

## **CA Final Customs Amendments for November 2018 Exam as per ICAI Statutory Update**

### **Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (w.e.f. 1<sup>st</sup> July 2017)**

#### **Rule 2: Application**

These rules shall apply to an importer, who intends to avail the benefit of an exemption notification issued under section 25(1) of the Customs Act, 1962 and where the benefit of such exemption is dependent upon the use of imported goods for the manufacture of any commodity or provision of output service.

#### **Rule 4: Information about intent to avail benefit of exemption notification**

An importer who intends to avail the benefit of an exemption notification shall provide the information to the AC / DC having jurisdiction over the premises where the imported goods shall be put to use.

#### **Rule 5: Procedure to be followed**

- The importer who intends to avail the benefit of an exemption notification shall provide information -
  - a) in duplicate, to AC / DC, the estimated quantity and value of the goods to be imported, particulars of the exemption notification applicable on such import and the port of import in respect of a particular consignment for a period not exceeding one year
  - b) in one set, to AC / DC at the Custom Station of importation.
- Importer shall submit a continuity bond with such surety or security as deemed appropriate by AC / DC.
- It will be an undertaking to pay the amount equal to the difference between the duty leviable and that already paid, if any, at the time of importation, along with interest, at 15% p.a.

#### **Rule 6: Importer who intends to avail the benefit of an exemption notification to give information regarding receipt of imported goods and maintain records**

- Such importer shall provide the information of the receipt of the imported goods in his premises where goods shall be put to use for manufacture, within two days (excluding holidays, if any) of such receipt to the jurisdictional Customs Officer.
- He shall maintain an account indicating the quantity and value of goods imported, the quantity of imported goods consumed in accordance with provisions of the exemption notification, the quantity of goods re-exported, and the quantity remaining in stock, bill of entry wise and shall produce it when required by AC/DC.
- The importer shall submit a **quarterly return**, AC / DC **by the tenth day of the following quarter**.

#### **Rule 7: Re-export or clearance of unutilised or defective goods**

##### **Re-export**

- The importer who has availed benefit of an exemption notification may reexport the unutilised or defective imported goods, **within six months** from the date of import, with the permission of the AC / DC having jurisdiction over the premises where the imported goods shall be put to use for manufacture of goods or for rendering output service:
- The value of such goods for re-export shall not be less than the value of the said goods at the time of import.

**Clearance**

The importer may also clear the unutilised or defective imported goods, with the permission of AC / DC within **six months** from the date of import on payment of differential import duty along with interest, at 15% p.a. from the date of importation to date of actual payment.

**Rule 8: Recovery of duty in certain case**

- The importer shall use the goods imported as per the conditions mentioned in the concerned exemption notification or take action by re-export or clearance of unutilised or defective goods under rule 7.
- In the event of any failure, AC / DC shall take action by invoking the Bond to initiate the recovery proceedings of the amount equal to the differential duty along with interest, at 15% p.a..

**Circular No.33/2017: Leviability of IGST on High Sea Sales of Imported Goods and Point of Collection**

- High Sea Sales is a common trade practice whereby the original importer sells the goods to a third person before the goods are entered for customs clearance. After the High sea sale of the goods, the Customs declarations i.e. Bill of Entry etc. is filed by the person who buys the goods from the original importer during the said sale..
- IGST on high sea sale(s) transactions of imported goods, whether one or multiple, shall be levied and collected only at the time of importation i.e. when the import declarations are filed before the Customs authorities for the customs clearance purposes for the first time. Further, value addition accruing in each such high sea sale shall form part of the value on which IGST is collected at the time of clearance.
- All duties, taxes, cesses etc shall be collected at the time of importation i.e. when the import declarations are filed before the customs authorities for the customs clearance purposes. The importer (last buyer in the chain) would be required to furnish the entire chain of documents, such as original Invoice, high-seas-sales-contract, details of service charges/commission paid etc., to establish a link between the first contracted price of the goods and the last transaction. In case of a doubt regarding the truth or accuracy of the declared value, the department may reject the declared transaction value and determination the price of the imported goods as provided in the Customs Valuation rules.

