export Freight Officer (EFO).
3. Cargo should be shifted to the transshipment warehouse in the export terminal of Custodian and acknowledgement obtained. No examination of such cargo should normally be done at gateway airport, except on credible intelligence or information.
4. When the aircraft is ready for loading, the airlines should seek permission from the EFO for loading. The load plan prepared by the airlines should be signed by the Airlines, EFO and the custodian.
5. Cargo should be loaded in the aircraft under Customs supervision.
6. Copy of manifest signed by the EFO & AWB alongwith copy of Shipping Bill should be sent by the airlines to the originating station within 30 days of transshipment. Transshipment bond should be re-credited at originating airport.
7. In case the transshipment is by bonded truck, the marks and numbers of the packages be verified with the details in the transshipment permission and the bonded truck be sealed with bottle seal in the presence of Preventive Officer.

5. If transshipment of cargo is also desired at some intermediate Customs airport, carrier/ airlines should give advance intimation to intermediary airport. Customs at intermediary airport would supervise the movement of cargo and endorse the same on Transshipment Permit. The concerned Airlines / Custodian warehouse should have double locking arrangement, one key of which will be with the Airlines / custodian and the other with Customs, for storage of transhipment cargo. The loading of such cargo again would be under the supervision of Customs officer.

6. If the cargo transhipped under the provisions of the Customs Act, 1962 is not unloaded at the place of destination in India, or if the quantity unloaded is short of the quantity to be unloaded at that destination, and if the failure to unload or the deficiency is not accounted for, then the person-in-charge of the conveyance shall be liable for penal action as per the provisions of Customs Act, 1962.

7. For the sake of clarity, it is stated that the reference to term airlines/ carrier would include 'Air taxi Operator' and 'Bonded Trucker', where ever applicable. The above instructions may be brought to the notice of the trade immediately through appropriate Public Notice.

8. Any Standing order issued in pursuance to Circular No. 47/96- Customs dated 16.9.96 should be modified as above.

9. Difficulty, if any, in implementation of above instructions may be reported to the Board.

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