



OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
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F.No.S23/215/2010-AP

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Sub.: Expansion of 24X7 customs clearance and clarification of levy of MOT Charges in CFSs attached to 24 X 7 ports - reg

Attention of all the stake holders of Visakhapatnam Seaport and Air Cargo Complex and CFS's attached to the Seaport/ACC, Visakhapatnam is invited to the Board Circular No. 04/2017-Customs issued from F.No. 450/11/2003-CusIV dated 16.02.2017 on the above subject.

2. CBEC had on a pilot basis introduced 24x7 customs clearance at 4 designated Air cargo complexes and 4 sea ports in respect of facilitated Bills of Entry and factory stuffed containers and goods shipped under free shipping bills [Circular No. 22/20 12-Cus refers].

Subsequently, vide instruction from F. No. 450/25/2009-CusIV dated 31.5.13, the facility of 24x7 clearance [on pilot basis] was simultaneously extended to another 13 Air cargo complexes and to include all shipping bills free or otherwise filed at the said Air cargo complexes.

Since the clearances were run on pilot basis, therefore, on 31.12.14 [Circular 19/2014-Customs], CBEC allowed the facility of 24x7 customs clearance for goods covered by facilitated Bills of Entry and specified exports i. e. factory stuffed containers and goods shipped under free shipping bills on permanent basis at the designated 18 Sea Ports (including the 4 sea ports designated earlier). Currently, this facility is available at 19 Sea ports with Krishnapatnam having been added later. On the airside also this facility was made available on permanent basis for facilitated Bills of Entry and all shipping bills at the designated 17 Air Cargo Complex.

3. Providing logistics support like machinery/ cranes for container movement, labour etc is the primary responsibility of Custodian or the Customs broker/ importer. CBEC initially restricted the 24x7 to facilitated bills of entry only, keeping in view the time needed to be given to all the stakeholders to gear up for 24x7 clearance. More than two years have passed since CBEC has introduced 24x7 clearance. This much lead time should be enough for the all the stakeholders to put necessary arrangements in place to enable round the clock clearance of all import cargo and not just facilitated one. Customs is anyways operating 24x7 at designated ports/ airports. Therefore, it has been decided by CBEC to extend 24x7 customs clearance to all bills of entry and not just facilitated bills of entry.

4. Board has amended the Customs (Fees for Rendering Services by the Customs Officers) Regulations, 1998 to provide that at 24x7 customs ports and airports, no fee i.e. merchant overtime fee (MOT) shall be collected in lieu of the services rendered by the customs officers. Thus, as on date no MOT charges are required to be collected in respect of the services provided by the customs officers at 24x7 customs ports and airports. Reference was received by CBEC seeking clarification as to whether MOT charges are to be collected in respect of stuffing of export goods at CFSs.

(a) The issue has been examined in the Board. It is observed that a designated 24x7 sea port can have a number of CFSs attached to it. While Board has already exempted MOT charges at 24x7 ports, the reference in essence seeks clarification as to whether MOT exemption can be extended to attached CFSs as well.

(b) CFSs are an extension of the Port. In the overall ecosystem of Customs clearance, CFSs have played an important role in faster clearance of EXIM goods. As a result, bulk of regulatory activity other than appraising, has shifted to CFSs.

(c) Factory stuffed containers are already covered under 24x7 operations, therefore, MOT charges are not required to be paid in lieu of services (like verification of seals etc) rendered by customs officers at CFSs in respect of such containers.

(d) Other than at the manufacturing premises, stuffing can inter-alia also occur at CFSs for export against free shipping bills or otherwise. In the case of sea ports, free shipping bills are already covered under 24x7 scheme while the goods exported against a claim to benefit are not. Considering that the customs work carried out in the CFSs is actually an extension of the clearance activity at the port, therefore, logically no MOT charges should be leviable in lieu of services rendered by customs officers within the CFS premises even in the case of export against a claim to benefit.

(e) Accordingly, it has been clarified by CBEC vide above said Circular that no MOT charges would be collected at CFSs attached exclusively to 24x7 ports in lieu of services rendered within the CFS. This will bring the MOT collection norms at par with the situation on the air side which cover all shipping bills free or otherwise.

5. Any difficulty in the implementation of this circular may be brought to the notice of this office and the Board.


(B HARE RAM) 7/3/2017
COMMISSIONER OF CUSTOMS

To
All as per Mailing List

Copy submitted to: The Chief Commissioner, Customs, Central Excise & Service Tax,
Visakhapatnam Zone, Visakhapatnam.