



सीमाशुल्क आ्युक्त का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS
सीमाशुल्क गृह, पत्तन क्षेत्र, विशाखपट्टणम् - 530 035
Custom House, Port Area, Visakhapatnam - 530 035

F.No. S2/11/2008-EDI

Dated: 04.03.2013

Public Notice No. 03/2013

Sub:- Launch of the Indian Customs EDI System (ICES 1.5) Exports-Reg.

1. It is brought to the notice of all exporters, importers, CHAs, Custodian, Banks, Trade and all concerned that the computerized processing of **Shipping Bills** under the Indian Customs EDI (Electronic Data Interchange) System, hereinafter referred to as ICES 1.5, will commence at Air Cargo Complex, Marripalem, Visakhapatnam from 15.03.2013. It is also informed that Visakhapatnam Airport has been notified as a port for exports/imports under Export Promotion Schemes vide notification number 4/2013-Customs dated 14.02.3013.

2. Under ICES 1.5, the computerized processing of shipping bills would be handled in respect of the following categories:

1. Duty Free white Shipping Bills
2. Dutiable Shipping Bills (Cess)
3. Drawback Shipping Bills
4. DEEC Shipping Bills
5. EPCG Shipping Bills
6. DEPB Shipping Bills
7. DFIA Shipping Bills
8. 100 %EOU Shipping Bills
9. Jobbing Shipping Bills
10. Other Exim Scheme Shippi
11. BillsNFEI Shipping Bills

3. The procedure to be followed in respect of filing of Shipping Bills under the Indian Customs EDI System 1.5 at Air Cargo Complex, Visakhapatnam shall be as follows: -

Under the EDI System, the Shipping Bills shall be filed electronically and processed online in an automated environment. Certain declarations and certificates etc. that are required to be provided in hard copy should be attached with export documents when the goods are presented for export. The following pre-requisites are to be complied with before filing shipping bills:

3.1 **IE-Code of the exporters-** Import Export (IE) Codes are being issued to the exporters by DGFT, details of which are transmitted online to ICES on a daily basis. ICES automatically register the IE Codes after confirming their validity, to enable the exporters to file the shipping bills electronically. Before filing the Shipping Bills the exporters are advised to check from DGFT as to whether their IE Code has already been transmitted to ICES. If their IE Code has not been transmitted to ICES by DGFT, they should first get the same transmitted from DGFT, failing which the exporter shall not be able to file shipping bills for export. (DGFT's website may be accessed at <http://www.dgft.delhi.nic.in>)

3.2. Registration of Custom House Agents (CHA), Shipping Agents, the Carrier Agencies (Airlines, Console Agents, and Freight Forwarders etc.) in ICES: CHAs filing Export/Import documents would be required to use their PAN based registration numbers, provided by the Policy Section of Custom House, Visakhapatnam. All the CHAs were requested to verify their details in the existing CHA Directory to enable creation of an updated CHA Directory at the Data Centre, New Delhi. Only those CHAs, who have verified/updated their details in CHA Directory, would be able to transact business in ICES 1.5. Hence, all the CHAs are requested to get registered themselves, if not already registered. Similarly all the Carrier Agencies (Airlines, Console Agents, and Freight Forwarders etc.) need to get themselves registered in Central Directory at National Data Centre. Any agency that fails to get itself registered at Central Directory will not be able to function in ICES 1.5.

3.3 Filing of EGM by Airlines: The Airlines should file EGM only through ICEGATE. The acknowledgement for filing EGM would reach the registered e-mail address of the Airlines. The message exchange formats for filing EGM are given on ICEGATE Website <http://www.icegate.gov.in/ICES1.5.htm>. The Airlines may prepare/use their own software for filing EGM in prescribed message exchange formats. The facility for filing of EGM through floppy at Service Centre is not available in ICES1.5. documents.

3.4. Filing of documents by CHAs / Importers / Exporters: The CHAs/Importers/Exporters may file their documents either through Service Centre or through ICEGATE from their premises. The acknowledgement for filing Bills of Entry/Shipping Bills would reach the registered e-mail address of CHAs/Importers/Exporters. The details of message exchange formats for filing Bills of Entry/Shipping Bills are available at ICEGATE website <http://www.icegate.gov.in/ICES1.5.htm>. The CHAs/Importers/Exporters may use their own software for filing Bills of Entry / Shipping Bills in ICEGATE in prescribed message exchange formats. The free download version of RES Package is also available on ICES website at <http://ices.nic.in/ICES/Home.aspx> after registration.

3.5. Registration of Bank Account with Authorized Dealer of Foreign Exchange: Except for NFEI shipping bills, the account number of the exporter opened with Authorised Dealer of foreign exchange is required to be available in the ICES 1.5 . The Directory of Authorised Dealers Codes is maintained in the ICES 1.5 on the basis of details made available by the RBI. The exporters may note that it would not be possible for the local customs officials to add the details of the AD code unless the information is available from RBI. In case the details are not available the matter may be brought to the notice of the ICEGATE team.

3.6. Registration of bank account for credit of Drawback amount:- For exports under claim of drawback the exporter is required to open bank account with any Core Banking System branch of any bank in the country. Before filing of shipping bill under ICES 1.5, the exporter should approach the designated customs officer to register the details of such bank account in the ICES 1.5. **Annexure E**

3.7. Exchange Rates of un-notified currencies: The ICES 1.5 maintains exchange rates in respect of currencies the rates of which are notified by the Ministry of Finance on a monthly basis. However, in respect of currencies which are not covered in the notifications of the Ministry of Finance, the concerned bank's certificate indicating the exchange rate applicable for the date on which the shipping bill is filed should be produced to the customs officer and details of the same should be entered in the ICES 1.5 while filing the shipping bill. The shipping bill should be submitted in the system on the same date for which the rate of exchange is certified.