**Changes in Customs Valuation (Determination of Price of Imported Goods) Rules, 2007**

<b>Additions under Rule 10(2)</b>	<b>Transport by Air + Loading, unloading, handling charges</b>	<b>Transport by Sea/Land + Loading, unloading, handling charges</b>	<b>Insurance Charges</b>
Ascertainable	Actual cost subject to 20% of Customs FOB Value	Actual Cost	Actual Cost
Cost Not Ascertainable	20% of Customs FOB Value	20% of Customs FOB Value	1.125% of Customs FOB Value
FOB not ascertainable	20% of (Customs FOB Value + Cost of Insurance)	20% of (Customs FOB Value + Cost of Insurance)	1.125% of (Customs FOB Value + Cost of Freight)

**Circular 39/2017-Customs**

- The transaction value of the imported goods in terms of section 14 of the Customs Act, 1962 would include the costs incurred up to the place of importation.

- The landing charges to be added to the value of goods, should be based on actual charges incurred, and not a notional charge of 1% as has been provided in the Rules.
- The loading, unloading and handling charges associated with the delivery of the imported goods at the place of importation, shall no longer be added to the CIF value of the goods. **Loading, unloading and handling charges” will cover only charges incurred for delivery of goods “to” the place of importation (such as the loading and handling charges incurred at the load port) shall now be includible in the transaction value.**
- Costs related to transshipment of goods (from ports to ICDs; port to port, port to CFS, Airport to Airport etc.) within India will be excluded.

### Customs and Central Excise Duties Drawback Rules, 2017

#### All Industry Rates (Rule 3)

Drawback may be allowed at such amounts and such rates determined by Government and reduced by any amount of exemption availed on the export of goods.

#### Factors considered while determining amount/rate of drawback

<b>Inputs for goods manufactured in India</b>	<b>Average Duties and Taxes paid on Inputs / Packing Material</b>
a) average quantity / value of each class of <b>materials from which a particular class of goods is ordinarily produced or manufactured in India</b> b) average quantity / value of the <b>imported materials or excisable materials</b> used	<ul style="list-style-type: none"> <li>➤ on imported materials or excisable materials used in the manufacture of semis, components and intermediate products which are used in the manufacture of goods</li> <li>➤ on materials wasted in the process of manufacture and catalytic agents (If any such waste or catalytic agent is re-used in any process of manufacture or is sold, the average amount of duties on the waste or catalytic agent re-used or sold shall also be deducted)</li> <li>➤ on imported materials or excisable materials used for containing or, packing the export goods</li> </ul>

**Reduced Drawback** (the drawback shall be reduced taking into account the lesser duty paid or the rebate, refund or credit obtained)

- a) Where any goods are produced or manufactured from imported materials or excisable materials, on some of which only the duty chargeable thereon has been paid and not on the rest or
- b) only a part of the duty chargeable has been paid; or the duty paid has been rebated or refunded in whole or in part or given as credit, under any of the provisions of the Customs Act, 1962 and the rules made thereunder, or of the Central Excise Act, 1944 and the rules made thereunder,;

#### **No drawback in certain cases**

- i. if the said goods, except tea chests used as packing material for export of blended tea, have been taken into use after manufacture
- ii. if the said goods are produced or manufactured, using imported materials or excisable materials in respect of which duties have not been paid

- iii. on jute batching oil used in the manufacture of export goods, namely, jute (including Bimlipatam jute or mesta fibre) yarn, twist, twine, thread, cords and ropes
- iv. if the said goods, being packing materials have been used in or in relation to the export of -
  - jute yarn (including Bimlipatam jute or mesta fibre), twist, twine, thread and ropes in which jute yarn predominates in weight
  - jute fabrics (including Bimlipatam jute or mesta fibre), in which jute predominates in weight
  - jute manufactures not elsewhere specified (including Bimlipatam jute or mesta fibre) in which jute predominates in weight.

