

## Chapter 2

# IMPORTATION & EXPORTATION PROCEDURE

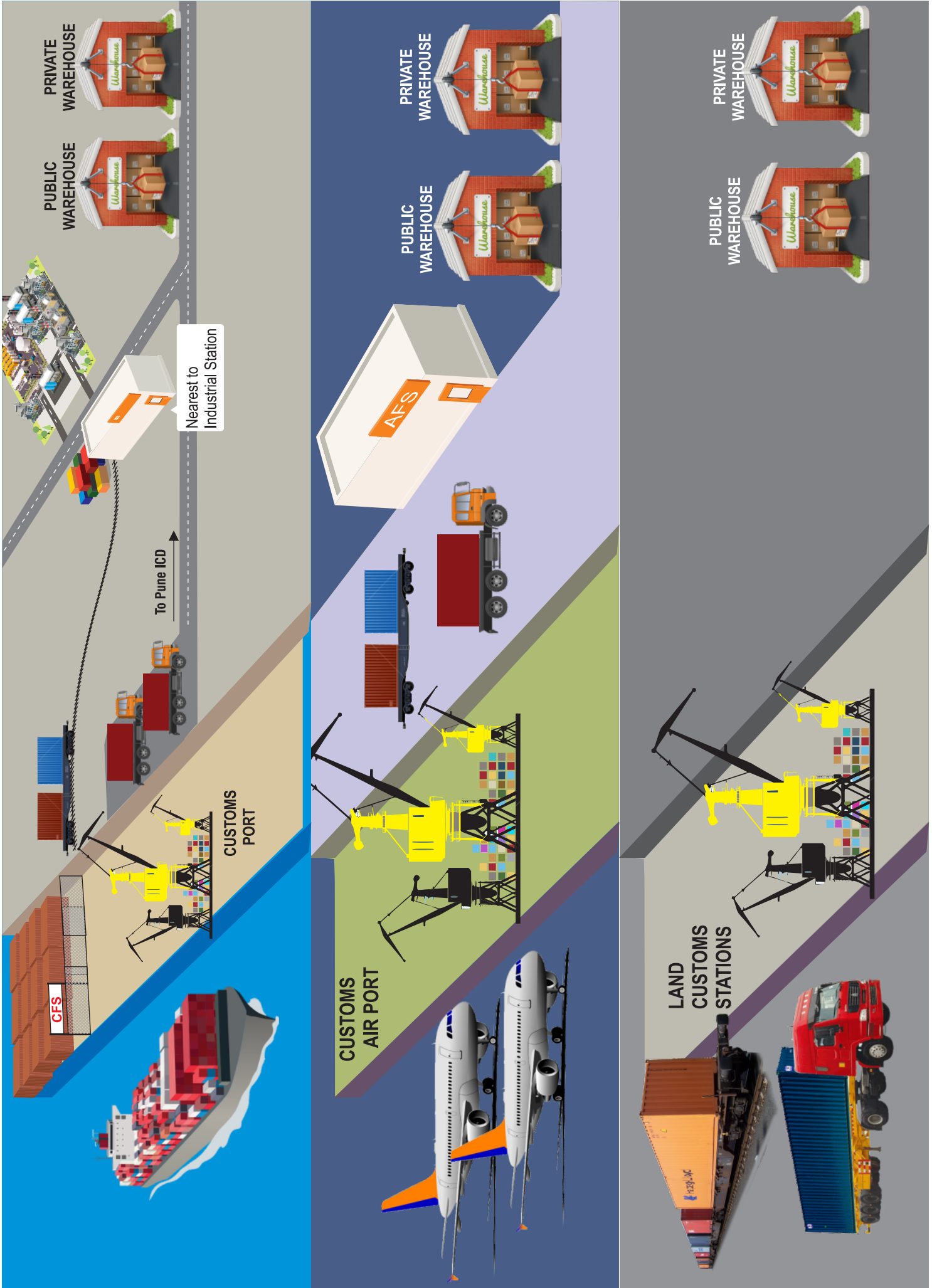
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## Places where imported or exported goods are kept



# Importation and Exportation Procedure

Students  
Notes



Sec 2(11) "customs area"	<b>Means</b> the area of a customs station and <b>Includes</b> any area in which imported goods or export goods are ordinarily kept before clearance by Customs Authorities.
Sec 2(13) "customs station"	<b>Means</b> any customs port, customs airport or land customs station.
Sec 2(12) "customs port"	<b>Means</b> any port appointed under clause (a) of section 7 (appointed by CBIC) to be a customs port and <b>Includes</b> a place appointed under clause (aa) of that section to be an <b><u>inland container depot</u></b> ;
Sec 2(10) "customs airport, international courier terminal, foreign post office".	<b>Means</b> any airport appointed under clause (a) of 7 (appointed by CBIC) to be a customs airport; <b>Includes</b> a place appointed under Clause (aa) of that section to be an <b><u>air freight station</u></b>
Sec 2(29) land customs station	<b>Means</b> any place appointed under clause (b) of section 7 (appointed by CBIC) to be a land customs station.
Sec 2(20A) "Foreign Post Office"	<b>Means</b> any post office appointed under clause (e) sec. 7(1) to be a foreign post office
Sec 2(28A) "international courier terminal"	<b>Means</b> any place appointed under clause (f) of sub-section (1) of section 7 to be an international courier terminal exported

**Question:** Discuss the distinction between the functioning of Inland Container Depots (ICD) and Container Freight Stations (CFS)

**Answer:**

## 1. Inland Container Depot:

- It is a Customs Station duly appointed by the Central Board of Excise & Customs by a notification in the Official Gazette u/s 7(aa).
- It has an independent existence on par with any other Customs Station.
- They are created for the purpose of Loading/Unloading of Export Goods/Imported Goods.
- Movement from ICD to a Land Customs Station or Airport is akin to Trans-shipment from one customs station to another Customs Station.
- Facilities for Processing of Import Manifest, Export Manifest, Bill of Entry etc. are made available at the ICD itself.



## Tutorial Notes

It is created at a place where seashore is not available. The containers are permitted to move to the point in close proximity to important industrial station so that the importers can get clearance of the imported goods at the nearest point to their factory or premise. The facility helpful to exporter as they can export the goods from there nearest point.

## 2. Container Freight Station:

- It is an extension of the primary Port.
- They are set up with the main objective of decongesting the Ports, where only a part of the Customs process mainly with examination of goods is carried out by the Customs.
- Processing of Import Manifest, Export Manifest, Bill of Entry etc. are not carried out at CFS (these functions are carried at Main Port)

## 3. Air Freight Station:

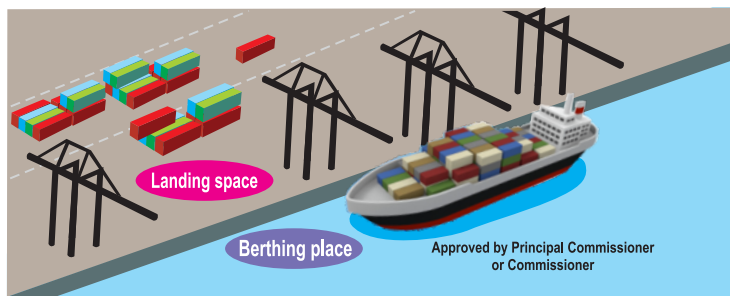
- AFS is an off-airport common user facility equipped with fixed installations of minimum requirements and offering services for handling and temporary storage of import and export cargo.
- As per the new policy guidelines all export and import cargo clearance including customs related activities like assessment, examination, payment of duties etc. would be provided at the AFS, as is done in any other custom station.
- AFS avoid Congestion at main Airport besides expediting clearance of imported goods and minimising handling operations at the Airport.





## SEC 8 The Principal Commissioner and Commissioner of Customs may,

- (a) **approve** : Proper places in any customs port or customs airport or coastal port for the unloading and loading of goods or for any class of goods;  
(b) **specify** : The limits of any customs area.