3.8 **Exim Scheme Codes:** DGFT has notified Exim Scheme Codes in respect of various schemes, the list of which is appended with this Public Notice. An appropriate Code should be indicated against each item in the shipping bill. For example, if exports are under claim of DEPB Code 6 should be used. **Appendix 1**

3.8 **Units of Measurement Codes:** Against any quantity of goods, the appropriate Code indicated against the respective measurement in the list appended with this Public Notice must be used in the shipping bill / EGM as the case may be. **Appendix 2**

3.9 **Currency Codes:** For indicating value of goods, freight, insurance, commission etc. only the relevant codes for the respective currencies in the list of currency codes appended with this Public Notice have to be used. Use of any incorrect code will result in incorrect conversion of the currency into Indian Rupees. **Appendix 3**

3.10 **Country Codes:** Wherever in the shipping bill / EGM reference is required to be made to the name of the country, the appropriate Code of the country as indicated in the list of country codes appended to this Public Notice have to be used. **Appendix 4**

3.11 **Port Codes:** An appropriate port code must be indicated wherever reference to port name is required to be made in a shipping bill /EGM.

Note: Due to constraint of size, it is not possible to attach the list of port codes with this Public Notice. Correct code may be obtained from the respective Carriers or checked from www.unece.org/etrades. A list of all relevant codes would also be available at the service center.

4. DATA ENTRY FOR SHIPPING BILLS

4.1 Shipping bills can be filed through the service center located at the Custom House or through Remote EDI System if the Exporter or the CHA have registered themselves at ICEGATE. In case the shipping bill is filed through Service Centre, the Exporters/CHAs would be required to submit at the Service Centre with the following documents:

- i) A declaration of all particulars in the SB in the format placed at **Annexure - A**
- ii) Copy of Invoice
- iii) SDF declaration at **Annexure B**
- iv) DEEC/DFRC/DEPB declarations etc. as applicable **Annexure D**

4.2 The formats should be duly complete in all respects and should be signed by the exporter or his authorized representative/CHA. Forms, which are incomplete or unsigned, will not be accepted for data entry. Exporters/CHA should ensure that the data provided by them and entered by service center is correct in all respect so that process of clearance of export is smooth.

4.3 Data entry of Shipping Bills would be done at the Service Centers on payment of charges. Various charges for printing and data entry excluding Service Tax are as under

| | |
|---|----------|
| Data Entry Charges for Shipping Bills having up to five items | Rs. 60/- |
| Data Entry Charges for additional block of five items | Rs. 10/- |
| Amendment fees (for a block of five items) | Rs. 10/- |
| Data entry for EGM | Rs 60/- |
| Query Printing after three queries | Rs 05/- |

| | |
|--------------------------------------|---------|
| Entry of Licence | Rs 60/- |
| S/B Final Print (For RES Users only) | Rs 20/- |
| Query Printing (For RES Users only) | Rs 5/- |

Note: - The above charges include data entry of the documents, check list printing, three free queries and print out of the assessed document. Additional queries shall be charged at Rs 5 per query. Check list will be provided free of charge till they are certified to be free of mistakes by the customer. However, in cases where the customer wants to incorporate corrections in the original declaration provided by him, checklist will be provided at an additional cost of Rs 10/ -.

4.4 The Service Centre operators shall carefully enter the data on the basis of declarations (Duly filled forms of Annexure A) made by the CHAs/exporters. After completion of data entry, a checklist of the data entered by the operator will be printed by the Data Entry Operator and handed over to the exporters/CHAs for confirming the correctness of the electronic declaration. The CHA/Exporter will make corrections, if any, in the checklist and return the same to the operator duly signed. The operator shall make the corresponding corrections in the data and shall submit the Shipping Bill. The operator shall not make any amendment after generation of the checklist and before submission in the system unless the corrections made by the CHAs/exporters are clearly indicated on the checklist against the respective fields and are signed by CHA/Exporter.

4.5 The system automatically generates the Shipping Bill number. The operator shall endorse this shipping bill number on the checklist in clear and bold figures. It should be noted that no copy of the Shipping Bill would be available at this stage. This check list endorsed with Shipping Bill No. shall be used for bringing export goods to the Port.

4.6 **It may be noted that since the document numbers are to be assigned by the Central Server at a national level, all document numbers e.g. for Shipping Bills, EGMs, challans, would not be in a continuous series for each location.**

4.7 The Declarations would be accepted at the Service Centre from 1000 hrs to 1700 hrs. Declarations received up to 1600 hrs will be entered in the computer system on the same day.

4.8 Those Exporters or CHA who intend to use Remote EDI System(RES) to file from their offices should download necessary software from website www.ices.nic.in which is available free of cost and register themselves with the ICEGATE. Trade may also refer to this Custom House Public Notice No 02/2004 dated 02.01.2004 for relevant particulars regarding registration and filing of documents through ICEGATE. The detailed procedure for registration and guidelines for e-filing are available at www.icegate.gov.in.

4.9 The validity of the shipping bill in EDI System is fifteen days only. Therefore, if the export goods are not registered within 15 days from the date of shipping bill, the shipping bill shall lapse and has to be filed again in the system.