As per Rule 4, the Central Government may revise amount or rates determined under rule 3.

**Rule 5: Determination of date from which the amount or rate of drawback is to come into force and the effective date for application of amount or rate of drawback**

- (1) The Central Government may specify the period upto which any amount or rate of drawback determined under rule 3 or revised under rule 4 shall be in force.
- (2) Where the amount or rate of drawback is allowed with retrospective effect, such amount or rate shall be allowed from such date as may be specified by the Central Government by notification in the Official Gazette which shall not be earlier than the date of changes in the rates of duty on inputs used in the export goods.
- (3) The provisions of section 16, or section 83(2), of the Customs Act, 1962 shall determine the amount or rate of drawback applicable to any goods exported under these rules.

Point	Brand Rate (Rule 6)	Special Brand Rate (Rule 7)	
<b>Situation</b>	Where no amount or rate of drawback has been determined for any goods	Where the rate is lower than 4/5 of the duty/taxes paid on duties paid on the materials or components used in the production or manufacture of the said goods <b>except where a claim for drawback under rule 3 or rule 4 has been made</b>	
<b>Application</b>	Any manufacturer or exporter may apply in writing to the Principal Commissioner or Commissioner		
<b>Contents of Application</b>	It shall state all the relevant facts including <ul style="list-style-type: none"> <li>a) the proportion in which the materials or components or inputs services are used in the production or manufacture of goods</li> <li>b) the duties paid on such materials or components or the tax paid on input services</li> </ul>		
<b>Time Limit</b>	within <b>3 months</b> from the date relevant i.e. date of "Let Export Order" or delivery at Postal Authorities		
<b>Extension of Time Limit</b>	<b>Authority</b>	<b>Period of extension</b>	<b>Application fee</b>
	AC / DC of Customs	Three months	(i) 1% of the FOB value of exports or (ii) Rs. 1000/- whichever is less
	Principal Commissioner / Commissioner	Further extension of six months	(i) 2% of the FOB value of exports or (ii) Rs. 2000/- whichever is less
<b>Procedure on Receipt of</b>	Commissioner shall, after making as it deems fit, <b>determine the amount or</b>	Commissioner shall, after making as it deems fit, allow <b>payment of drawback</b> to such exporter at such appropriate amount / rate	

<b>Application</b>	<u>rate of drawback</u> in respect of such goods.	
<b>Provisional Drawback (PD)</b>	If manufacturer / exporter desire that he may be granted drawback provisionally, he may, while making application, apply to the Commissioner. On finalisation of assessment, the balance is payable or refundable.	
<b>Value of Bond for PD</b>	Amount claimed as Drawback	Difference between amount or rate of drawback and the provisional drawback
<b>Revocation</b>	If Central Government considers it necessary, it may a) revoke the rate or amount of drawback, or b) direct the Commissioner to withdraw the rate or amount of drawback determined.	

**Note:** Where the exporter has already filed a duty drawback claim under All Industry Rates (AIR) Schedule, he cannot request for fixation of Special Brand Rate of drawback. Thus, the exporter should determine prior to export of goods, whether to claim drawback under AIR or Special Brand Rate.

<b>Rule 8: Minimum amount of duty drawback</b>	<b>Rule 8A: Upper Limit</b>
No amount or rate of drawback shall be determined a) if the export value is less than the value of the imported materials used or b) if the export value is not more than notified percentage of the value of the imported materials used	The upper limit of drawback money or rate should not exceed <b><u>one third of the market price of the export product.</u></b>

### **Section 76: No drawback**

- on goods if its market price (as prevailing in India) is less than drawback
- if drawback is less than Rs. 50.

