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F.No. S10/14/2016-Prev

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PUBLIC NOTICE No.25 / 2016

*Sub: Rail Services Agreement between Govt. of India and Govt. of Nepal
Procedure for Movement of Goods in transit to and from Birgunj
(Nepal) Via Raxaul through India –Regarding*

Attention of Nepalese Importers, Exporters, Custom House Agent, Steamer Agents and all other concerned is invited to this Custom House Public Notice No. 14/2016 dt. 03.08.2016 incorporating the procedure for movement of goods-in-transit to and from Nepal through India. Now, as per the Letter of Exchange signed between the Govt. of India and Govt. of Nepal on 20.02.2016 and Railway Board letter F.No. 2010/TT-III(F)/72/NPL/01-IGC, it is agreed that the provisions of the Rail Services Agreement signed between India and Nepal on 21.05.2004, and amended on 17.12.2008 for the movement of traffic-in-transit between Kolkata Port/Haldia Port to Inland Container Depot (ICD) Birgunj by rail (through M/s CONCOR – A Govt. of India Undertaking) shall apply mutatis- mutandis for the movement of traffic-in-transit between Visakhapatnam port and ICD Birgunj with the following conditions:-

- i) In respect of the import and export procedures prescribed in the Rail Services Agreement, “ Commissioner of Customs, Kolkata”, “Custom House, Kolkata”, “Customs Officer, Kolkata” and “Kolkata Customs” wherever it occurs will be read as “Commissioner of Customs, Visakhapatnam”, “Custom House, Visakhapatnam”, “Customs Officer, Visakhapatnam ” and “Visakhapatnam Customs”, in respect of traffic-in-transit between Visakhapatnam Port and ICD Birgunj.

- ii) Further, the existing system of checking would be strengthened for Rail movement to/from Visakhapatnam by affixing of an additional One-Time-Lock by Indian Customs, besides the One –Time –Lock of the shipping agent or the carrier authorized by the shipping company. The serial number of the additional One-Time-Lock shall be endorsed in the Customs Transit Declaration (CTD), which will be verified at the Land Customs Station (LCS) of exit or at Visakhapatnam Port, as the case may be.

Customs procedures prescribed for transit cargo of Nepal under the said Agreement are as follows:

A. IMPORT PROCEDURE

When goods are Imported from third countries for Nepal in transit through India, the following procedure shall be observed:-

1. (a) Transit of Nepalese Imports, shall be allowed against Import Licences issued by the Government of Nepal, wherever such Licences are issued, and Letters of Credit opened through a Commercial bank in Nepal.
- (b) In case of Nepalese Imports for which there is no requirement of Import Licence or Letter of Credit, the Jurisdictional Nepalese Consul General, Deputy Consul General or Consul shall furnish the following certificate on the Import Containerized Cargo Declaration, hereinafter referred to as “ICCD”

"I have verified that the goods specified in this Declaration and of the quantity and value specified herein have been permitted to be imported by the Government of Nepal without the requirement of Import Licence or Letter of Credit."

Signature & Seal

Note: The Government of Nepal shall arrange to supply through the Embassy of India at Kathmandu or directly to the Principal Commissioner of Customs, Visakhapatnam, the specimen signature or signatures of official or officials who are authorized to sign Import Licences issued by the Government of Nepal. It shall also arrange to have a copy each of the Import Licences, wherever such licences are issued by it for such goods, sent directly to the Principal Commissioner of Customs, Visakhapatnam.

- (i) **Procedure at the Port of Entry (Custom House, Visakhapatnam)**

2. At the Indian port of entry (i.e., Custom House, Visakhapatnam), the Importer or his Agent (hereinafter referred to as the Importer) shall present an ICCD containing the following particulars:

- (a) Name of the ship, Rotation number and Line number;
- (b) Name and address of the Importer;
- (c) Number, description, marks and serial number of the packages;
- (d) Country of consignment and country of origin, if different;
- (e) Description of goods;
- (f) Quantity of goods;
- (g) Value of goods;
- (h) Import Licence number and date;
- (i) Letter of credit number, date and name and address of issuing bank;
- (j) A declaration at the end in the following words:–

"I/We declare that the goods entered herein are for Nepal, in transit through India and shall not be diverted en-route to India, or retained in India"

"I/We declare that all the entries made herein above are true and correct to the best of my/our knowledge and belief".