5. PROCEDURE FOR GR-1

5.1 As per the procedure in EDI, there would be no GR-1. Exporters /CHAs would be required to file two copies of a declaration in the form SDF (Annexure B). It would be filed at the stage of "goods arrival". One copy of the declaration would be attached to the original copy of the S/B generated by the system and retained by the Customs. The second copy would be attached to the exchange control copy and shall be presented by the exporter to the authorised dealer through whom export realization would be negotiated for collection of foreign currency. Only in the case of Shipping Bills processed manually, the

existing arrangement of filing GR 1 forms would continue.

5.2 The exporters are required to obtain a certificate from the bank through which they would be realising the export proceeds. If the exporter wishes to operate through different banks for the purpose, a certificate would have to be obtained from each of the banks. The certificate(s) would be submitted to Customs and registered in the system as mentioned above. These would have to be submitted once a year for confirmation or whenever there is change of bank.

5.3 In the declaration form (Annexure A) to be filed by the exporters for the electronic processing of export documents, the exporters would need to mention the name of the bank and the branch code as mentioned in the certificate from the bank. The Customs will verify the details in the declaration with the information captured in the system through the certificates registered earlier.

6. ARRIVAL OF GOODS AT EXPORT EXAMINATION SHEDS IN Air Cargo Complex.

6.1 In respect of goods intended to be exported against an electronic shipping bill, the Custodian of Air Cargo Complex will permit entry of the goods on the strength of the checklist.

6.2 If at any stage subsequent to the entry of goods in Air Cargo Complex, it is noticed that the declaration has not been registered in the system, the exporters and CHAs will be responsible for the delay in shipment of goods and any damage, deterioration or pilferage, without prejudice to any other action that may be taken.

7. PROCESSING OF SHIPPING BILLS

7.1 The S/B would be processed by the system on the basis of the declaration made by the exporter. The following kinds of S/B shall require clearance of the Assistant Commissioner/ Deputy Commissioner (AC/DC Exports): -

- i. Duty free S/B for FOB value above Rs. 10 lakh
- ii. Free Trade Sample S/B for FOB value above Rs. 25,000
- iii. Drawback S/B where the drawback exceeds Rs. one lakh

7.2 The following categories of Shipping Bills shall be processed by the Appraiser/Supdt. (Export Assessment) first and then by the Asstt/Deputy Commissioner:

- i. DEEC/Advance authorization scheme
- ii. DEPB
- iii. DFRC
- iv. EOU
- v. EPCG
- vi. Any other Exim Scheme if so required

7.3 Apart from verifying the value and other particulars for assessment, the AO/Supdt. and AC/ DC may call for the samples for confirming the declared value or for checking classification under the Drawback Schedule / DEEC / DEPB / DFRC / EOU etc.,. He may also give special instructions for examination of goods.

7.4 If the S/B falls in the categories indicted in Paras 7.1 and 7.2 above, the exporter should check with the query counter at the Service Centre whether the S/B has been cleared by Assistant Commissioner/ Deputy Commissioner, before the goods are brought for examination. In case AC/DC raises any query, it should be replied through the Service

Centre or through ICEGATE, for those exporters/CHAs who are registered with ICEGATE. After all the queries have been satisfactorily replied to, AC/DC will pass the S/B.

8. CUSTOMS EXAMINATION OF EXPORT CARGO

8.1 On receipt of the goods in the Export Shed/Examination area in the Port, the exporter will contact the Examining Officer/Inspector and present the checklist with the endorsement of Custodian of arrival of containers on the declaration, along with all original documents such as Invoice, Packing List, ARE-1 (AR-4) etc. He will also present additional particulars in the form at **Annexure C**

8.2 The Officer will verify the quantity of the goods actually received against that entered in the system. He will enter Annexure C particulars in the system. The system would identify the Examining Officer (if more than one are available) who would be carrying out physical examination of goods. The system would also indicate the packages (the quantity and the serial numbers) to be subjected to examination. The Officer would write this information (Name of examination officer and package Srl. Nos to be examined) on the checklist and hand it over to the exporter. He would hand over the original documents to the Examining Officer. No examination orders shall be given unless the goods have been physically received in the Export Shed. It may, however, be clarified that Customs Officers have the discretion of examining any or all the packages/goods as per the guidelines issued from time to time.

8.3 The Examining Officer may inspect and/or examine the shipment, as per instructions contained in the checklist and enter the examination report in the system. There will be no written examination report. He will then mark the Electronic S/B and forward the checklist along with the original documents to the Appraiser / Supdt. in charge. If the Appraiser/Supdt. is satisfied that the particulars entered in the system conform to the description given in the original documents and the physical examination, he will proceed to give "Let Export" order for the shipment and inform the exporter. The Appraiser/Supdt. would retain checklist, declaration and all original documents with him.

8.4 In case of any variation between the declaration in S/B and the documents or physical examination report, the Appraiser/Supdt. will mark the electronic S/B to AC/DC Exports. He will also forward the documents to AC / DC and advise the exporters to meet the AC / DC for further action regarding the discrepancy. In case the Exporter agrees with the views of the Department, the S/B would be processed finally. Where the exporter is not in agreement with the views of the Department, the matter would be handled outside the EDI system.

8.5 After the issue of 'Let Export' order, the goods will be taken to the Airport by the Custodian/ Exporter under Customs escort ~~to the Airport~~ for placing onboard the Aircraft. Necessary charges that may be prescribed for providing Customs escort will have to be borne by the Custodian/Exporter.