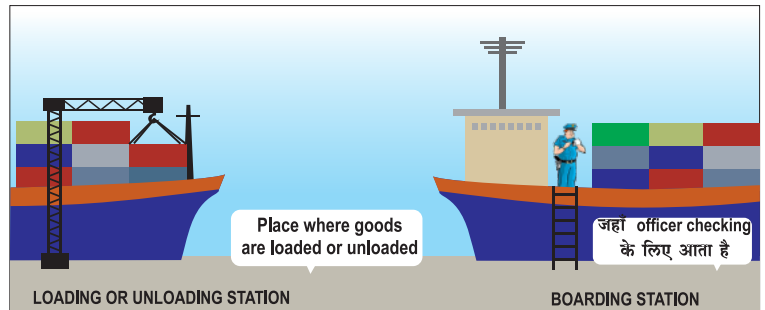


**Landing Space:-**  
जहाँ goods upload किए जाते हैं

**Berthing Place:-**  
जहाँ vessels जगह लेता है for unloading

## SEC 10 : APPOINTMENT OF BOARDING STATIONS

The Principal Commissioner or Commissioner of Customs may, by notification in the Official Gazette,  
➡ appoint, in or near any customs port, a boarding station  
➡ for the purpose of boarding of, or disembarkation from, vessels by officers



## SEC 2(16) "ENTRY" In relation to goods

Means an entry made in a

➤ bill of entry, (for imported goods)

➤ shipping bill (for export goods by vessels/aircraft) or

➤ bill of export (for export goods by vehicle)

### ENTRY [ Application of Clearance]



## SEC 2(31) : PERSON-IN-CHARGE

(a) In relation to a vessel



**Master** of the Vessel

(b) In relation to an aircraft,



The **Commander or pilot** - in charge of the aircraft

(c) In relation to a Railway Train



The **conductor, guard** or other person having the chief direction or the train

(d) In relation to any other conveyance



The **driver** or other person-in-charge of the conveyance

## SEC 2(33) PROHIBITED GOODS

**Means** any goods the import or export of which is subject to any *prohibition under this Act or any other law for the time being in force*

**But does not include** any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with.

**Example:** obscene materials, Maps and literature where Indian external boundaries have been shown incorrectly, Narcotic Drugs and Psychotropic Substances, Counterfeit goods and goods violating any of the legally enforceable intellectual property right, Chemicals mentioned in birds and animals, Wild animals, their parts and products, Exotic birds except a few specified ones, Beef, tallow, fat/oil of animal origin. Specified Sea-shells, Human skeleton.





## IMPORTATION & EXPORTATION

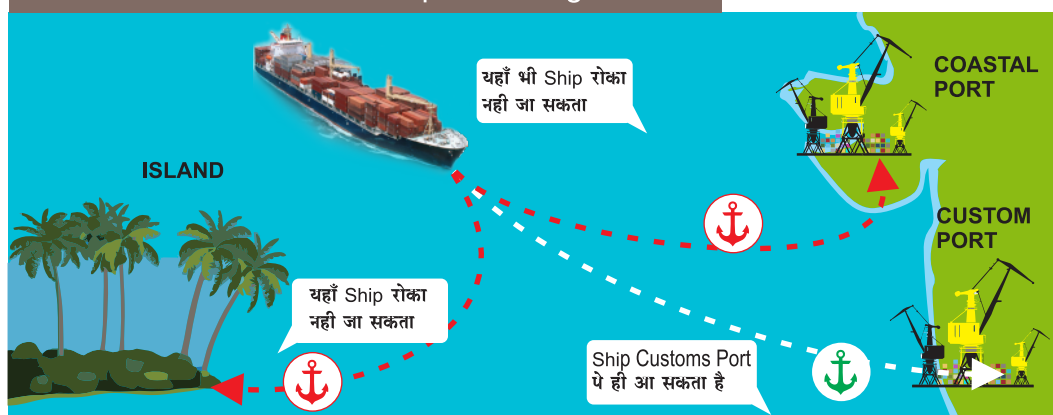
There are following four different situation in which goods are imported or exported

1. Goods imported by sea/air/land
2. Goods imported by post.
3. Goods imported by passenger as their baggage.
4. Ship stores which are considered to be imported and charged to customs duty.

### STATUTORY PROVISION FOR IMPORTATION OF GOODS BY SEA, AIR & LAND

#### SECTION 29: ARRIVAL OF VESSELS AND AIRCRAFT IN INDIA

Let's understand the concept with diagram



#### Legal Provision:-

- 1) The **person-in-charge** of a vessel or an aircraft entering India from any place outside India shall not cause or permit the vessel or aircraft to call or land -
  - a) for the **first time after arrival** in India; or
  - b) at **any time** while it is carrying passengers or cargo brought in that vessel or aircraft;

**At any place other than a customs port or a customs airport**, as the case may be unless permitted by the Board.



#### Tutorial Notes

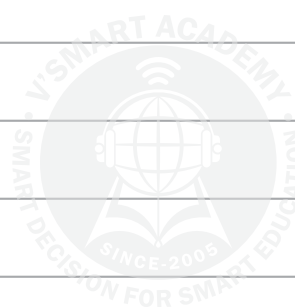
In other words, vessels or aircrafts entering india from outside india can only call or land at a customs port or a customs airport. However, the central board of excise and customs can permit calling/landing of vessels and aircrafts at any place other than customs port or customs airport.

**Exception :** Provided that it may call or land at any other place only if compelled by accident, bad weather or due to some genuine unavoidable reason. However, the person in charge of the vessel has the following obligation cast on him:

- a) He must **report to the nearest police station** or custom officer of such emergency arrival.
- b) He shall not without the consent of any such officer permit
  - ▶ Any goods carried in the vessel or the aircraft to be unloaded from, or
  - ▶ Any of the crew or passengers **to depart from the vicinity of, the vessel or the aircraft.**

**However, the passengers, crew and goods can keep away from the conveyance for the reason of health, safety or preservation of life or property.**
- c) He shall comply with any directions given by any such officer with respect to any such goods, and no passenger or member of the crew shall, without the consent of any such officer, leave the immediate vicinity of the vessel or the aircraft.

Students  
Notes





## SECTION 30: DELIVERY OF ARRIVAL MANIFEST OR IMPORT MANIFEST OR IMPORT REPORT

Let's understand the concept with diagram



### Legal Provision:-

1. Meaning	Import manifest or import report is ➔ a detailed information to customs about goods in the vessels/air crafts ➔ which have been brought in at any port/airport for unloading at that particular port/international airport ➔ as also that which would be carried further for other ports/airports.			
2. Who will submit	The person-in-charge of - ▶ A vessel or ▶ An aircraft or ▶ A vehicle, Carrying imported goods or export goods or any other person as (Customs broker/Agent) may be specified by the Central Government, by notification in the Official Gazette, in this behalf shall submit import Manifest.			
3. Time limit for delivery	Particulars	Import Document	Time limit for presentation of IM/IR	Mode of Presentation
	Where the imported goods are brought in a vessel	Import Manifest / Arrival Manifest	Any time prior to the arrival of the vessel	Electronic filing*
	Where the imported goods are brought in an aircraft	Import Manifest/ Arrival Manifest	Any time prior to the arrival of the aircraft	Electronic filing*
	Where the imported goods are brought in a vehicle	Import Report	Within 12 hrs after its arrival in the customs station	Manual filing
4. Penalty	If it is not submitted within aforesaid time and proper officer satisfied that there was no sufficient cause for such delay then person in charge shall be liable to a penalty not more than Rs. 50000			
5. Belated filing	Import manifest/Report filed belatedly may also be accepted by the proper officer on valid justified grounds.			
6. Amendment	If the proper officer is satisfied that the Arrival manifest/ import manifest or import report is in any way incorrect or incomplete and there is no fraudulent intention, he may permit it to be amended or supplemented. [Section 30(3)].			
7. Content	(i) The manifest/report should be delivered in duplicate and should cover all the goods carried in the aircraft/vessel/vehicle. (ii) The manifest/import report has to be in four parts as under- 1. General declaration. 2. Cargo declaration. 3. Vessels stores list. 4. a list of private property in the possession of the master, officers and crew. 5. Passenger manifest in case of aircrafts. (iii) The cargo list is categorized in the manifest/report into the following categories and shall be delivered in separate sheets. (1) cargo to be landed; (2) unaccompanied baggage; (3) goods to be transshipped; (4) same bottom or retention cargo. (iv) In the cargo declaration, there should be separate mention about (i) arms (ii) ammunition (iii) explosives (iv) narcotics (v) dangerous drugs (vi) gold and (vii) silver.			