Signature

3. The ICCD shall be made in quadruplicate. All copies of ICCD along with the copy of bill of lading (non-negotiable copy), copy of invoice, copy of packing list and a copy of the Import Licence issued by the Government of Nepal, wherever issued, and a copy of the letter of credit, authenticated by the designated authority of Govt. of Nepal in India or the issuing Bank, shall be presented to the Custom House. The copy of the Import Licence and the Letter of Credit so presented shall be examined by the Custom House, Visakhapatnam against the copy of the Import Licence and/or the statement of particulars of the Letter of Credit received directly from the Government of Nepal. No other additional document may be asked for, except where considered necessary for clearance of specific goods.

4. The Shipping agents shall submit an application for issue of a Transshipment Permit, hereinafter referred to as “TP” in prescribed forms (5 copies) along with the copies of relevant parts of Import General Manifests (IGMs) to the Superintendent, as is being done under the existing procedure for transshipment of imports for goods destined to ICDs in India. As regards details of cargo in the application of transshipment, reference of relevant IGM may be made in the transshipment application by mentioning “details as part/page.....of IGM No.....as enclosed”
5. Nepalese import goods in transit shall be covered by a bond and/or a bank guarantee, as may be acceptable to Indian Customs, to be furnished by the carrier to the satisfaction of the Principal Commissioner of Customs, Visakhapatnam, for an amount equal to the Indian Customs duties on such goods. In the event of the goods not reaching Nepal, irrespective of any other action contemplated in such case under the existing laws, the carrier shall pay to the Principal Commissioner of Customs, Visakhapatnam, the amount of duty secured by means of bank guarantee/cash security on such goods. The said amount shall become payable forthwith on the receipt of a notice to the carrier issued by the Principal Commissioner of Customs, Visakhapatnam, after satisfying himself that the goods have not entered Nepal.
6. The shipping agents shall file another bond with the Indian Custom House at the port of entry, binding themselves to re-export containers within six months of their import into India. The period of six months may be extended by the Deputy/Assistant Commissioner of Customs. The shipping agents shall also submit an authorization from the carriers appointed for transportation of goods from port of entry to ICD Birgunj through Land Customs Station (LCS) Raxaul, so that issuance of transshipment permit and debiting of carrier’s bond can be done simultaneously.
7. On receipt of the application from the shipping agent, the Superintendent shall check whether the name of carrier/shipping agent appears in the negative list. Transshipment permit may be denied in case the name of the Shipping agent figures in the negative list.
8. In case the name of shipping agent does not figure in the negative list, the details furnished by the shipping agent in the transshipment form shall be scrutinized by the officer and matched with the declaration on the ICCD, and if these are found to be in

order, the officer shall debit the bond of the carrier on the basis of value of the goods indicated in the ICCD. The number and date of the ICCD shall be recorded on the TP. After scrutiny of the transshipment form and debiting of bond, the officer shall sign all the copies of TP and put a seal.

9. On arrival of the Nepalese containerized cargo, the Indian Customs officer posted at the seaport shall check the, 'One-Time-Lock' of the container put on by the shipping agent or the carrier authorized by the shipping company. If found intact, the Customs officer at the VCTPL/CFS shall affix an additional One Time Seal (OTL) in all Nepalese Traffic-in-Transit and the seal serial number will be endorsed in the ICCD. Thereafter the Customs officer shall allow transportation of the containerized cargo, without examination, unless there are valid reasons to do otherwise.
10. In case where the 'One-time-lock' on the container arriving at the seaport in India is found broken or defective, the Indian Customs authorities shall make a due verification of the goods to check whether the same are in accordance with the ICCD, put fresh 'one-time-lock' and allow the container to move to the destination after making necessary endorsement to this effect both in the ICCD and the TP along with the serial number of the new 'one-time-lock'.
11. After the Custom House is satisfied as regards the checks contemplated in the preceding paragraphs, it shall endorse loading/dispatch particulars of the goods on all copies of TPs.
12. In case of any suspicion of pilferage, traffic-in-transit shall be subject to check by the Indian Customs during the period that they are in transit, as may be necessary.