9. GENERATION OF SHIPPING BILLS

9.1 As soon as the Shed Appraiser/ Superintendent gives "Let Export" order, the system would print 4 copies of the Shipping Bills in case of Free and scheme Shipping Bills. In case of DEPB there are 5 copies of Shipping Bills. If the Shipping Bill (DEPB) is assessed provisionally, then E.P copy will be generated only after AC / DC finalises the assessment. All copies of the Shipping Bill would be duly signed by the Appraiser / Shed Superintendent. The examination report would be signed by the Appraiser / Shed Superintendent, Examination Officer as well as exporter / representative of the CHA

(Name and ID Card number of the representative of the CHA should be clearly mentioned below his signature).

9.2 Any other certificates required for permitting export will be retained by Customs along with the Shipping Bills.

10. PAYMENT OF MERCHANT OVERTIME (MOT)

10.1 The present manual system for payment of Merchant Overtime (MOT) charges will continue.

10.2 MOT charges will be required to be paid by exporter when the goods are examined by Customs for allowing "Let Export" beyond the normal office hours. No charges would be required to be paid on normal working days when the examination itself is being done for "Let Export" up to 05.00 P.M. However, if the goods are examined at the request of exporter out side the Customs area a fee as prescribed in Customs (Fees for Rendering Services by Customs Officers) Regulations, 1998, shall be charged by the jurisdictional Customs Authorities under whose jurisdiction examination has been carried out irrespective of the fact whether the examination/sealing of container is within working hours or outside working hours.

11 DRAWAL OF SAMPLES

11.1 Where the Appraiser/Supdt. of Customs orders for samples to be drawn and tested, the Examining Officers will proceed to draw two samples from the consignment and enter the particulars thereof along with name of the testing agency in the system. Record of samples shall be maintained in the System therefore, no separate registers will need to be maintained for recording dates of samples drawn. Three copies of the test memo will be prepared manually and signed by the Examining Officer, the Appraiser and the exporter. The disposal of the three copies would be as follows: -

- i. Original to be sent along with the sample to the testing agency.
- ii. Duplicate copy to be retained by Customs with the second sample.
- iii. Triplicate to be handed over to the exporter.

11.2 AC/ DC may, if he deems necessary, order for sample to be drawn for purposes other than testing such as visual inspection and verification of description, market value enquiry etc

12 QUERIES

12.1 In case of any doubt, the exporter, during examination, can clarify doubts. However, in case where the need arises for a detailed answer from the exporter, a query can be raised in the system by the Appraiser/Supdt., which needs to be approved by concerned AC/DC (Exports). The S/B will remain pending and cannot be printed till the exporter replies to the query to the satisfaction of the Assistant Commissioner/Deputy Commissioner. The reply to query if any can be submitted through ICEGATE or through Service Centre.

13. AMENDMENTS

13.1 Corrections/amendments in the checklist can be made at the Service Centre provided the system has not generated the S/B number. Where corrections are required to be made after the generation of the S/B No. or, after the goods have been brought in the docks/CFS, amendments will be carried out in the following manner.

1. If the goods have not yet been allowed "Let Export", Assistant Commissioner/Deputy Commissioner may allow the amendment.
2. Where the "Let Export" order has been given, the Additional/Joint Commissioner (Exports) would allow the amendments.

13.2 In both the cases, after the permission for amendments has been granted, the Assistant Commissioner (Exports) will approve the amendments on the system. Where the print out of the S/B has already been generated, the exporter will surrender all copies of the Shipping Bill to the Appraiser for cancellation before amendment is approved in the system.

14. SHORT SHIPMENTS, SHUT OUT, CANCELLATION AND BACK TO TOWN PERMISSIONS

14.1 AC/DC (Export) will give permission for issue of short shipment certificate, shut out or cancellation of S/B, on the basis of an application made by the exporter. The S/B particulars would need to be cancelled / modified in the system before granting such permission. AC/DC would check the status of the goods, before granting permission.

15. AMENDMENT OF FREIGHT AMOUNT

15.1 If the freight/insurance amount undergoes a change before "Let Export" is given, corresponding changes would also need to be made in the S/B with the approval of AC /DC Exports. But if the change has taken place after the "Let Export" order, approval of Additional/Jt. Commissioner would be required. Non-intimation of such changes would amount to mis-declaration and may attract penal action under the Customs Act, 1962.

16. RECONSTRUCTION OF LOST DOCUMENTS

16.1 Duplicate print out of EDI S/B cannot be allowed to be generated if it is lost, since extra copy of Shipping Bills are liable to be misused. However, a certificate can be issued by the Customs stating that "Let Export" order has been passed in the system to enable the goods to be accepted by the Shipping Line, for export. Drawback will be sanctioned on the basis of the "Let Export" order already recorded on the system.

17. RE-PRINT OF SHIPPING BILLS

17.1 Similarly, re-prints can be allowed where there is a system failure, as a result of which the print out (after the "Let Export" order) has not been generated or there is a misprint. Permission of AC/DC (Exports) would be necessary for the purpose. The misprint copy shall be cancelled before such permission is granted.

18. EXPORT OF GOODS UNDER CESS

18.1 For export items, which are subject to export cess, the cess shall be applied by the System on the basis of the corresponding 8 digit Heading Schedule maintained in the system. A printed challan generated by the system would be handed over to the exporter. The cess amount indicated should be deposited with the designated bank.

19. EXPORT OF GOODS UNDER CLAIM FOR DRAWBACK

19.1 The scheme of computerised processing of Drawback claims under the Indian Customs EDI System-Exports will be applicable for all exports through this Port.