## Sec. 30A - Special Passenger and Crew Manifest

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Notes



<b>1. Meaning</b>	It is detailed list of passengers and crew traveling in a conveyance.
<b>2. Who will submit</b>	<ul style="list-style-type: none"> <li>➤ The person-in-charge of a conveyance that enters India from any place outside India or</li> <li>➤ any other person as may be specified by the Central Government by notification in the Official Gazette</li> </ul> <p>shall delivered the <b>passenger name record information</b> of arriving passengers and <b>passengers and crew arrival manifest</b></p> <p><b>'Sec 2(30B) "passenger name record information"</b> means the records prepared by an operator of any aircraft or vessel or vehicle or his authorised agent for each journey booked by or on behalf of any passenger</p>
<b>3. Time limit for delivery</b>	<p>It shall deliver to the proper officer :</p> <ol style="list-style-type: none"> <li>1) <b>The passenger and crew arrival manifest</b> <ul style="list-style-type: none"> <li>➤ before arrival in the case of an aircraft or a vessel and</li> <li>➤ upon arrival in the case of a vehicle; and</li> </ul> </li> <li>2) <b>The passenger name record information</b> of arriving passengers, in such form, containing such particulars, in such manner and within such time, as may be prescribed.</li> </ol>
<b>4. Penalty</b>	<p>If it not delivered to the proper officer within the prescribed time and if the proper officer is satisfied that there was no sufficient cause for such delay, the person-in-charge or the other person referred to in sub-section (1) shall be liable to such penalty, not exceeding <b>₹50000</b> as may be prescribed.</p>

## SECTION 31: IMPORTED GOODS NOT TO BE UNLOADED FROM VESSELS UNTIL ENTRY INWARD GRANTED.

Let's understand the concept with diagram



### Legal Provision:-

<b>Entry Inward Order</b>	The <b>master of a vessel</b> shall not permit the unloading of any imported goods until an <b>order</b> has been given by the proper officer <b>granting entry inwards to such vessel</b> .
<b>Non-Applicability</b>	<p>Nothing in this section shall apply to the unloading</p> <ul style="list-style-type: none"> <li>➤ of baggage accompanying a passenger or a member of the ➤ crew,</li> <li>➤ mail bags, ➤ animals, ➤ perishable goods and ➤ hazardous goods.</li> </ul>

**Note :-** Provision of this section is not applicable to goods imported by Aircraft or Vehicle





## SECTION 32: IMPORTED GOODS NOT TO BE UNLOADED UNLESS MENTIONED IN IMPORT MANIFEST OR IMPORT REPORT

No **imported goods** required to be mentioned in an import manifest or import report shall, except with the permission of the proper officer,  
*be unloaded at any customs station unless they are specified in such manifest or report for being unloaded at that customs station.*

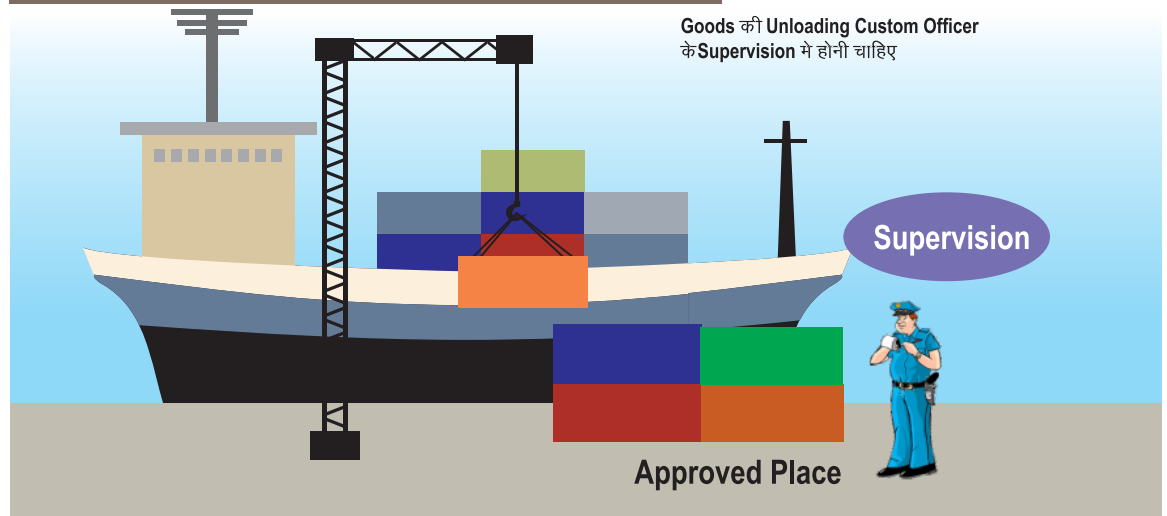


### Tutorial Note:

The mention of any consignment in the ship's/aircraft's manifest or conveyances cargo list is a proof of the genuine nature of the import goods. If the goods are not mentioned in the manifest or import report delivered to the proper officer at a customs port/airport/station, there is every reason to believe that the goods were intended to be smuggled into India, either without payment of duty or in contravention of any prohibition in force.

## Unloading and Supervision of Officer

Let's understand the concept with diagram



### Legal Provision:-

## SECTION 33: UNLOADING AND LOADING OF GOODS AT APPROVED PLACES ONLY

Except with the permission of the proper officer,

- no **imported goods** shall be unloaded, and
- no **export goods** shall be loaded,

*at any place other than a place approved under clause (a) of section 8 for the unloading or loading of such goods.*

## SECTION 34: GOODS NOT TO BE UNLOADED OR LOADED EXCEPT UNDER SUPERVISION OF CUSTOMS OFFICER.

- **Imported goods** shall not be unloaded from, and
- **Export goods** shall not be loaded on, any conveyance except under the **supervision of the proper officer.**

Provided that

the **Board** may, by notification in the Official Gazette, give **general permission** and the **proper officer** may in any particular case give **special permission**,

for any goods or class of goods to be unloaded or loaded **without the supervision of the proper officer.**



## SECTION 35: RESTRICTIONS ON GOODS BEING WATER-BORNE

Let's understand the concept with diagram



Students  
Notes



### Legal Provision:-

<b>Restriction on water-borne</b> (mandatory requirement of bote-note)	This section provide that ➤ <b>No imported goods</b> shall be water-borne for being landed from any vessel, and ➤ <b>No export goods</b> which are not accompanied by a shipping bill, shall be water-borne for being shipped, unless the goods are accompanied by a <b>boat-note</b> in the prescribed form.
<b>Permission without boat-note</b>	Provided that the <b>Board</b> may, by notification in the Official Gazette, give <b>general permission</b> , and the <b>proper officer</b> may in any particular case give <b>special permission</b> , for any goods or any class of goods to be water-borne without being accompanied by a boat-note.



**Tutorial Note:** When the vessels is berthed on the quay the goods could be directly unloaded on the wharf. There are certain customs ports like pondicherry, tuticorin, mangalore, saurashtra, where the ships cannot come to the shore for unloading or loading. In these places the cargo is ferried from the ships anchored at mid-sea to the port in boats, otherwise known as lighters. Even in other ports like calcutta, bombay, madras, cochin etc. Not all ships arriving in the port get a berth. They have to wait for some time before they get allotment of berth. At times the ships have tight itinerary. In such cases the import cargo is taken from the ship to the shore and the export cargo is taken from the shore to the ship in boats.

## SECTION 45: RESTRICTIONS ON CUSTODY AND REMOVAL OF IMPORTED GOODS

### DOCK VIEW





### Custody of the custodian

All **imported goods** unloaded in a customs area shall  
 ➔ remain in the custody of such person (custodian) as may be **approved by the Commissioner of Customs**  
 ➔ until they are cleared for home consumption or are warehouse.

major ports	the custodian is the port trust.
other places	the custodian are the ware house keepers.
inland container depots	the container corporation of india
In case of air cargo	the custodian is the national airport authority.
goods brought by rail	the custodian is the station master.

### Obligation of the custodian

**The person having custody of any imported goods in a customs area,**  
 (a) **shall keep a record** of such goods and send a copy thereof to the proper officer.  
 (b) shall not permit such goods  
 ➔ to be removed from the customs area or  
 ➔ otherwise dealt with,  
 except under and in accordance with the permission in writing of the proper officer or in accordance with a general procedure that may be prescribed that avoid subjectivity of the officer as to the manner of removal of such goods

### Liability to pay duty in case of pilferage

**Notwithstanding anything contained** in any law for the time being in force,  
 • if any imported goods are **pilfered after unloading** thereof in a customs area while in the custody of a person (Port trust Authority or other custodian) appointed by commissioner  
 • that **person shall be liable to pay duty on such goods**  
 • **at the rate prevailing on the date of delivery of an import manifest or, as the case may be, an import report** to the proper officer under section 30 for the arrival of the conveyance in which the said goods were carried.

## SECTION 46: ENTRY OF GOODS ON IMPORTATION

### 1. Meaning:

It is an **application** by Importer to Customs authority for assessment and clearance of goods from customs area.

### 2. Presentation:

The **importer** of any goods, other than goods intended for transit or transshipment, **shall make entry thereof by presenting electronically** on the custom automated system to the proper officer a **bill of entry for home consumption or warehousing** in the in such a form and manner as may be prescribed.