### **Rule 11: Access to manufactory**

Whenever an officer of the Central Government specially authorised in this behalf by an Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, considers it necessary, the manufacturer shall give access at all reasonable times to the officer so authorised to every part of the premises in which the goods are manufactured, so as to enable the said officer to verify by inspection the process of, and the materials or components used for the manufacture of such goods, or otherwise the entitlement of the goods for drawback or for a particular amount or rate of drawback under these rules.

### **Rule 12: Procedure for claiming drawback on goods exported by post**

- Where goods are to be exported by post under a claim for drawback under these rules,-
  - the outer packing carrying the address of the consignee shall also carry in bold letters the words "DRAWBACK EXPORT";
  - the exporter shall deliver to the competent Postal Authority, alongwith the parcel or package, a claim in the Form at Annexure I, in quadruplicate, duly filled in.
- The date of receipt of the aforesaid claim form by the proper officer of Customs from the postal authorities shall be deemed to be date of filing of drawback claim by the exporter for the purpose of section 75A and an intimation of the same shall be given by the proper officer of Customs to the exporter in such form as the Principal Commissioner of Customs or Commissioner of Customs may prescribe.

(3) In case the aforesaid claim form is not complete in all respects, the exporter shall be informed of the deficiencies therein within fifteen days of its receipt from postal authorities by a deficiency memo in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, and such claim shall be deemed not to have been received for the purpose of subrule (2).

(4) When the exporter complies with the requirements specified in the deficiency memo within thirty days of its return, he shall be issued an acknowledgement by the proper officer in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, and the date of such acknowledgement shall be deemed to be date of filing the claim for the purpose of section 75A.

**Rule 13: Statement/Declaration to be made on exports other than by Post**

(1) In the case of exports other than by post, the exporters shall at the time of export of the goods –

(a) state on the shipping bill or bill of export, the description, quantity and such other particulars as are necessary for deciding whether the goods are entitled to drawback, and if so, at what rate or rates and make a declaration on the relevant shipping bill or bill of export that-

- i. a claim for drawback under these rules is being made;
- ii. in respect of duties of Customs and Central Excise paid on containers, packing materials and materials used in the manufacture of the export goods on which drawback is claimed, no separate claim for rebate of duty under the Central Excise Rules, 2002 or any other law has been or will be made to the Central excise authorities

If the Principal Commissioner / Commissioner of Customs is satisfied that the exporter or his authorised agent has, for reasons beyond his control, failed to comply with the provisions of this clause, he may, after considering the representation, if any, made by such exporter or his authorised agent, and for reasons to be recorded, exempt such exporter or his authorised agent from the provisions of this clause.

(b) furnish to the proper officer of Customs, a copy of shipment invoice or any other document giving particulars of the description, quantity and value of the goods to be exported.

(2) Where the amount or rate of drawback has been determined under rule 6 or rule 7, the exporter shall make an additional declaration on the relevant shipping bill or bill of export that –

(a) there is no change in the manufacturing formula and in the quantum per unit of the imported materials or components, if any, utilised in the manufacture of export goods; and

(b) the materials or components, which have been stated in the application under rule 6 or rule 7 to have been imported, continue to be so imported and are not being obtained from indigenous sources.

**Rule 14: Manner and time for claiming drawback on goods exported other than by post**

(1) Electronic shipping bill in Electronic Data Interchange (EDI) under the claim of drawback or triplicate copy of the shipping bill for export of goods under a claim of drawback shall be deemed to be a claim for drawback filed on the date on which the proper officer of Customs makes an order permitting clearance and loading of goods for exportation under section 51 and said claim for drawback shall be retained by the proper officer making such order.

(2) The said claim for drawback should be accompanied by the following documents, namely:-

- (i) copy of export contract or letter of credit
- (ii) copy of ARE-1
- (iii) insurance certificate, wherever necessary; and
- (iv) copy of communication regarding rate of drawback where the drawback claim is for a rate determined by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, under rule 6 or rule 7 of these rules.

(3)(a) If the said claim for drawback is incomplete in any material particulars or is without the documents specified in sub-rule (2), shall be returned to the claimant with a deficiency memo in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, within 10 days and shall be deemed not to have been filed for the purpose of section 75A.