19.2 The exporters who intend to export the goods through this Port under claim for

Drawback are advised to open their account with the bank as stated in Para 3.5 above. This is required to be done to enable direct credit of the Drawback amount to the exporter's account, as no cheques would be issued for payment of drawback. The exporters are required to indicate their account number opened with the Bank. **It would not be possible to accept any shipment for export under claim for Drawback in case the account number of the exporter is not indicated in the declaration form.**

19.3 The exporters are also required to give their account number along with the details of the Authorised Dealer bank through which the export proceeds are to be realised.

19.4 As indicated earlier Export declarations involving a drawback amount of more than Rupees One lakh will be processed on the system by the AC/DC before the goods can be brought for examination and for allowing "Let Export".

19.5 The drawback claims are sanctioned subject to the provisions of the Customs Act 1962, the Customs and Central Excise Duties Drawback Rules 1995 and conditions prescribed under different sub-headings of the All Industry rates as per notified by the Ministry of Finance from time to time.

19.6 After actual export of the goods, the drawback claims will be processed in the EDI system by the officers of Drawback Branch on first come first served basis. There is no need for filing separate drawback claim. The claims will be processed based on the IGM. The status of the Shipping Bill and sanction of drawback claim can be ascertained from the "Enquiry Counter" set up at the Service Centre or remote system through ICEGATE. If any query has been raised or deficiency noticed, the same will be shown on the terminal and a printout of the query/deficiency may be obtained by the authorised person or the exporter from the Service Centre or in own his office the exporter has connection with ICEGATE. The exporters are advised to reply to such queries expeditiously through the service centre. The claim comes in queue of the EDI system after only after the reply to queries/deficiencies is entered in the ICES 1.5.

19.7 Shipping Bills in respect of goods under claim for drawback against brand rates would also be processed in the same manner, except that drawback would be sanctioned only after the original brand rate letter is produced before the designated customs officer in the office of Assistant/ Deputy Commissioner (Export) and is entered in the system. The exporter should specify the SS No. of drawback as 98.01 for provisional drawback in the Annex-A.

19.8 All the claims sanctioned in a particular day will be enumerated in a scroll and transferred to the designated bank. The designated bank would credit the drawback amount in the respective account of the exporter and where the account of the exporter is in any other CBS branch of any bank, the designated bank would transfer the amount to the respective CBS branch who would credit the amount to exporter's account. **The exporters may make arrangement with their banks for periodical statement of credits on account of drawback.**

- a) An exporter desirous to have his drawback credited in any core banking branch of the bank authorized for drawback payment at that EDI location or any other bank other than the authorized bank (in any core banking enabled branch which is also RTGS and NEFT enabled), the exporter will be required to declare to the Customs authorities the Indian Financial Service Code (IFSC) of the bank branch where he operates his bank account, in addition to the core banking enabled account number, bank name and address in the prescribed format (As per the Annexure F to this

Public Notice). The IFS Code No. can be obtained by the exporter from his bank branch.

- b) At the time of registration of the bank account with the Customs authorities the exporter will be required to produce a certificate from the bank branch, where he operates his bank account, certifying the correctness of the IFS code and bank account number of the exporter and a copy of the same shall also be submitted to the authorized bank branch at the EDI location.
- c) Whenever there is a change in the exporter's bank account number the same procedure is required to be followed by the exporter for fresh registration of new bank account number.

19.9 Supplementary Drawback Claims: If the drawback amount initially paid is less than entitlement the exporter can file application for supplementary claim for additional amount. For such claims after approval/sanction of supplementary claim on file by the AC/DC Drawback, the Appraiser / Supdt. (DBK) shall process claim online and submit it for approval of AC/DC (DBK). After sanction of drawback against supplementary claim, Drawback Scroll shall be generated by system and amount transferred to the bank in the same manner as in normal scroll.

20. EXPORT OF GOODS UNDER DEPB

20.1 A procedure for online transmission of shipping bills to DGFT and online receipt of DEPB licenses is in place in this port. As per this procedure, the DEPB licenses issued by DGFT are being received online and are being subjected to prescribed online validation checks. After these checks, the licenses are available for use of importers. The details of such DEPB licenses are available on the home page of website www.icegate.gov.in. It is also clarified that in respect of DEPB licenses received online, the DEPB number should be mentioned on the Bill of entry if such DEPB are intended to be used for payment of duty instead of registration number as is in practice with respect to manually verified DEPB.

The above procedure would be applicable in respect of DEPB licenses issued on or after 12th March 2007 by DGFT, the existing procedure should be followed for the licences issued prior to above date.

20.2 While filing information as per the format of Annexure A, Exporters are required to ensure that correct Group Code No. of the goods being exported and the item No. of relevant Group is clearly mentioned (item-wise details). The Exporters / CHAs are advised to fill Item No. in the same manner as given in the Public Notices issued by D.G.F.T.

20.3 DEPB Credit in respect of items like formulations, injections etc of Group Code No.62 (Chemicals) are at a specific percentage of credit rate for the relevant bulk drug. For proper calculation of DEPB rate, Exporters/CHAs are advised to claim export under the specific Sl.No. if they are exporting injections and thereafter mention Sl.No. of Group Code 62 of the bulk drug of which such injections have been made. The system will calculate the said specific percentage of the DEPB rate of such bulk drugs, formulations of which are being exported.