Provided that the Principle Commissioner or Commissioner of Customs may, in cases where it is not feasible to make entry by presenting electronically on the custom automated system, allow an entry to be presented in any other manner:

### 3. Types of Bill of Entry:

**There are three types of B/E prescribed by regulation**

Form I	For Home Consumption
Form II	For warehousing (Into bond)
Form III	Clearance for Home Consumption from warehouse (Ex-bond). [This Bill of Entry is to be submitted U/S 68 & not under Sec. 46]

### 4. Matching of BOE with Bill of lading

A bill of entry shall include all the goods mentioned in the bill of lading or other receipt given by the carrier to the consignee.

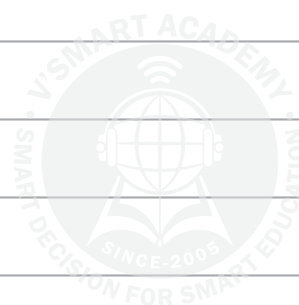




4. Bill of Lading:	The Bill of Lading given by carrier of the goods is importer's document of titles of goods. The Bill of Lading covers all the goods imported with full description.							
5. Content of Bill of Entry:	The importer is required to declare in the Bill of Entry amongst other things <ul style="list-style-type: none"><li>➤ the particulars of packages,</li><li>➤ the descriptions of the goods, in terms of the description given in the Customs Tariff to enable proper classification of the goods and the correct value of the goods for the determining the amount of duty.</li></ul> Since the assessment is based on the declaration made by the importer, the onus is cast upon him to make a declaration and solemn affirmation about the truth of the contents in the Bill of Entry.							
6. Incomplete Bill of Entry:	If the importer <ul style="list-style-type: none"><li>➤ <b>unable to furnish all the particulars</b> of the goods required under this sub-section and</li><li>➤ if <b>he confesses his predicament</b> to the department,</li></ul> the proper officer may, pending the production of such information, permit him, <table><tr><td>a)</td><td>To examine the goods in the presence of an officer of customs, or</td></tr><tr><td>b)</td><td><b>Warehousing without Warehousing:</b>To deposit the goods in a public warehouse appointed under section 57 without warehousing the same. Accordingly such goods shall not deemed to be warehoused goods and no provision of warehousing shall apply.</td></tr></table>		a)	To examine the goods in the presence of an officer of customs, or	b)	<b>Warehousing without Warehousing:</b> To deposit the goods in a public warehouse appointed under section 57 without warehousing the same. Accordingly such goods shall not deemed to be warehoused goods and no provision of warehousing shall apply.		
a)	To examine the goods in the presence of an officer of customs, or							
b)	<b>Warehousing without Warehousing:</b> To deposit the goods in a public warehouse appointed under section 57 without warehousing the same. Accordingly such goods shall not deemed to be warehoused goods and no provision of warehousing shall apply.							
7. Time Limit:	The importer shall present the bill of entry <b>before the end of the next day following the day (excluding holidays)</b> on which the aircraft or vessel or vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for home consumption or warehousing							
8. Prior Bill of Entry:	Provided that a bill of entry may be presented <b>at any time not exceeding thirty days prior to</b> the expected arrival of the aircraft or vessel or vehicle by which the goods have been shipped for importation into India:							
9. LATE FEE :	Provided further that where the bill of entry is not presented within the time so specified and the proper officer is satisfied that there was no sufficient cause for such delay, the importer shall pay such charges for late presentation of the bill of entry as may be prescribed.							
10. Declaration / Verification :	The importer while presenting a bill of entry shall- <table><tr><td>a)</td><td>make and subscribe to a declaration as to the <b>truth of contents of such bill of entry</b> and</td></tr><tr><td>b)</td><td>shall, in support of such declaration, produce to proper officer [i.e., "Superintendent/Appraiser" or higher authority]<ul style="list-style-type: none"><li>➤ the invoice, if any, and</li><li>➤ such other documents relating to the imported goods as may be prescribed.</li></ul></td></tr></table>		a)	make and subscribe to a declaration as to the <b>truth of contents of such bill of entry</b> and	b)	shall, in support of such declaration, produce to proper officer [i.e., "Superintendent/Appraiser" or higher authority] <ul style="list-style-type: none"><li>➤ the invoice, if any, and</li><li>➤ such other documents relating to the imported goods as may be prescribed.</li></ul>		
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11. The Importer who present a bill of entry shall ensure the following, namely:	<table><tr><td>a)</td><td>the accuracy and completeness of the information given therein</td></tr><tr><td>b)</td><td>the authenticity and validity of any document supporting it and</td></tr><tr><td>c)</td><td>compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.</td></tr></table>		a)	the accuracy and completeness of the information given therein	b)	the authenticity and validity of any document supporting it and	c)	compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.
a)	the accuracy and completeness of the information given therein							
b)	the authenticity and validity of any document supporting it and							
c)	compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.							
12. conversion from home consumption to warehousing and vice –versa:	<div>If the proper officer is satisfied that<ul style="list-style-type: none"><li>▶ the interests of revenue are not prejudicially affected and</li><li>▶ that there was no fraudulent intention,</li></ul></div>	<div>he may permit substitution of a bill of entry for home consumption for a bill of entry for warehousing or vice versa.</div>						



**Tutorial Note:** In other words, if the rate of duty is high and the importer expects the government to reduce the duty, he can cleverly apply for conversion and seek permission to substitute the bill of entry for home consumption by a bill of entry of warehousing so that he would decide to remove the goods as and when the rate of duty is reduced. But officer will not allow such conversion because it will affect the revenue.







## SECTION 47 : CLEARANCE OF GOODS FOR HOME CONSUMPTION

### Order of clearance for home consumption

Where the proper officer is satisfied that

- ▶ any goods entered for home consumption are **not prohibited goods** and
- ▶ **the importer has paid the import duty, if any**, assessed thereon and any charges payable under this Act in respect of the same,

the proper officer may make an **order** permitting clearance of the goods for home consumption.

### E-Order

Provided that such order may also be made **electronically through the customs automated system** on the basis of risk evaluation through appropriate selection criteria.

### Deferred Payment

Provided further that the Central Government may, by notification in the Official Gazette, permit certain **class of importers to make deferred payment** of said duty or any charges in such manner as may be provided by rules.



#### Tutorial Note:

Central Government has permitted the following class of importers to make deferred payment of import duty:-

- (i) Importers certified under Authorized Economic Operator programme as AEO (TierTwo) and AEO (Tier-Three)
- (ii) Authorised Public Undertaking

Sr. No.	Goods corresponding to Bill of Entry returned for payment from	Due date of payment of duty, inclusive of the period (excluding holidays) as mentioned in section 47(2)
1.	1 st day to 15th day of any month	16th day of that month
2.	16th day till the last day of any month other than March	1st day of the following month
3.	16th day till the 31st day of March	31st March

**Note:-** An eligible importer intending to avail the benefit of deferred payment shall *intimate to the Principal Commissioner/Commissioner of Customs*, having jurisdiction over the port of clearance

### Payment of Duty

#### The importer shall pay the import duty—

- a) **Self-Assessment :-** on the date of presentation of the bill of entry in the case of self-assessment; or
- b) **Reassessment or Provisional Assessment:-** within one day (excluding holidays) from the date on which the bill of entry is returned to him by the proper officer for payment of duty in the case of assessment, reassessment or provisional assessment; or
- c) **Deferred Payment :-** In the case of deferred payment under the proviso to sub-section (1), from such due date as may be specified by rules made in this behalf,

### Interest

If he fails to pay the duty within the time so specified, he shall pay interest @ 15% on the duty not paid or short-paid till the date of its payment.



## SECTION 48 PROCEDURES IN CASE OF GOODS NOT CLEARED, WAREHOUSED, OR TRANSHIPPED WITHIN THIRTY DAYS AFTER UNLOADING

<b>Clearance of Import of Goods</b>	If any imported goods are not cleared for home consumption or warehoused or transhipped within thirty days from the date of the unloading thereof or within such further time as the proper officer may allow, such goods may, after notice to the importer and with the permission of the proper officer be sold by custodian thereof
<b>Sale of goods before prescribe time</b>	<p>Provided that –</p> <ol style="list-style-type: none"> <li>Animals, perishable goods and hazardous goods, may, with the permission of the proper officer, be sold at any time;</li> <li>Arms and ammunition may be sold at such time and place and in such manner as the Central Government may direct.</li> </ol>
<b>Procedure and liability compliance</b>	<p>After the successful bidder has been informed about the result of the auction, <b>a consolidated bill of entry, buyer-wise</b> will be filed with the Customs in the prescribed format by the concerned custodian for clearance of the goods as per section 46.</p> <ol style="list-style-type: none"> <li>The proper officer of Customs shall assess the goods to duty in accordance with the extant law within 15 days of filing of Bill of Entry and after assessment inform the amount of duty payable to the concerned custodian.</li> <li>The auctioned goods shall be handed over to the successful bidder after assessment and out-of-charge orders given by the proper officer, on payment of dues.</li> </ol>

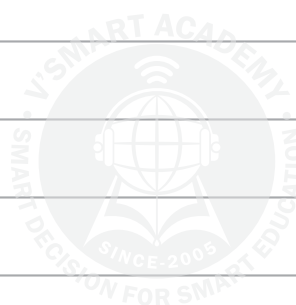


### Tutorial Notes

If there are any goods imported from a place outside india, which are not cleared within 30 days from the date of unloading, the custodian of the cargo is unnecessarily burdened with the custody of the goods. It Also deprives the customs department of its legitimate revenue in the form of customs duty. The 30 days have been considered to be sufficient time for any importer to make up his mind whether the goods should be cleared into town on payment of duty or whether they should be transhipped or whether they should be deposited in a warehouse.