(b) where the exporter resubmits the claim for drawback after complying with the requirements specified in the deficiency memo, the same will be treated as a claim filed under sub-rule (1) for the purpose of section 75A.

(4) For computing the period of one month prescribed under section 75A for payment of drawback to the claimant, the time taken in testing of the export goods, not more than one month, shall be excluded.

### **Rule 16: Supplementary claim**

Where any exporter finds that the amount of drawback paid to him is less than what he is entitled to on the basis of the amount or rate of drawback determined by the Central Government or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, he may prefer a supplementary claim in the form at Annexure II:

The exporter shall prefer such supplementary claim within a period of three months from

In case of All Industry Rate	from the date of publication of such rate in the Official Gazette
In case of Brand Rate or Special Brand Rate	from the date of communicating the rate to the person concerned
Other cases	from the date of payment or settlement of the original drawback claim by the proper officer

### **Extension of time limit**

Authority	Period of extension	Application fee
Assistant/Deputy Commissioner of Customs	9 months	(i) 1% of the FOB value of exports or (ii) Rs. 1000/- whichever is less
Principal Commissioner/ Commissioner	Further extension of six months	(i) 2% of the FOB value of exports or (ii) Rs. 2000/- whichever is less

The date of filing of the supplementary claim for the purpose of section 75A shall be the date of affixing the Dated Receipt Stamp on such claims which are complete in all respects and for which an acknowledgement shall be issued in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs.

Claims which are not complete in all respects or are not accompanied by the required documents shall be returned to the claimant with a deficiency memo in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be within fifteen days of submission and shall be deemed not to have been filed.

Where the exporter resubmits the supplementary claim after complying with the requirements specified in the deficiency memo, the same will be treated as a claim filed for the purpose of section 75A.

### **Rule 18: Recovery of amount of Drawback where export proceeds not realised**

➤ Where an amount of drawback has been paid to an exporter or a person authorised by him but the sale proceeds in respect of such export goods have not been realised by or on behalf of the exporter in India

within the period allowed under the Foreign Exchange Management Act, 1999, including any extension of such period, such drawback shall be recovered in the manner specified below.

- The time-limit referred to in this sub-rule shall not be applicable to the goods exported from the Domestic Tariff Area to a special economic zone.
- If the exporter fails to produce evidence in respect of realisation of export proceeds within the period allowed under the Foreign Exchange Management Act, 1999, or any extension of the said period by the Reserve Bank of India, the Assistant Commissioner of Customs or the Deputy Commissioner of Customs, as the case may be, shall cause notice to be issued to the exporter for production of evidence of realisation of export proceeds within a period of thirty days from the date of receipt of such notice and where the exporter does not produce such evidence within the said period of thirty days, the Assistant Commissioner of Customs or Deputy Commissioner of Customs shall pass an order to recover the amount of drawback paid to the claimant and the exporter shall repay the amount so demanded within thirty days of the receipt of the said order:
- Where a part of the sale proceeds has been realised, the amount of drawback to be recovered shall be the amount equal to that portion of the amount of drawback paid which bears the same proportion as the portion of the sale proceeds not realised bears to the total amount of sale proceeds.
- Where the exporter fails to repay the amount within said period of thirty days, it shall be recovered in the manner laid down in rule 17.
- Where the sale proceeds are realised by the exporter after the amount of drawback has been recovered from him and the exporter produces evidence about such realisation within a period of three months from the date of realisation of sale proceeds, the amount of drawback so recovered shall be repaid by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, to the claimant provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India:
- Provided that-
  - i. the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of nine months provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India;
  - ii. an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.
- Where sale proceeds are not realised by an exporter within the period allowed under the Foreign Exchange Management Act, 1999, but such non-realisation of sale proceeds is compensated by the Export Credit Guarantee Corporation of India Ltd. under an insurance cover and the Reserve Bank of India writes off the requirement of realisation of sale proceeds on merits and the exporter produces a certificate from the concerned Foreign Mission of India about the fact of nonrecovery of sale proceeds from the buyer, the amount of drawback paid to the exporter or the claimant shall not be recovered.