20.4 All the DEPB Shipping Bills having FOB value less than Rs.5 lakhs and / or DEPB rates less than 20% will be assessed by Appraiser/ Supt. (DEPB Cell). However, the Shipping Bills having FOB value more than Rs.5 lakhs and/ or credit rate 20% or more will be assessed by A.C./D.C (Export). Any query at the time of assessing by Appraiser (DEPB Cell) or A.C. /D.C.(Export) may be obtained from the Service Centre and reply to the query has to be furnished through Service Centre or through ICEGATE

20.5 If the Group Code No., Item No. and FOB value declared is accepted by the Appraiser/ Supt (DEPB Cell) or Assistant / Deputy Commissioner (Export), goods may be brought and entered in the system. The examining officer will feed the examination report and "Let Export" order will be given by Appraiser/Supt. in the EDI System. Five copies of Shipping Bill will be printed for the purposes mentioned against each as under

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|----|--|---|-------------------------------|
| 1. | Customs Copy | : | For record of Customs |
| 2. | Exporter's Copy | : | For record of Exporters |
| 3. | E.P. Copy | : | For office of DGFT |
| 4. | Exchange Control Copy | : | For Banking purpose |
| 5. | DEPB Copy | : | For use in the Port for (only |
| | in case of DEPB Shipments) registration of license | | |

20.6 There is a provision for changing the Group Code No./Item No./Value for DEPB credit purposes and such changes will be reflected in the print out of the Shipping Bill. Such changes may be done by Appraiser/Supt (DEPB Cell), A.C./D.C. (Export) as well as by Appraiser/Supt (Exam). The credit will be allowed by the DGFT at the rate / value (for credit purposes only) as approved by Customs.

20.7 In case, for credit purposes, the Exporter accepts the lower value as determined by Customs, such lower value will be entered by Appraiser (DEPB Cell), A.C./D.C. (Exports) or by Appraiser (Examination) for each item(s). Printout of Shipping Bills at item level will indicate for FOB value as well value for DEPB credit purposes. Exporters are required to apply for the DEPB Licence at the FOB value accepted by Customs and not the value declared by them. Since DEPB is issued on the basis of exchange rate applicable on the date of Let Export, Exporters are advised to apply for DEPB Licence at the value accepted by Customs at the time of export duly multiplied by the prevailing exchange rate on the date of Let Export (LEO).

20.8 In case the Exporter does not accept the value determined by the Customs, the exports will be allowed provisionally after taking samples for market enquiry. The words "NOT VALID FOR DEPB" will be printed on all the copies of the Shipping Bill and the Exporters will not be eligible for DEPB licence against provisionally assessed Shipping Bills. In such cases, EP Copy of Shipping Bill will not be printed and only 3 copies will be printed. Market enquiries about value will be conducted in such cases and the final value would be determined either with the approval of the Exporter or after issue of the Show Cause Notice in case the Exporter contests the value determined. In such cases where samples are drawn for the purpose of market enquiry, the copy of the Shipping Bill for claiming DEPB would be generated after determination of value on the basis of market enquiry and handed over to the Exporters after being signed by Appraiser / Suptd. of Customs. In such cases wherever market value has been found to be less than twice the credit claimed, the market value will be mentioned in the EP Copy of Shipping Bill as under:-

"Market value of the goods is Rs.....and credit not to exceed 50% of the market value".

Samples may also be drawn for other purposes such as Chemical test, DEPB entitlement etc. The procedure of Provisional Assessment shall be applicable mutatis mutandis to above cases as well and the cases will be finalised after necessary reports etc. are received and unprinted copy of Shipping Bill meant for DEPB licence shall be released thereafter for printing.

20.9 DEPB Credit entitlement: EDI-message of DEPB shipping bill data from Customs and DEPB licence from DGFT has been established. Therefore, the DEPB Licence shall be issued by DGFT on the basis of EDI message and the DEPB licence shall be

automatically registered in Customs System on receipt from DGFT for utilization of the same for imports.

21. EXPORT OF GOODS UNDER 100% EOU SCHEME

21.1 The Exporters can get the export goods examined by Central Excise / Customs Officer at the factory even prior to filing of Shipping Bill. Self sealing facility is also available. He shall obtain the Examination report in the form annexed as Annexure 'C1' to this Public Notice duly signed and stamped by the Examining Officer and Supervising Officer at the factory. The export invoice shall also be signed and stamped by both the officers at the factory. Thereafter the goods shall be brought to the concerned Customs Warehouse for the purpose of clearance and subsequent "Let Export". The Exporters / CHA shall present the goods for registration along with Examination Report in Annexure 'C1', ARE-1, Export Invoice duly signed by the Examining Officer and Supervising Officer at the factory, check list, declaration in form Annexure 'A', Annexure 'C1' and other documents such as document of transportation, ARE-1, etc. to the Examiner in the concerned shed. After registration of goods, the Shipping Bill will be marked to an Examiner for verification of documents and seal. If seal is found intact the Shipping Bill will be recommended for LEO, which will be given by the Shed Appraiser. However, if seal is not found intact, the goods will be marked for examination and LEO will be given if the goods are found in order.

