



सीमा शुल्क प्रधान आयुक्त का कार्यालय
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS

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फा. सं./F. No.: S-04/518/2015-Bonds

दिनांक/Date: 21/12/2018

सार्वजनिक सूचना संख्या: 56 /2018
Public Notice No.: 56 /2018

***(This Public Notice will supersede the P.N.: 09/2013 issued vide
F.No:S4/281/2011-Bonds, dated 21.06.2013)***

PROCEDURES FOR OPERATION OF ITDC DUTY FREE SHOP AT
VISAKHAPATNAM PORT TRUST

The order is issued in relation to the operation of Duty Free Shops and Special Warehouse of M/s India Tourism Development Corporation, DFS Visakhapatnam also referred to as the 'licensee'.

In this context, it is directed to refer to and comply strictly with the provisions dealing with warehousing contained in the Chapter IX of the Customs Act, 1962 and the following:

- Notification No. 66/2016 - Customs (N.T.) dated 14th May 2016.
- Special Warehouse (Custody & Handling of Goods) Regulations, 2016 (Notification No.69/2016 - Customs (N.T.) dated 14th May, 2016).
- Special Warehouse Licensing Regulations, 2016 (Notification No. 72/2016 - Customs (N.T.) dated 14th May, 2016).
- Circular No. 20/2016- Customs dated 20th May 2016.
- Circular No. 25/2016- Customs dated 08th of June 2016.
- Circular No. 31/ 2016- Customs dated 6th July 2016.
- Circular No.32/2016- Customs dated 13th July 2016 and any further Circulars / instructions issued in this regard.
- Class of goods which shall be deposited in M/s ITDC Special warehouse are prescribed vide Notification No. 66/2016-Cus (N.T.) dated 14.05.2016.
- The Special Warehouse (Custody & Handling of Goods) Regulations, 2016 Prescribe maintenance of a computerized system for accounting.

2. Accordingly, the system of accounting of receipt, storage, operations and removal of goods with regard to M/s ITDC Duty Free Shops is prescribed below:

- All the operation of the special Warehouse shall be under the physical control of the Docks Officers, under the supervision and control of A.C/D.C. (Docks Prev.) Warehouse shall remain under the lock of Customs (Docks).

- A Duty Free Shop located in Customs area should not be treated as a warehouse. In fact, it is a point of sale for the goods ex-bonded/removed and transferred from a warehouse to a DFS in the Customs area for sale to eligible persons, namely, signing off crew/passenger of foreign run vessels arriving or departing from India. Hence, the requirement of keeping the Duty Free Shop under lock by the Customs Officers is not being insisted upon. Warehouses licensed under section 58A are for storing duty free stores.

- There is no restriction on the items that can be imported and stored in M/s ITDC Special Warehouse (Godown as mentioned in the ground plan) granted under Section 58A as long as the goods are removed to M/s ITDC DFS or supply as stores to vessel under physical escort by the Bond Officer (Docks) as per the point 5 of Circular-20/2016- Customs read with section 87.

- Crew shall be permitted to purchase goods at duty free shops in any freely convertible foreign currency or Indian rupees up to an amount as prescribed in RBI guidelines.

- It may be ensured that the DFS displays the rate of exchange as published by the commercial banks for conversion of foreign currency or the rate of exchange notified by the CBIC on a fortnightly basis for import and export of goods. Similarly, websites of DFS must be kept accurately updated with regard to the facility and limit in use of Indian currency for making purchases.

3. Maintenance of records of warehoused goods only in digital form:

(a) The licensee shall maintain electronic records of receipt, handling, storage and removal of the warehoused goods based upon data elements contained in Form- A appended to this Public Notice. While the data elements contained in the Form are mandatory. The licensee will be free to add or continue with any additional data fields, as per their commercial requirements. It would be necessary for the data to be maintained as per systems of Stock keeping unit (SKU).

(b) The licensee is required to enter data accurately and immediately upon the goods being deposited in or removed from the warehouse. Such electronic records should be kept updated, accurate & complete and shall be available at the warehouse at all times so as to be accessible to the Officers (Docks) or any other authorized Officer, for verification.

(c) The software for maintenance of electronic records must incorporate the feature of audit trail which means a secure, computer generated, time-stamped electronic record that allows for reconstruction of the course of events relating to the creation, modification, or deletion of an electronic record and includes actions at the record or system level, such as, attempts to access the system or delete or modify a record.

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4. Filing of returns in relation to warehoused goods:

(a) The Regulations also prescribe that —

(i) a licensee shall file with the Customs Officer (Docks), a monthly return of the receipt, storage, operations and removal of goods in the warehouse, within ten days after the close of the month to which such return relates.