(ii) Procedure at Land Customs Station (India)

13. On arrival of the cargo by rail at Raxaul Land Customs Station, the following examination procedure will be followed.
 - a) On arrival of the cargo, the Indian Customs authorities shall merely check the 'One Time-lock' of the container put on by the shipping agent or the carrier authorized by the shipping company and the customs authorities at the sea port or during the transit and so

endorsed on the TP and, if found intact, shall approve for onward transmission of the containerized cargo, without examination of the cargo unless there are valid reasons to do otherwise.

- (b) In case where the One Time Seal (OTL) of the container is found broken or defective, the Indian Customs authorities at the railway station shall get the container grounded for making due verification of the goods to check whether the goods are in accordance with the ICCD and conform to the import licence, wherever such licence is issued, and the letter of credit. Respective representatives of the concerned carrier, Shipping Agents and importer shall be involved in the process of verifications.
 - (c) If, on verification in presence of agencies listed in (b) above, the goods are found in accordance with the ICCD and conform to the import licence, wherever such licence is issued, and the letter of credit, the Indian Customs authorities at the Raxaul LCS shall put fresh 'one-time-lock' and approve for onward transmission of the container. The serial number of the new 'One-Time-Lock' shall be endorsed by the Indian Customs authorities at the border railway station on the 'TP'.
14. On arrival of traffic-in-transit at Raxaul LCS, the carrier shall present the original copy of the TP duly endorsed by the Indian Custom House of entry, to the Indian Customs Officer at the Raxaul LCS, who shall compare the original copy with the duplicate received by him in a sealed cover and will, after satisfying himself as regards the checks contemplated at sub-paragraphs (a), (b) and (c) above, endorse all the copies of the TPs. The goods in transit shall be allowed onward movement by rail only after clearance as above by the Indian Customs Officer at the Raxaul LCS. The carrier shall, thereafter, through such measures as may be necessary, ensure that the goods cross the border and reach Nepal.
15. Indian Customs officer at the Raxaul LCS will certify on the copies of the TP that goods have been allowed transit into Nepal. The Indian Customs Officer shall then handover the original copy of the TPs to the carrier and send the duplicate to the Indian Custom House at the port of entry. After the original TP is received back duly endorsed by the Nepalese Customs Officer, Raxaul LCS will forward the same to the Customs authority at the port of entry (Custom House, Visakhapatnam)

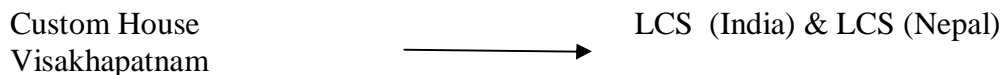
16. The copy of TP endorsed by the Nepalese Customs shall then be sent to Visakhapatnam Custom for closure of manifest in respect of containers transported to ICD Birgunj. In case the carrier is not able to produce evidence of the export of goods to Nepal (to the satisfaction of Dy/Assistant Commissioner of Indian Customs at Raxaul Railway LCS) and /or endorsed TPs are not produced within the 15 days the carrier's and the shipping agents bonds may be enforced.

i) Flow of Communication:

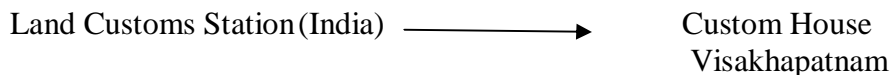
17. The Custom officer at the Port of Entry shall handed over the duplicate and triplicate copies of ICCD to the carrier in sealed cover along with TPs and send fax/e-mail communication to the Land Customs Station giving details of the import goods dispatched vide ICCD.

The flow of communication (Fax/ e-mail) with regard to imports is as follows:

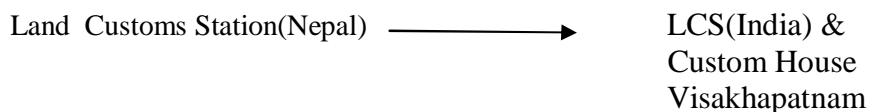
a) Immediately after dispatch of the goods on transshipment to Nepal



b) Immediately after receipt of the goods at LCS(India).



c) Immediately after receipt of the goods at LCS (Nepal)



B. EXPORT PROCEDURE

When goods from Nepal are cleared for export to third countries, in transit through India, the following procedure shall be observed:

(i) Procedure at Land Customs Station(LCS-RAXAUL)

1. The designated officer in charge of the Nepalese Customs office in ICD Birgunj shall furnish the following certificate on the “ Export Containerized Cargo Declaration” referred hereinafter to as ECCD:;

"I have verified that the goods specified in this Declaration and of the quantity and value specified herein have been permitted to be exported under Licence number..... dated..... (wherever issued) and under letter of credit number dated issued by (Name and address of the issuing bank)"

Signature with Seal

Note: The requirement of giving particulars of letter of credit in the above certificate will not apply in the case of goods for the export of which from Nepal, no letter of credit is required under the laws of Nepal.

2. The exporter or his agent (hereinafter referred to as the exporter) shall present to the Indian Customs officer at the Indian Customs Officer at the Raxaul LCS, an ECCD containing the following particulars :

- (a) Name and address of the exporter;
- (b) Number, description, marks and serial number of the packages;
- (c) Country to which consigned;
- (d) Description of goods;
- (e) Quantity of goods;
- (f) Value of goods;
- (g) Export Licence number and date, if required;
- (h) Country of origin of the goods;
- (i) Letter of Credit number, date and name and address of issuing bank;
- (j) A declaration at the end in the following words:–

"I/We declare that the goods entered herein are for export from Nepal to countries other than India and shall not be diverted en-route to India, or retained in India"

"I/We declare that all the entries made herein above are true and correct to the best of my/our knowledge and belief".

Signature

3. The ECCD shall be made in quadruplicate. All copies of ECCD along with copy of bill of lading, copy of invoice, copy of packing list and copy of the Letter of

Credit, authenticated by the concerned Nepalese bank, shall be presented to the Indian Customs officer at LCS Raxaul. No additional documents will be asked for by the Indian Customs, except when considered necessary for the clearance of any specific goods.

4. The shipping agents shall submit an application for issue of a Transshipment Permit, hereinafter referred to as "TP" in prescribed forms (5 copies) along with a copy of ECCD to the Appraiser/Superintendent for Trans-shipment of exports for goods transited to go via the gateway port of Visakhapatnam.
5. Nepalese export goods in transit shall be covered by a bond and/ or a bank guarantee, as may be acceptable to Indian Customs, to be furnished by the carrier to the satisfaction of Indian Customs, for an amount equal to the Indian customs duties on such goods. In the event of the goods not reaching the gateway port, irrespective of any other action contemplated in such case under the existing laws, the carrier shall pay to the Commissioner of Customs, Patna, the amount of duty secured by means of bank guarantee/cash security on such goods. The said amount shall become payable forthwith on the receipt of a notice to the carrier issued by the Commissioner of Customs, Patna, after satisfying himself that the goods have not reached the destined gateway port.
6. The shipping agents shall file another bond with the Indian Customs at LCS Raxaul, binding themselves to re-export containers within six months of their import into India. The period of six months may be extended by the Deputy/Assistant Commissioner of Customs. The shipping agents shall also submit an authorization from the carriers appointed for transportation of goods from ICD Birgunj through LCS Raxaul to gateway port, so that issuance of transshipment permit and debiting of carrier's bond can be done simultaneously.
7. On receipt of the application from the shipping agent, the Appraiser/Superintendent at LCS Raxaul shall check whether the name of carrier/shipping agent appears in the negative list. Transshipment permit may be denied in case the name of shipping agent figures in the negative list.
8. In case the name of shipping agent does not figure in the negative list, the details furnished by the shipping agent in the transshipment form shall be scrutinized by the officer and matched with the declaration on the ECCD, and if these are found to be in

order, the officer shall debit the bond of the carrier on the basis of value of the goods indicated in the ECCD. The number and date of the ECCD shall be recorded on the TP. After scrutiny of the transshipment form and debiting of bond, the officer shall sign all the copies of TP and put a seal.