22. EXPORT OF GOODS UNDER THE EPCG/DES SCHEME

22.1 The procedure for online transmission of Licenses/Authorizations issued under Duty Exemption Scheme (DES) (except those issued under Scheme Code 17) and Export Promotion Capital Goods Scheme (EPCG) from DGFT to Customs through an Electronic Message Exchange System is operational at this port in respect of DES / EPCG licences issued on or after 1st March 2009. As per the procedure prescribed by DGFT, Exporters apply for Advance licenses under Duty Exemption Scheme (DES) and licenses under Export Promotion Capital Goods Scheme (EPCG) to DGFT. As per the Handbook of Procedures Vol. I, exports under DES can be started immediately on generation of file no. which is generated by DGFT on submission of application for licenses under DES. Accordingly DGFT would transmit the messages relating to File Numbers so generated by them to Customs so as to enable Customs to permit exports under DES. As, the exports under EPCG can be started only after issuance of license; the DGFT would transmit the License messages immediately on issuance of licenses under DES and EPCG scheme. The licenses under above mentioned schemes issued by DGFT would be received online by Customs. Such licenses would be subjected to the prescribed online validation checks at ICEGATE and thereafter, the same would be available for use by the exporters at the port of registration for imports. Details of such licenses would also be available on the home page of website, www.icegate.gov.in. As mentioned above, exports under DES can be started immediately after receipt of file number message from DGFT by quoting the relevant File Number allocated by DGFT on the export documents. After issuance of licenses, exporters would be required to quote the relevant license number on the export documents.

22.2 There is no need of registration of file number / license number and obtaining a Customs Registration number at this port. As the licenses issued under DES / EPCG will now be received online from DGFT and would be available at this port, Importers would be required to produce the hard copies of the licenses issued by DGFT along with bonds / LUTs and execute BG in accordance with the provisions of the Customs Circular(s) in force and as per the statutory requirements of the relevant Customs Notifications, to the designated officer, at this port as this port is the port of registration in the licenses, for raising debits in bonds / LUTs and monitoring such bonds / LUTs. Importers are required

to quote the license number on the respective Import documents in case they intend to use the licenses.

22.3. For monitoring of export obligation under licenses issued by DGFT under above mentioned schemes, Customs would transmit online all such Bills of Entry and Shipping Bills to DGFT wherever imports / exports have been affected under licenses received online from DGFT under DES / EPCG schemes. DGFT would transmit online an Export Obligation Discharge Certificate (EODC) in prescribed format containing details of Shipping Bills to Customs which would also be made available at this port. Based on this EODC, the designated officer at this port would release the bonds / LUTs and the BG, if any, after causing necessary verifications.

22.4. For any amendment in licenses issued under above schemes by DGFT, importer would obtain a log print of usage of license in prescribed format. DGFT would process amendment(s) of license based on log print of usage of license issued by Customs and transmit online the necessary amendment(s) of license to Customs. No imports under such license would be allowed after issuance of log print till the amendment message is received from DGFT.

22.5. The above procedure would be applicable in respect of file nos./ Licenses/Authorizations issued under Duty Exemption Scheme (DES) and Export Promotion Capital Goods Scheme (EPCG) on or after 1st March 2009 by DGFT. The existing procedure in case of manual registration of file nos./ Licenses/Authorizations issued under these schemes on or upto 28th Feb 2009, would continue to be followed.

22.6 In case of EPCG/DES (EXCEPT THOSE ISSUED UNDER Scheme Code 17) issued on or after 01.03.2009 there is no need of any registration at this port. However, in case of EPCG/DES issued prior to 01.03.2009 and DES, issued Scheme Code 17, the exporters intending to file Shipping Bills under the aforesaid schemes including those under the claim for Drawback should first get their EPCG/ DES (issued up to 28.02.2009 by the DGFT) registered with this port, Gangavaram, which would be done by the designated officer. The original EPCG/DES would need to be produced before designated officer for data entry. A print out of the relevant particulars (Checklist) entered will be given to the Exporter/CHA. The EPCG/ DES would need to be presented to the Appraiser/ Supt, who would verify the particulars entered in the computer with the original EPCG/DES and register & verify the same in the EDI system. The Registration No. of the EPCG/DES would be furnished to the Exporter/CHA, which would need to be mentioned on the declaration forms (Annex D) at this port for export of goods. It would not be necessary thereafter for the Exporter/CHA to produce the original EPCG/DES for processing of the export declarations.

22.7 All the export declarations for **EPCG/DES** would be processed on the system by the Appraiser/Supdt., Export Department and the AC/DC Exports. After the declarations have been processed and accepted, the goods can be presented at the Export Shed along with **EPCG/DES** for examination and "Let Export" as in other export goods. All exporters availing of the **EPCG/DES** facilities are requested to immediately get their **EPCG/DES** registered in the EDI System so that the export declarations are processed expeditiously.

22.8 Further, exporters availing of **EPCG/DES** benefits in terms of various notifications should file the relevant declarations in Annexure D along with Annexure A.

22.9 It is further clarified as follows: -

- a. While giving details relating to **EPCG/DES** operations in the form at Annexure-D, the exporters/CHAs should indicate the S.No. of the goods

being exported in the Column titled "ITEM S.NO. IN EPCG/DES PART E" OF Annex. D.

- b. If inputs mentioned in EPCG/DES only have been used in the manufacture of the goods under export, in Column titled "ITEM SR.NO. IN Advance Authorisation of Annex. D, the exporters/CHAs are required to give S.No. of inputs in Part-C of the DES Book and Exporters need not fill up column titled "DESCRIPTION OF RAW MATERIALS".
- c. If some inputs which are not in Part-C of the EPCG/ DES have been used in the manufacture of the goods under export and the exporter wants to declare such inputs, he shall give the description of such inputs in column titled "DESCRIPTION OF RAW MATERIALS",
- d. In the column "IND/IMP", the exporters are required to write "N", if the inputs used are indigenous and "M", if the inputs used are imported,
- e. In column titled "Cess Schedule Sl. No." the relevant Serial No. of the Schedule relating to Cess should be mentioned.