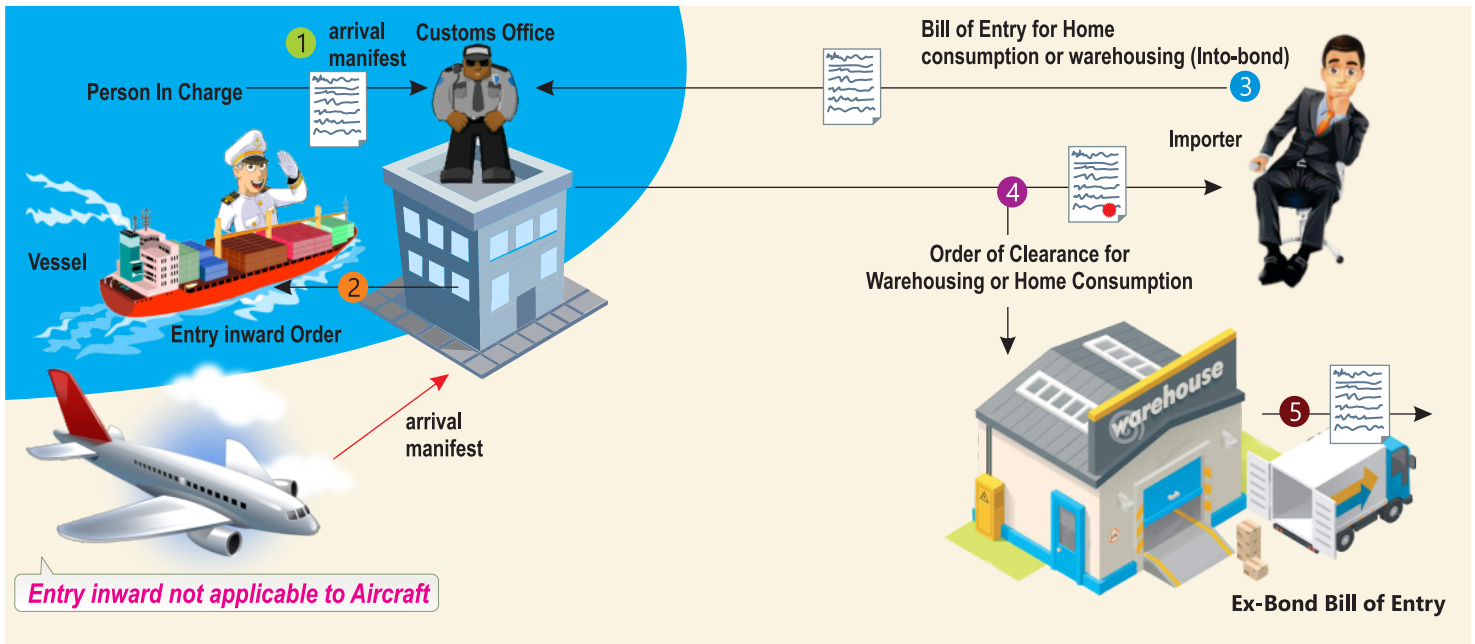
## SECTION 49: WAREHOUSING WITHOUT WAREHOUSING

<b>Cases of Warehousing without warehousing (WWW)</b>	<p>Where,</p> <ol style="list-style-type: none"> <li>In the case of any <b>imported goods</b>,              ➔ whether <b>dutiable or not</b>,              ➔ <b>entered for home consumption</b>,              the AC OR DC of Customs is satisfied on the <i>application of the importer that the goods cannot be cleared within a reasonable time.</i></li> <li>In the case of <b>any imported</b>              ➔ <b>dutiable goods</b>,              ➔ <b>entered for warehousing</b>,              the AC OR DC of Customs is satisfied on the <i>application of the importer that the goods cannot be removed for deposit in a warehouse within a reasonable time,</i></li> </ol>
<b>Permission for WWW</b>	the goods may pending clearance or removal, as the case may be, be permitted to be stored in a public warehouse for a period not exceeding <b>30 days</b>
<b>Non-applicability of Warehousing provision</b>	Provided that the provisions of Warehousing shall not apply to goods permitted to be stored in a public warehouse under this section.
<b>Extension of Period of WWW</b>	Provided further that the Principal Commissioner of Customs or Commissioner of Customs may extend the period of storage for a further period <b>not exceeding 30 days</b> at a time.