(ii) Where the period specified in section 61 of the Customs Act, 1962 for warehousing of goods is expiring in a particular month, the licensee shall furnish such information to the Customs Officer on or before the 10th day of the month immediately preceding the month in which the period of storage of goods in the warehouse is expiring.

(b) The monthly return, as per para 4 (a) (1), containing transactions undertaken during the month, shall be filed by the licensee in Form- A, appended to this Public Notice. The return may be filed as a paper copy or in digital form, as preferred by the licensee (digital form means, such as, in a Pen drive or CD).

(c) The monthly return to be filed by the licensee as per para 4 (a) (ii) shall be filed in Form-B appended to this Public Notice. The return shall be filed with the Customs Officer (Docks) as a paper copy or in digital form.

(d) The Duty Free Shop Operator shall also maintain digital records of sales to signing off crew of foreign run vessel as per Form-C and supply to the vessel based on master's indent. The digital file containing these details shall be integrated with the records maintained for the warehoused goods, every 24 hours should be available for inspection as a part of the data maintained as per Form A.

5. Acknowledgement of the receipt of goods in the warehouse:

The Licensee shall follow the procedure contained in Regulation 6 of the Special Warehouse Notification 69/2016-Cus (NT). Upon receipt of the goods in warehouse, the licensee shall, send an acknowledgement of such receipt, duly signed by the Customs Officer, as follows:

(i) in case where goods are received from a Customs Station, to the Assistant/Deputy Commissioner in charge at the Customs station of import; or

(ii) in case where the goods are received from another warehouse, to the proper Officer of the warehouse from where the goods have been received.

6. Facilities:

In view of the requirement in the regulations to retain photocopies of documents such as bills of entry, transport documents and Form for transfer of goods from a warehouse, send acknowledgement of receipt of goods in the warehouse etc., the licensee shall maintain facilities such as computer, photocopier, scanner and printer at the warehouse.

7. Procedure for sale of goods at Special Warehouse / DFS:

I) All the imported non-duty paid goods permitted to be received and stocked in the DFS shall be sold by the licensee only to the signing off Crew/ passenger / Master of the foreign going vessel (as ship stores), on obtaining payment in freely convertible foreign currency or in Indian Currency as per RBI guidelines from them. However, signing-On / on-board crew members are not permitted to purchase the goods directly from the DFS. Every sale shall be covered by a sale voucher in triplicate (which shall

be deemed to be the Shipping Bill under Sec.69 or sale receipt under Baggage rules as the case may be) as per the format at 'Annexure-I'. The signing off crew/ Passenger/ Master of the foreign going vessel shall append full signature on the sale voucher, as it appears in his/her passport. A copy of the passport wherever applicable, shall be attached to the sale voucher. The sale voucher should be serially numbered and prepared in triplicate. All the sale vouchers shall be counter signed by the authorised Warehouse in- charge before effecting the sale / supply of the bonded stores. The original shall be handed over to the passenger / signing off crew member / Master of the vessel and the duplicate & triplicate shall be signed by Customs Officer at Docks after due verification of the sale effected. The Duplicate shall be filed in the Duty Free Shop. The triplicate copy shall be attached to the triplicate copy of transfer application which shall be forwarded to MBWH.

II) It shall be the responsibility of the Licensee to ensure that sales are made only to the foreign going vessels and to permit the sales only after verifying the Customs confirmation on signing-off covering letter. Further, it shall be the responsibility of the licensee to inform every passenger/ crew member who disembarks or signs off as the case may be, at this Port and who purchases goods from DFS, that all such purchases will be governed by Baggage Rules, 1998, as amended from time to time and all the provisions of the Customs Act and the EXIM Policy, would be applicable to these goods as they apply to regular accompanied baggage of the passenger/crew member at the time of their final clearance or signing off as the case may be, from the vessel.

III) Supply to Vessel: The Master/ Person in charge of the foreign going Vessel shall place the order/ indent for the entire quantity of the bonded goods required duly certifying the foreign going status of Vessel. The representative of the DFS shall approach the Superintendent of Customs (Docks) and with the permission of the Superintendent of Customs (Docks), under Customs escort, the bonded goods from DFS/ Special Warehouse shall be delivered on board in the presence of the representative of the DFS and kept in the bonded locker under seal. The details of the supply to the vessel shall be endorsed in the store list of the concerned vessel by the escorting Officer.

IV) Sale at DFS: The duty free Shop shall sell the goods only to disembarking passenger/ signing-off crew member who intend to have final clearance/ signing off at Port by following the procedure stated at 7(I) above. However, crew members of coastal/ coastal-run vessels as well as signing-off crew members of coastal/ coastal-run vessels are not entitled to purchase the goods from the DFS.