**Circular No. 21/2017: Drawback of Integrated Tax and Compensation Cess paid on imported goods upon re-export under Section 74 of the Customs Act, 1962**

Section 74 of the Customs Act, 1962 provides for drawback of duties paid at time of importation when the imported goods are re-exported. Hitherto this drawback inter alia comprised refund of basic customs duty and additional duties under Section 3 of the Customs Tariff Act (CTA), 1975.

Under the GST regime, goods upon import shall be subject to integrated tax and compensation cess in terms of Sections 3(7) and 3(9) respectively of the CTA, 1975. Accordingly, drawback under Section 74 would include refund of integrated tax and compensation cess along with basic customs duty, etc.

In order to prevent dual benefit while sanctioning drawback under Section 74 of the Customs Act, 1962, it may be ensured that a certificate duly signed by the Central/State/UT GST officer, having jurisdiction over the exporter is obtained, that no credit of integrated tax /compensation cess paid on imported goods has been availed or no refund of such credit or integrated tax paid on reexported goods has been claimed.

**Circular No. 49/2017: Refund/Claim of Countervailing duty as Duty Drawback**

With respect to Countervailing Duties which are leviable under section 9 of the Customs Tariff Act, the Board clarifies that these are rebatable as Drawback in terms of Section 75 of the Customs Act. Since Countervailing Duties are not taken into consideration while fixing All Industry Rates of Duty Drawback, the Drawback of such Countervailing Duties can be claimed under an application for Brand Rate under Rule 6 or Rule 7 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 and/or the Customs and Central Excise Duties Drawback Rules, 2017, as the case may be. This would necessarily mean that drawback shall be admissible only where the inputs that suffered Countervailing Duties were actually used in the goods exported as confirmed by the verification conducted for fixation of Brand Rate.

Where imported goods subject to Countervailing Duties are exported out of the country as such, then the Drawback payable under Section 74 of the Customs Act, 1962 would also include the incidence of Countervailing Duties as part of total duties paid, subject to fulfilment of other conditions

**Circular No.26/2017: Export Procedure And Sealing Of Containerized Cargo In GST Regime**

**A. Procedure of Export:** Any person making zero rated supply (i.e. any exporter) shall be eligible to claim refund under either of the following options:

- a) he may supply goods or services or both under bond or Letter of Undertaking, subject to conditions, safeguards & procedure without payment of integrated tax and claim refund of unutilized input tax credit or
- b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both

Option (a)	Option (b)
<p>The exporter claiming refund of unutilized input tax credit will file an application electronically. Application for refund shall be filed only after the export manifest or an export report is delivered under section 41 of the Customs Act, 1962 in respect of such goods.</p>	<p>Registered person shall not be required to file any application for refund of IGST paid on supply of goods for exports. The shipping bill, having inter-alia GST invoice details, filed by an exporter shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India and such application shall be deemed to have been filed only when the person in charge of the conveyance carrying the export goods duly files an export manifest or an export report covering the number and the date of shipping bills or bills of export and the applicant has furnished a valid return in FORM GSTR-3. The details of the relevant export invoices contained in FORM GSTR-1 shall be transmitted electronically by the common portal to the Customs system and the said system shall in turn electronically transmit back to the common portal a confirmation that the goods covered by the said invoices have been exported out of India. Upon receipt of information regarding furnishing of valid return in FORM GSTR-3 from the common portal, the Customs system shall process the claim for refund and an amount equal to the integrated tax paid in respect of each shipping bill or bill of export shall be electronically credited to the bank account of the applicant mentioned in his registration particulars. Government has allowed a grace period to the registrants to file returns under the new GST Law.</p>