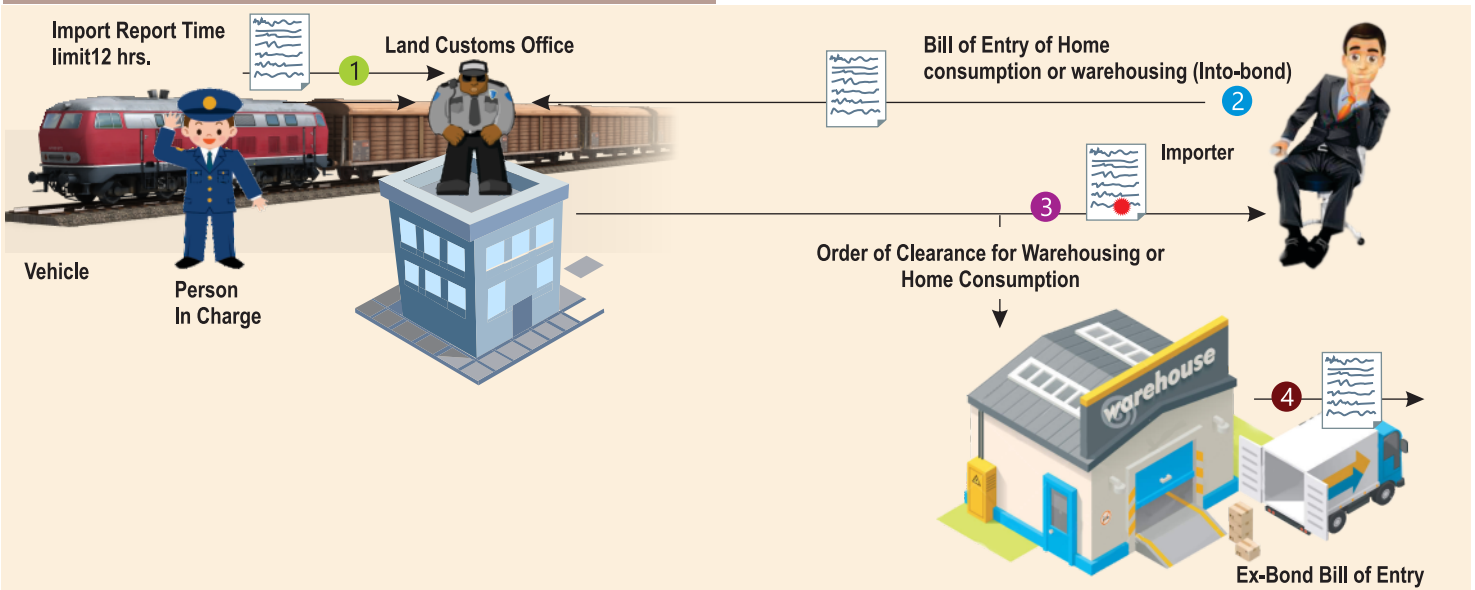


Let's summarise the concept

## Importation by Vessel & Aircraft



## Importation by Vehicle



# CLEARANCE OF EXPORT GOODS

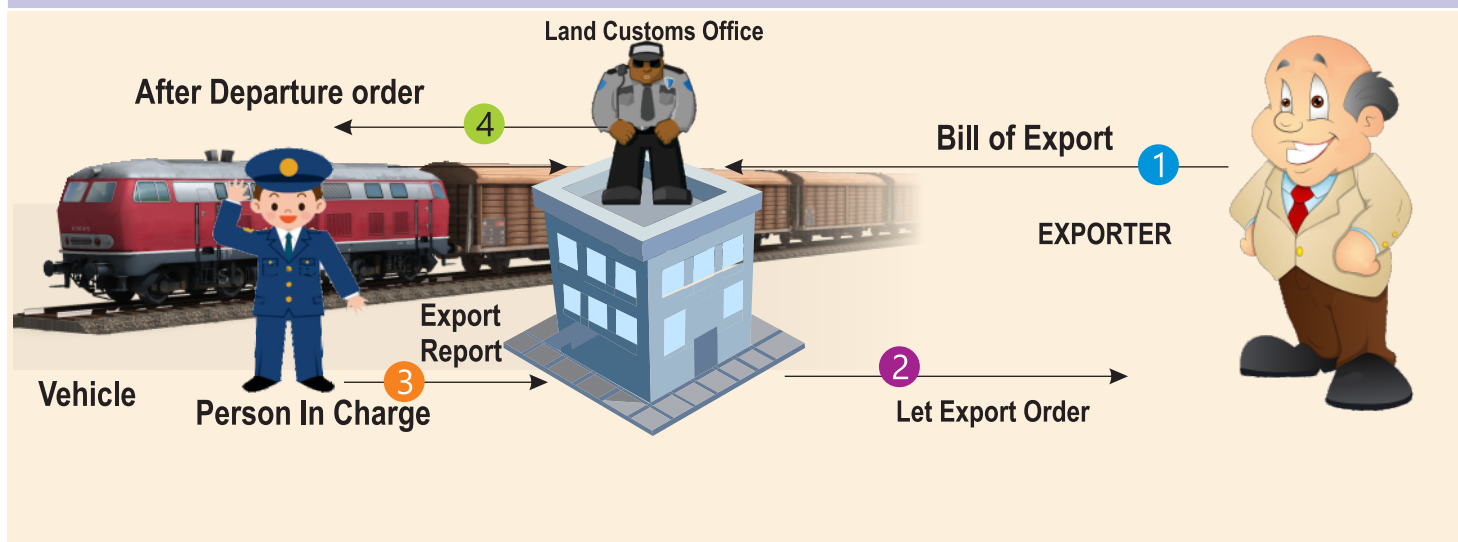
Lets summarise the concept of export procedure



## EXPORTATION BY VESSEL & AIRCRAFT



## EXPORTATION BY VEHICLE



**Export [Sec 2(18)]** with its grammatical variations and cognate expressions, means taking out of India to a place outside India.

**Export goods [Sec 2(19)]** means any goods, which are to be taken out of India to a place outside India.

**Exporter [Sec 2(20)]** in relation to any goods at any time between their entry for export and the time when they are exported, includes any owner, **beneficial owner** or any person holding himself out to be the exporter.



## SECTION 50: ENTRY OF GOODS FOR EXPORTATION

1. <b>Meaning</b>	It is an <b>application by exporter</b> to customs Office for clearance of goods for exportation.						
2. <b>Presentation</b>	<p>The exporter of any goods shall make entry thereof by <b>presenting electronically</b> on the custom automated system to the proper officer</p> <table border="1"> <tr> <td>In the case of goods to be exported in a <b>vessel or aircraft</b></td><td><b>a shipping bill</b></td></tr> <tr> <td>In the case of goods to be exported <b>by land</b></td><td><b>a bill of export</b></td></tr> </table> <p><b>Provided</b> that the Principle Commissioner of Custom or Commissioner of Customs may, in cases where it is not feasible to make entry by presenting electronically, on the custom automated system allow an entry to be presented in any other manner.</p>	In the case of goods to be exported in a <b>vessel or aircraft</b>	<b>a shipping bill</b>	In the case of goods to be exported <b>by land</b>	<b>a bill of export</b>		
In the case of goods to be exported in a <b>vessel or aircraft</b>	<b>a shipping bill</b>						
In the case of goods to be exported <b>by land</b>	<b>a bill of export</b>						
3. <b>Time Limit</b>	<b>Normally a Shipping Bill is filed only after an entry outward</b> but under special circumstances the Commissioner of Customs may permit advance Shipping Bill to be filed.						
4. <b>Declaration</b>	The exporter of any goods, while presenting a shipping bill or bill of export, shall make and subscribe to a <b>declaration as to the truth of its Contents.</b>						
5. <b>The Exporter who present a shipping bill or bill of export shall ensure the following, namely</b>	<table border="1"> <tr> <td>a)</td><td><i>the accuracy and completeness of the information given therein</i></td></tr> <tr> <td>b)</td><td><i>the authenticity and validity of any document supporting it and</i></td></tr> <tr> <td>c)</td><td><i>compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.</i></td></tr> </table>	a)	<i>the accuracy and completeness of the information given therein</i>	b)	<i>the authenticity and validity of any document supporting it and</i>	c)	<i>compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.</i>
a)	<i>the accuracy and completeness of the information given therein</i>						
b)	<i>the authenticity and validity of any document supporting it and</i>						
c)	<i>compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.</i>						

## SECTION 51: CLEARANCE OF GOODS FOR EXPORTATION

1. <b>Order of clearance for home consumption</b>	<table border="1"> <tr> <td>(1)</td><td>Where the proper officer is satisfied that</td></tr> <tr> <td>i)</td><td>Any goods entered for export are <b>not prohibited goods</b> and</td></tr> <tr> <td>ii)</td><td>The <b>exporter has paid the duty</b>, if any, assessed thereon and any charges payable under this Act in respect of the same.</td></tr> </table> <p>The proper officer may make an order permitting clearance and loading of the goods for exportation. <b>This is known as "Let Export" orders.</b></p>	(1)	Where the proper officer is satisfied that	i)	Any goods entered for export are <b>not prohibited goods</b> and	ii)	The <b>exporter has paid the duty</b> , if any, assessed thereon and any charges payable under this Act in respect of the same.
(1)	Where the proper officer is satisfied that						
i)	Any goods entered for export are <b>not prohibited goods</b> and						
ii)	The <b>exporter has paid the duty</b> , if any, assessed thereon and any charges payable under this Act in respect of the same.						
2. <b>E-Order</b>	Provided that such <b>order</b> may also be made electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria.						
3. <b>Deferred Payment</b>	Provided further that the Central Government may, by notification in the Official Gazette, permit certain class of exporters to <b>make deferred payment of said duty</b> or any charges in such manner as may be provided by rules.						
4. <b>Interest</b>	In case of deferred payment of duty, where the exporter fails to pay the export duty, either in full or in part, by such due date as may be specified by rules, <b>he shall pay interest on said duty not paid or short-paid till the date of its payment at @ 15% p.a.</b>						



## SECTION 39: EXPORT GOODS NOT TO BE LOADED ON VESSEL UNTIL ENTRY-OUTWARDS GRANTED

1. <b>Entry outward Order</b>	Export goods are not to be loaded on vessel until entry outwards is granted. The master of the vessel shall not begin the loading of any export goods until an <b>order</b> has been given by the proper officer <b>granting entry-outwards to such vessel</b> .
2. <b>Non-Applicability</b>	1) Goods exported by baggage and mail bags, 2) Goods exported by aircraft and vehicles.

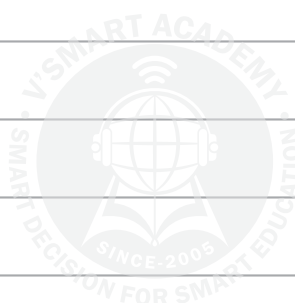
## SECTION 40: EXPORT GOODS NOT TO BE LOADED UNLESS DULY PASSED BY PROPER OFFICER

**This section applies to all types of conveyances.** The goods can be taken on board only if they are accompanied by the following documents:

- In case of export goods other than baggage and mail bags** – the goods shall be accompanied by
  - Shipping Bill (at seaports/airports)
  - Bill of Export (at Land Customs Station)
  - Bill of Transhipment (for transhipment goods)**all duly passed by the proper officer.**
- In case of baggage and mail bags** – they should be permitted by Customs for export.