V) Apart from the Sale voucher, the Duty Free Shop shall record their sales to crew/passengers by a computer generated invoice, which shall contain the name of the passenger, Vessel Name & passport number. This data shall be stored digitally, in Form-C. Further, the sale invoice shall be linked with scanned copy of Passport along with Customs endorsement copy of the sale voucher and has to be preserved as record for a period of five years. The records of the warehouse shall be updated every 24 hours with the data elements contained in Form-C.

8. Overtime and Cost recovery factors:

Operations of the Special Warehouse of M/s ITDC DFS in Customs Area during the normal Working Hours shall be free from Cost Recovery Basis or on MOT basis. However, operations of the Special Warehouse beyond the working hours/holidays and beyond Customs area will be governed by the provisions of Customs (Fees for rendering services by Customs Officers) Regulations, 1998 and guidelines issued in this regard as per para 2 of CBEC Circular No. 32/ 2016 dated 13.07.2016 have to be followed. These arrangements can be reviewed from time to time depending upon the workload and other factors.

Any deviation or difficulty in implementation should be brought to the notice of the Commissioner of Customs immediately.

डी के श्रीनिवास

(डॉ. डी. के. श्रीनिवास/ Dr. D.K. SRINIVAS)

सीमा शुल्क आयुक्त / COMMISSIONER OF CUSTOMS

Copy to:

1. Superintendent of Customs (General Preventive)
2. O/o the Superintendent of Customs(Docks)
3. The Superintendent (EDI) to upload on Dept. website.
4. M/s ITDC, Duty Free Shop, Visakhapatnam.

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**BONDED WAREHOUSE,
DUTY FREE SHOP, VISAKHAPATNAM PORT TRUST, VISAKHAPATNAM**

ANNEXURE-1

CASH MEMO

Sl.NO: _____
Date: _____

NAME (IN CAPITALS): _____

NATIONALITY: _____ PASSPORT NO : _____

VESSEL NAME : _____ IGM NO _____

TRAVELLER'S CHEQUE NO.: _____

ADDRESS OF THE T.C. HOLDER: _____

QUANTITY	Particulars	EURO	USD	INR	OTHER CURRENCIES

Total Amt.: _____

Amount (in figures): _____

Signature Of Sale Assistant
(Name)

Signature of the Customer

FORM -A

Form to be maintained by a special warehouse Licencee of the receipt, handling, storing and removal of warehoused goods.
(as per Circular 32/ 2016-Customs dated 13.07.2016)

Warehouse code and address:

Receipts																
Bill of Entry No. and date	Customs Station of import	Code and address of Warehouse from where received (only in cases of bond to bond transfer)	Bond No. and date	Description of goods	Description and No. of packages	Marks and numbers on packages	Unit, Weight and quantity	Value	Duty assessed	Date of order under Section 60(1)	Registration No. of means of transport	OTL No.	Quantity received	Date and time of Deposit	Shortage (date and time of intimating Bond officer)	Breakage/damage
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

Handling and storage				Removal to DFS				Sale through DFS *					
Date of expiry of initial Bonding period	Date of expiry of extended Bonding period	Activities undertaken under section 64	Sample drawn by government agencies (with date and time)	Date and time of removal	Quantity cleared	Value	Duty forgone	Incoming Passenger			Outgoing passenger		
								Quantity	Value	Duty forgone	Quantity	Value	Duty forgone
18	19	20	21	22	23	24	25	26	27	28	29	30	31

Other removals					Returns from DFS				Balance in warehouse			Remarks
Following codes to be used : WH: Transfer to another warehouse. EX: Export OS: others					Date and time	Quantity	Value	Duty involved	Quantity	Value	Duty	
32	33	34	35	36	37	38	39	40	41	42	43	44

* Data relating to sales to each international passenger shall be maintained in Form C and kept in digital form only. No paper copies of form C are to be filed. Monthly aggregate quantity sold is to be indicated in column 26-31 while filing monthly returns.

FORM-B

Details of goods stored in the warehouse where the period for which they may remain warehoused under section 61 is expiring in the following month.

(As per Circular 32/2016-Customs dated 13.07.2016)

Bill of entry no. and Date	Bond No. and Date	Date of order under Section 60 (1)	Balance Goods in the Warehouse				Date of Expiry of Bonding Period	Date of expiry of extended Bonding Period	Remarks
			Sl.No of the Import invoice	Description of goods	Quantity	Value			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Form-C

Details of sale made through DFS/ Special Warehouse

(as per Circular 32/2016-Cus dt.13.07.2016)

(Revised as per requirement in PN : /2018 dated .11.2018)

S.No	Date	Sale performed upon Master's requisition				Sale to signing off crew / Passenger			
		Name of the Crew Member	Passport No	Vessel Name	Description of Goods with Quantity	Name of the Crew Member	Passport No	Vessel Name	Description of Goods with Quantity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)