22.11 EXPORT OF GOODS UNDER DFIA SCHEME:

The details pertaining to export products i.e. input materials utilised as per SION should be clearly mentioned at Annexure A at the time of filing.

23. **Filing of EGM:** The shipping bills shall be finally closed on filing of the ECM. The EGM shall be filed by Airlines through ICEGATE.

24. **Monitoring of foreign exchange realization:**

- (a) The exporters filing Shipping Bills (S/Bs) under drawback shall furnish a declaration to the Assistant Commissioner/Deputy Commissioner (Drawback) providing the details of all Authorized Dealers (AD), their codes and addresses through whom they intend to realize the export proceeds. Such a declaration shall be filed at each port of export through which the exporter exports his goods. In case, there is a new addition of AD, **the same is to be intimated to the concerned Custom House at the port of Export.**
- (b) The system would generate on all Shipping Bills, the due date for submission of BRCs.
- (c) The exporter shall submit a certificate from the Authorized Dealer(s) in respect of whom declaration has been filed containing details of the shipments which remain outstanding beyond the prescribed time limit, including the extended time, if any, allowed by AD/RBI. Such a certificate can also be provided by a Chartered accountant in his capacity as a statutory auditor of the exporter's account. A proforma for furnishing such negative statement was enclosed as Annexure to the Board Circular

5/2009 dated 2.2.2009 (available at www.cbec.gov.in). Further, the exporters also have the option of giving a BRC from the concerned authorized dealer(s).

- (d) Such certificates shall be furnished by the exporters on a 6 monthly basis in respect of exports which have become due for realization in the previous 6 months. For example, for the six-monthly period of January- June 2008 (during which exports were effected), the statement/BRC needs to be submitted after ^{1st} July, 2009.
- (e) Such certificates shall be filed by the exporter AD wise at each port. The relevant date for filing certificates shall be calculated from the date of let export order (LEO) which is the date when the export goods are permitted to be exported. An endorsement on the exporter's copy of S/Bill would be made specifying the due date for realization of export proceeds.
- (f) The system shall indicate list of the shipping bills under drawback where the BRC/negative statement has not been furnished by the exporter within the prescribed date. The Assistant Commissioner / Deputy Commissioner (Export) may peruse such lists either for the entire Customs port or for an individual exporter by entering the IE code of the exporter and accordingly initiate action to recover drawback.
- (g) The BRC entry module gives three options for entering the details of foreign exchange realization.
- (i) If the exporter furnishes the BRCs as a proof of foreign exchange realization, the officer will choose option (1) and enter the specific Shipping Bill numbers and dates. Such Shipping Bills will be deleted by the system from the list of shipping bills pending for realization of export proceeds.
- (ii) If the exporter produces a "negative statement" for a specified six monthly period from the AD/chartered accountant that no foreign exchange is pending realization for the exporter in the given period, the officer will choose option (2). The system will automatically display the S/Bs pertaining to the given period on screen and once the officer approves, all such shipping bills shall be deleted from the pendency list.
- (iii) If the negative statement furnished by the exporter gives the list of S/Bs, for a particular six month period, for which foreign exchange has not been realized (implying foreign exchange has been realized for all other S/Bs) then, the officer will choose option (3). This will allow the officer to enter the S/Bs for which the BRCs are pending. Thereafter, all S/Bs except such pending S/Bs will be deleted from the list.
- (iv) The BRC entry module also enables the Department to remove the list of S/Bs from the pendency list if drawback is recovered subsequently. In such cases, the officer may choose option (1) and enter the order no./challan no. and date and also the no. and date of all shipping Bills for which the drawback has been realized. Thereafter, all such S/Bs will be deleted from the pendency list.

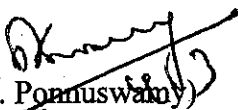
25. The system will indicate to the Assistant Commissioner/Deputy Commissioner (Drawback) all cases of Drawback Shipping bills with LEO date falling on or after 1.1.2008 if the BRC/negative statement in the prescribed Annexure enclosed to the Board's Circular is not submitted by the exporter within the prescribed period. Further, the exporters are required to furnish the BRCs/negative statement in the prescribed Annexure in respect of all the Drawback Shipping Bills having LEO dates from 1.1.2004 to 31.12.2007 (separately for each six month period) within a period of four months from the date of issue of Board circular.

26. GRIEVANCE HANDLING

26.1 The Assistant Commissioner/ Deputy Commissioner of Customs, Exports / DC (Docks), may be approached by exporters or their CHAs for settlement of any problems faced at any stage of the export clearance.

Regarding Helpdesk facilities the following may be noted:

- a) ICEGATE users would continue to interact with the Helpdesk at 180030101000 or through icegatehelpdesk@icegate.gov.in. This Helpdesk is managed by M/s Wipro.
- b) Users requiring any other clarifications regarding the new application may interact with the toll-free Helpdesk number 18002662232 or at si.helpdesk@icegate.gov.in. This Helpdesk is managed by TCS.
- c) Users may also directly contact System Manager Sri U. Niranjana (Air Cargo Complex) or the following designated Customs officers in case of any difficulty:
 - (i) Sh. N. Naresh, Asst. Commissioner of Customs, Tel: 2719311
 - (ii) Sh. Joginder Singh Mor, Supdt. of Customs (P), Tel:2721441


(M. Ponnuswamy)

COMMISSIONER OF CUSTOMS

To

All, as per mailing list.