## SECTION 41: DELIVERY OF DEPARTURE MANIFEST OR EXPORT MANIFEST OR EXPORT REPORT.

1.	Meaning	Export manifest or Export report is ➡ a detailed information to customs offices about goods to be exported in the conveyance			
2.	Who will submit	➡The <b>person-in-charge</b> of a conveyance carrying export goods or imported goods or ➡ any <b>other person</b> as may be specified by the Central Government			
3.	Time limit for delivery	The person-in-charge shall deliver to the proper officer			
		Particulars	Export Document	Time limit for presentation of EM/ER	Mode of Presentation
		In case of <b>vessel</b>	Export Manifest / Departure Manifest	<b>before departure of the conveyance from a customs station</b>	Electronic filing
		In case of an <b>aircraft</b>	Export Manifest / Departure Manifest		
		In case of a <b>vehicle</b>	<b>Export Report</b>		
4.	Penalty for Belated filing of EM/ER	such person-in-charge or other person ➡ <b>fails to deliver</b> the departure manifest or export manifest or the export report or any part thereof within such time, and ➡ the proper officer is satisfied that there is <b>no sufficient cause for such delay</b> , such person-in-charge or other person shall be <b>liable to pay penalty not exceeding ₹ 50,000</b>			
5.	Manual filing of EM/ER	Provided that principle Commissioner of Custom or Commissioner of Custom may in cases were <b>it is not feasible to deliver the departure manifest or export manifest or export report by presenting electronically</b> allow the same to be delivered in any other manner.			
6.	Amendment in EM/ER	If the proper officer is satisfied that the departure manifest or export manifest or the export report is in any way incorrect and <b>there was no fraudulent intention</b> , he may permit such manifest or report to be amended or supplemented			





7. <b>Content of EM/ER</b>	It consists of <ul style="list-style-type: none"> <li>➤ a general declaration of particulars of the vessel, its crew and passengers, its date and port of departure</li> <li>➤ a list of ship's stores</li> <li>➤ a list of crew's personal effects and</li> <li>➤ a cargo declaration which is a complete list of the goods shipped from the port, goods transshipped at the port, goods lying in the vessel but not landed or transshipped ("same bottom cargo"), and dutiable goods, including arms and ammunition, forming part of the equipment of the vessel.</li> </ul>
8. <b>Declaration of EM/ER</b>	Person delivering the departure manifest or export manifest or export report shall act the foot thereof make and subscribe to a declaration as to the truth of its contents.

### SECTION 41A: PASSENGERS AND CREW MANIFEST

1. <b>Meaning</b>	It is detailed list of passengers and crew traveling in a conveyance.
2. <b>Who will submit</b>	<ul style="list-style-type: none"> <li>➤ The person-in-charge of a conveyance that enters India from any place outside India or</li> <li>➤ any other person as may be specified by the Central Government by notification in the Official Gazette</li> </ul> <p>shall delivered the <b>passenger name record information</b> of departing passengers and <b>passengers and crew departure manifest</b></p>
3. <b>Time limit for delivery</b>	It shall deliver to the proper officer in such form, containing such particulars, in such manner and within such time, as may be prescribed.
4. <b>Penalty</b>	If it not delivered to the proper officer within the prescribed time and if the proper officer is satisfied that there was no sufficient cause for such delay, the person-in-charge or the other person referred to in sub-section (1) shall be liable to such penalty, not exceeding ₹50000 as may be prescribed.

### SECTION 42: NO CONVEYANCE TO LEAVE WITHOUT WRITTEN ORDER

The person-in-charge of a conveyance which has brought any imported goods or has loaded any export goods at a customs station

shall not cause or permit the conveyance to depart from that customs station until a **written order** to that effect has been given by the proper officer.

No such order shall be given until

a)	The person-in-charge of the conveyance has <b>answered the questions</b> put to him under section 38.
b)	The provisions of section 41( <b>Export manifest</b> ) have been complied with.
c)	<b>The shipping bills or bills of export, the bills of transshipment</b> , if any, and such other documents as the proper officer may require have been <b>delivered to him</b>
d)	<ul style="list-style-type: none"> <li>➤ All <b>duties leviable on any stores</b> consumed in such conveyance, and</li> <li>➤ All <b>charges and penalties</b> due in respect of such conveyance or from the person-in-charge thereof <ul style="list-style-type: none"> <li>➤ <b>have been paid</b> or</li> <li>➤ the payment <b>secured by such guarantee or deposit</b> of such amount as the proper officer may direct.</li> </ul> </li> </ul>



#### Tutorial Notes

Technically speaking, all stores consumed during the stay of the conveyance at a particular customs station amount to import and home consumption. Thus customs duty is leviable on such stores. It is customary to have an inventory of ship stores at the time of arrival and again at the time of departure of the conveyance. Customs duty is leviable on the difference.





e)	The person-in-charge of the conveyance has satisfied the proper officer that <ul style="list-style-type: none"> <li>➡ <i>no penalty is leviable</i> on him under section 116 or</li> <li>➡ the payment of any penalty that may be levied upon him under that section has been <i>secured by such guarantee or deposit</i> of such amount as the proper officer may direct.</li> </ul>
f)	In any case where any export goods have been loaded <ul style="list-style-type: none"> <li>➡ without payment of export duty or</li> <li>➡ in contravention of any provision of this Act or any other law for the time being in force relating to export of goods,</li> </ul>
i)	Such goods have been unloaded, or
ii)	Where the A/C is satisfied that it is not practicable to unload such goods, <ul style="list-style-type: none"> <li>➡ the person-in charge of the conveyance has given an undertaking,</li> <li>➡ secured by such guarantee or deposit of such amount as the proper officer may direct,</li> </ul> <p>for bringing back the goods to India.</p>

### SECTION 36: RESTRICTIONS ON UNLOADING AND LOADING OF GOODS ON HOLIDAYS, ETC.

- ➡ No imported goods shall be unloaded from, and
- ➡ No export goods shall be loaded on, any conveyance
  - ☞ on any Sunday or on any holiday observed by the Customs Department or
  - ☞ on any other day after the working hours,

*except after giving the prescribed notice and on payment of the prescribed fees, if any.*

Provided that no fees shall be levied for the unloading and loading of baggage accompanying a passenger or a member of the crew, and mail bags.

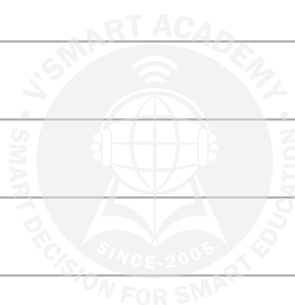
### SECTION 37: POWER TO BOARD CONVEYANCES

The proper officer may, at any time, board any conveyance carrying imported goods or export goods and may remain on such conveyance for such period as he considers necessary.

### SECTION 38: POWER TO REQUIRE PRODUCTION OF DOCUMENTS AND ASK QUESTIONS

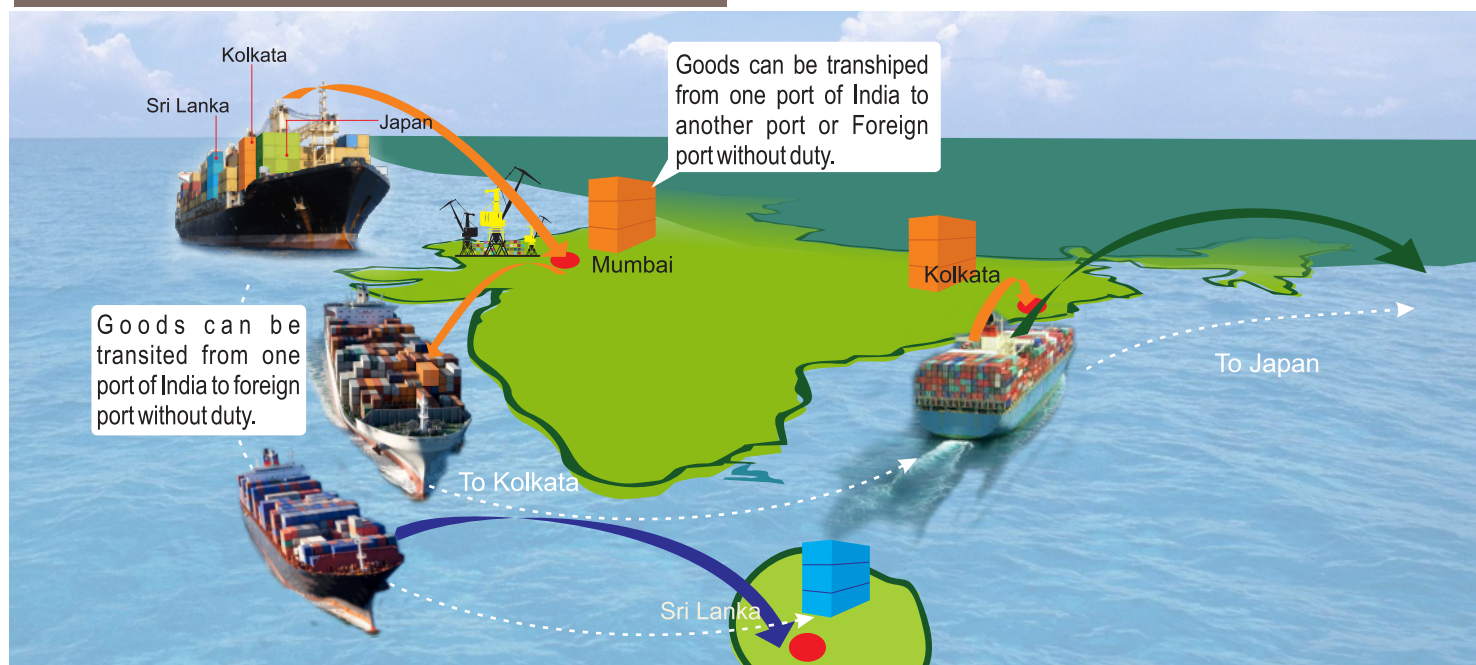
For the purposes of carrying out the provisions of this Act, the proper officer may require the person-in-charge of any conveyance or animal carrying imported goods or export goods

- ➡ to produce any document and to answer any questions and
- ➡ thereupon such person shall produce such documents and answer such questions.