9. On arrival of sealed export container at Raxaul, the Indian customs officer posted at LCS Raxaul, shall merely check the 'One-Time-Lock' of the container put on by the shipping or the carrier authorized by the shipping company. If found intact, the customs officer posted at LCS Raxaul shall affix an additional OTL, shall endorse the serial number in ECCD and shall allow transportation of the container, without examination, unless there are valid reasons to do otherwise.
10. In case where the 'One-Time-Lock' on the container arriving at LCS Raxaul is found broken or defective, the Indian Customs authorities shall make due verification of the goods to check whether the goods are in accordance with ECCD and shall put fresh 'one-time-lock' and allow the containers to be transported. The serial number of the new 'one-time-lock' shall be endorsed in the ECCD.
11. After the Indian Customs at LCS Raxaul are satisfied as regards the checks contemplated in the preceding paragraphs, it shall endorse loading/ despatch particulars of goods on all the copies of TPs.
12. In case of any suspicion of pilferage, the goods in transit shall be subject to such check by the Indian Customs, as may be necessary.

(ii) Procedure at Custom House, Visakhapatnam

13. On arrival of the cargo by rail at the gateway port in Visakhapatnam, the following examination procedure will be followed:

- (a) On arrival of the cargo, the Indian Customs authorities shall check the 'One-Time-Lock' of the container put on by the shipping agent in ICD Birgunj or by the carrier authorised by the shipping company and the Customs Authorities at Raxaul Land Customs Station or during the transit and so endorsed on the TP and, if found intact, shall approve for onward shipment of sealed export container, without examination of the cargo unless there are valid reasons to do otherwise.

- (b) In case where the 'One-Time-Lock' of the container is found broken or defective, the Indian Customs Authorities at the port shall make due verifications of the goods to check whether the goods are in accordance with the ECCD and conform to the export licence, wherever such licence is issued, and the Letter of Credit. Respective representatives of the concerned Carrier, Shipping Agents and exporter shall be involved in the process of verifications.
- (c) If, on verification, done in presence of agencies listed in (b) above, the goods are found in accordance with the ECCD and conform to the export licence, wherever such licence is issued, and the Letter of Credit, the Indian Customs authorities at the gateway port of Visakhapatnam shall put fresh 'onetime-lock' and approve for onward shipment of the container. The serial number of the new 'One-Time Lock' shall be endorsed by the Indian Customs authorities at the gateway port of Visakhapatnam on TP.
14. On arrival of traffic-in-transit at the gateway port, the carrier shall present the original copy of the TP duly endorsed by the Raxaul LCS Customs, to the gateway port customs officer Visakhapatnam, who shall compare the original copy with the duplicate received by him in a sealed cover and will, after satisfying himself as regards the checks contemplated at sub-paragraphs (a), (b) and (c) above, endorse all the copies of the TPs. The goods in transit shall be allowed for onward shipment by vessel only after clearances as above by the Indian Customs Officer at the gateway port. The Customs Officer at the gateway port will certify on the copies of the TP that goods have been allowed shipment and then hand over the original copy of the TPs to the carrier and send the duplicate to Raxaul LCS Customs for reconciliation of bonds.
15. A copy of the TPs endorsed by Visakhapatnam Customs at the gateway port shall be sent to LCS in Raxaul for closure of bonds in respect of container transshipment from ICD Birgunj. In case the endorsed TPs are not produced within the 15 days, the carrier and shipping agent's bonds may be enforced.

iii) Flow of Communication:

16. The Customs Officer at the concerned border Land Customs Station shall handed over the duplicate and triplicate copies of ECCD to the carrier in sealed cover along with

TPs and send fax/e-mail communication to the Custom House, Visakhapatnam giving details of the exported goods dispatched vide ECCD.

The flow of communication (Fax/ e-mail) with regard to Exports is as follows:

- a) Immediately after dispatch of the goods on transshipment to Visakhapatnam

Land Customs Station(Nepal) → Custom House
Visakhapatnam

- b) Immediately after receipt of the goods at LCS (India) for transshipment to Visakhapatnam on CTD.

Land Customs Station(India) → Custom House
Visakhapatnam

- c) Immediately after shipment of the goods covered under CTD.

Custom House
Visakhapatnam → LCS(India) & LCS(Nepal)

This procedure comes into effect immediately.

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**(C.RAJENDIRAN)
PRINCIPAL COMMISSIONER OF CUSTOMS**

F. No. S10/14/2016-Prev.

Dated: 15.11.2016

To

- 1) All Concerned
- 2) EDI for uploading to website