## **B. Sealing of Containers**

It has been decided to do away with the sealing of containers with export goods by CBEC officials. Instead, self-sealing procedure shall be followed subject to the following:

- i. The exporter shall be under an obligation to inform the details of the premises whether a factory or warehouse or any other place where container stuffing is to be carried out, to the jurisdictional customs officer.
- ii. The exporter should be registered under the GST and should be filing GSTR1 and GSTR2. Where exporter is not a GST registrant, he shall bring the export goods to a Container Freight Station/Inland Container Depot for stuffing and sealing of container. However, in certain situations, an exporter may follow the self-sealing procedure even if he is not required to be registered under GST Laws. Such an exception is available to the Status Holders recognized by DGFT under a valid status holder certificate issued in this regard.
- iii. Any exporter desirous of availing this procedure shall inform the jurisdictional Custom Officer of the rank of Superintendent or Appraiser of Customs, at least 15 days before the first planned movement of a consignment from his/her factory/premises, about the intention to follow self-sealing procedure to export goods from the factory premises or warehouse. The jurisdictional Superintendent or an Appraiser or an Inspector of Customs shall visit the premises from where the export goods will be stuffed & sealed for export. The jurisdictional Superintendent or Inspector of Customs shall inspect the premises with regard to viability of stuffing of container in the premises and submit a report to the jurisdictional Deputy Commissioner of Customs or as the case may be the Assistant Commissioner of Customs within 48 hours. The jurisdictional Deputy Commissioner of Customs or as the case may be the Assistant Commissioner of Customs shall forward the proposal, in this regard to the Principal Commissioner/Commissioner of Customs who would grant permission for self-sealing at the approved premises. Once the permission is granted, the exporter shall furnish only intimation to the jurisdictional Superintendent or Customs each time self-sealing is carried out at approved premises. The intimation, in this regard shall clearly mention the place and address of the approved premises, description of export goods and whether or not any incentive is being claimed.
- iv. Where the visit report of the Superintendent or an Appraiser or an Inspector of Customs regarding viability of the stuffing at the factory/premises is not favorable, the exporter shall bring the goods to the Container Freight Station /Inland Container Depot/Port for sealing purposes.
- v. Self-Sealing permission once given by a Principal Commissioner/Commissioner of Customs shall be valid for export at all the customs stations. The customs formation granting the self-sealing permission shall circulate the permission along with GSTIN of the exporter to all Custom Houses/Station concerned.
- vi. Transport document for movement of self-sealed container by an exporter from factory or warehouse shall be same as the transport document prescribed under the GST Laws. In the case of an exporter who is not a GST registrant, way bill or transport challan or lorry receipt shall be the transport document.
- vii. The exporter shall seal the container with the tamper proof electronic-seal of standard specification. The electronic seal should have a unique number which should be declared in the Shipping Bill. Before sealing the container, the exporter shall feed the data such as name of the exporter, IEC code, GSTIN number, description of the goods, tax invoice number, name of the authorized signatory (for affixing the e-seal) and Shipping Bill number in the electronic seal. Thereafter, container shall be sealed with the same electronic seal before leaving the premises.
- viii. The exporter intending to clear export goods on self-clearance (without employing a Customs Broker) shall file the Shipping Bill under digital signature.

- ix. All consignments in self-seated containers shall be subject to risk based criteria and intelligence, if any, for examination/inspection at the port of export. At the port/ICD as the case may be, the customs officer would verify the integrity of the electronic seals to check for tampering if any enroute. The Risk Management System (RMS) is being suitably revamped to improve the interdiction/examination norms. However, random or intelligence based selection of such containers for examination/scanning would continue.

Board has decided that the above revised procedure regarding scaling of containers shall be effective from 01.09.2017. A future date has been prescribed since the returns under GST have been permitted to be filed by 10.09.17 and also with the purpose to give enough time to the stakeholders to adapt to the new procedures. Therefore, as a measure of facilitation, the existing practice of sealing the container with a bottle seal under Central Excise supervision or otherwise would continue.