# TRANSIT AND TRANSHIPMENT

Let's understand the concept with diagram



## SEC 53: TRANSIT OF CERTAIN GOODS WITHOUT PAYMENT OF DUTY.

Subject to the provisions of section 11, where any goods

- ➔ imported in a conveyance and
- ➔ **mentioned in the import manifest or the import report**, as the case may be, as for transit in the same conveyance
- ➔ to any place outside India or
- ➔ to any customs station (In India),

the proper officer may allow the goods and the conveyance to **transit without payment of duty**, subject to such conditions, as may be prescribed.

## SEC 54: TRANSHIPMENT OF CERTAIN GOODS WITHOUT PAYMENT OF DUTY

1. <b>Filing of bill of transshipment or declaration of transshipment</b>	Where any goods imported into a <b>customs station</b> are intended for transshipment, a <b>bill of transshipment</b> shall be presented to the proper officer in the such form and manner as may be prescribed. Provided that if transhipped goods are covered under an <b>international treaty or bilateral agreement</b> between the Government of India and Government of a foreign country, a <b>declaration for transshipment</b> instead of a bill of transshipment shall be presented to the proper officer in the such form and manner as may be prescribed.
2. <b>Transshipment to any place outside India without duty</b>	Where any goods imported into a customs station are <b>mentioned in the import manifest or the import report</b> , as the case may be, as <b>for transshipment to any place outside India</b> , such goods may be allowed to be so transhipped without payment of duty.
3. <b>Transshipment to customs station in India without duty</b>	<p>Where any goods imported into a customs station are <b>mentioned in the import manifest or the import report</b>, as the case may be, as for transshipment.</p> <p>a) To any <b>major port</b> as defined in the Indian Ports Act, 1908 or the customs airport at Mumbai, Calcutta, Delhi or Chennai or any other customs port or customs airport which the Board may, by notification in the Official Gazette, specify in this behalf, or</p> <p>b) To <b>any other customs station</b> and the proper officer is satisfied that the goods are bona fide intended for transshipment to such customs station,</p> <p>The proper officer may allow the goods to be transhipped, <b>without payment of duty</b>, subject to such conditions as may be prescribed for the due arrival of such goods at the customs station to which transshipment is allowed.</p>



## SEC 55: LIABILITY OF DUTY ON GOODS TRANSITED UNDER SECTION 53 OR TRANSHIPPED UNDER SECTION 54



Where any goods are

- ▶ allowed to be transited under section 53 (within India) or
- ▶ transhipped under section 54(3) to any customs station (within India),

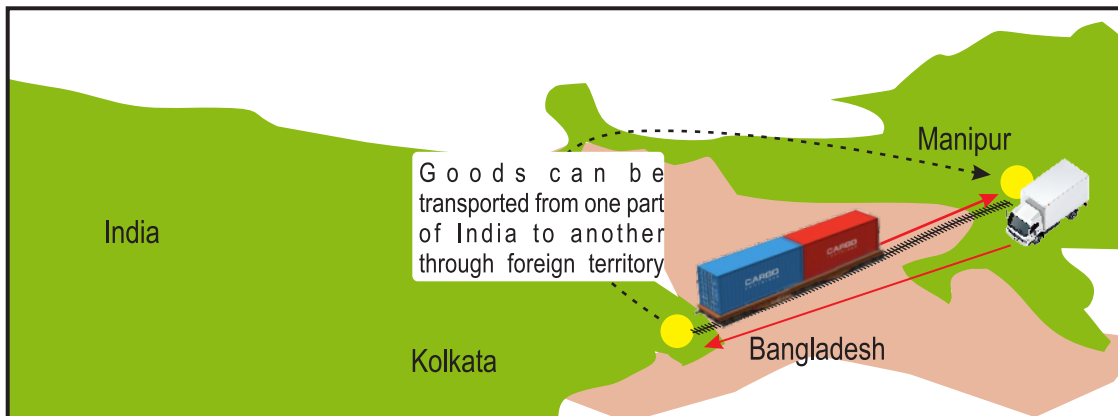
They shall, on their arrival at such station,

- ☞ be **liable to duty** and
- ☞ shall be **entered in like manner as goods are entered on the first importation thereof** and
- ☞ the **provisions of this Act and any rules and regulations** shall, so far as may be, apply in relation to such goods.

### DIFFERENCE BETWEEN TRANSIT AND TRANSHIPMENT OF GOODS

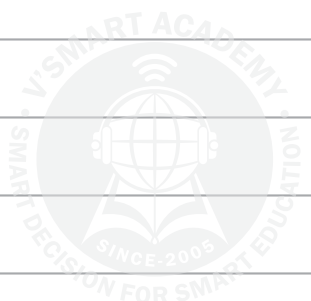
Sr. No.	Transit	Transshipment
1	In case of Transit of goods the conveyance remains same.	In case of transshipment, goods first landed in the particular Indian customs station and loaded to another conveyance for destination port i.e. conveyances changes.
2	The records already made in the ship's/ aircraft's will continue. The goods will have to be shown in the manifest as the same bottom cargo.	In case of transshipment goods are to be mentioned in manifest or report, as for transshipment for any customs station. Record will change as bill of transshipment shall be presented to the proper officer.
3	In case of transit there is continuity in the record and there is no chance of the control over such transit goods being lost.	In case of Transshipment care or caution have to be exercised to ensure that the goods are not illicitly landed and smuggled into India.

### TRANSPORTATION THROUGH FOREIGN TERRITORY



### SECTION 56: TRANSPORT OF CERTAIN CLASSES OF GOODS SUBJECT TO PRESCRIBED CONDITIONS.

- ☞ Imported goods may be transported **without payment of duty** from one land customs station to another, and
- ☞ any goods may be transported from one part of India to another part through any foreign territory, subject to such conditions as may be prescribed for the due arrival of such goods at the place of destination.





## Electronic Payment of Import and Export Duty

### SECTION 51A: PAYMENT OF DUTY, INTEREST, PENALTY, ETC.

1. <b>Deposition of amount in E-cash Ledger</b>	Every deposit made towards duty, interest, penalty, fee or any other sum payable by a person related to customs, using authorised mode of payment shall, subject to such conditions and restrictions, be <b>credited to the electronic cash ledger of such person</b> , to be maintained in such manner, as may be prescribed.
2. <b>Utilisation of E-cash Ledger</b>	The amount available in the electronic cash ledger may be used for making any payment towards duty, interest, penalty, fees or any other sum payable related to customs, in such manner and subject to such conditions and within such time as may be prescribed.
3. <b>Refund of excess amount in e-cash ledger</b>	The balance in the electronic cash ledger, after payment of duty, interest, penalty, fee or any other amount payable may be refunded in such manner as may be prescribed.
4. <b>Exemption to maintain e-cash ledger</b>	Notwithstanding anything contained in this section, if the Board is satisfied that it is necessary or expedient so to do, it may, by notification, exempt the deposits made by such class of persons or with respect to such categories of goods, as may be specified in the notification, from all or any of the provision of this section

### SECTION 51B :- LEDGER FOR DUTY CREDIT

Newly Inserted by F.A.2020

1. <b>Duty Credit</b>	<p>The Central Government may, specify the manner in which issue duty credit</p> <p>a) in lieu of <b>remission of any duty or tax or levy</b>, chargeable on any material used in the manufacture or processing goods or for carrying out any operation on such goods in India that are exported or</p> <p>b) other financial benefit subject to such conditions and restriction as may be specified therein.</p>
2. <b>Electronic Credit Ledger</b>	the <b>duty credit issued shall be maintained in the customs automated system</b> in the form of an electronic duty credit ledger of the person who is the recipient of such duty credit.
3. <b>Utilisation of electronic Credit Ledger</b>	<p>the duty credit available in the electronic duty credit ledger may be used</p> <p>➤ <b>by the person to whom it is issued or</b></p> <p>➤ <b>the person to whom it is transferred,</b></p> <p>towards making payment of duties payable under this act or under the Customs Tariff Act, 1975 in such manner and subject to such conditions and restrictions and within such time as may be prescribed.</p>





