

Importation & Exportation Procedure

Do you want to remember Sections?




Sections	Descriptions
2(10)	Customs Airport
2(11)	Customs Area
2(12)	Customs Port
2(13)	Customs Station
2(16)	Entry
2(29)	Land Custom Station
8	Power to approve landing places and specify limits of customs area
9	Power to declare places to be warehousing stations
10	Appointment of boarding stations

Sections	Descriptions
Import Procedure	
29	Arrival of Conveyance in India
30	Import Manifest / Report
30A	Passenger Manifest
31	Entry Inward
32	No unloading without mentioning in Manifest Report
33	Landing at approved places
34	Supervision of Customs Officer
35	Goods being water borne
45	Custody of goods after unloading
46	Bill of Entry
47	Order of Clearance for H.C.
48	Clearance within 30 days
49	Storage of Goods in warehouse pending clearance
50	Entry of goods for Exportation
51	Clearance of goods for Exportation

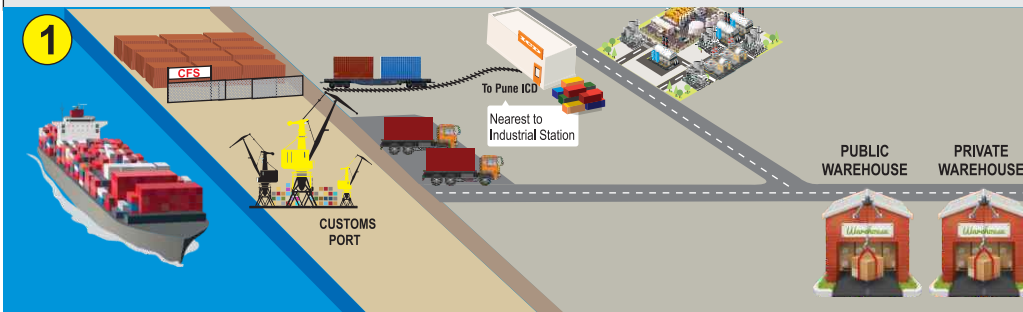
Sections	Descriptions
Export Procedure	
51A	Payment of duty, Interest, Penalty, etc.
51B	Ledger for duty credit
39	Entry Outward
40	Custom Clearance by proper Officer
41	Export Manifest or Export Report
41 A	Passenger Manifest
42	Departure Order
Common Provisions	
36	Restriction on loading unloading on holidays
37	Power to board to conveyance
38	Power to require production of documents and ask question
Transit and Transhipment	
53	Transit without Duty
54	Transhipment without Duty
55	Duty liability for Transit and Transhipment
56	Transport of goods to foreign territory

Education is not the learning of facts,
It's rather the training of the Mind to Think



GST GuruTM
CA Vishal Bhattad

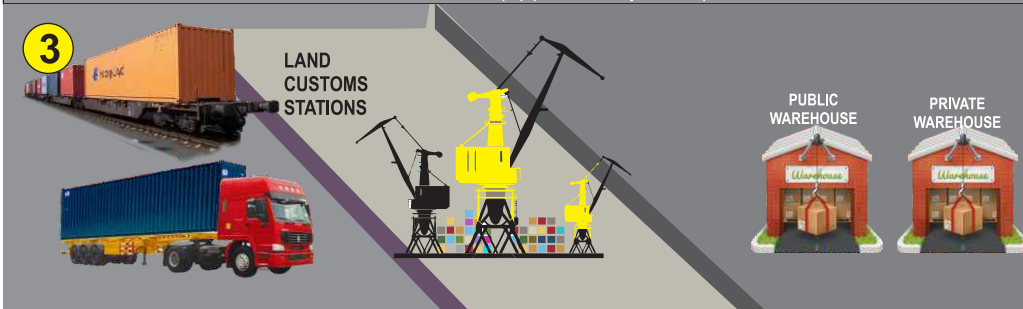
Sec 2(12) "customs port": -Means any port appointed under clause (a) of section 7 (appointed by CBIC) to be a customs port and **Includes** a place appointed under clause (aa) of that section to be an **inland container depot:**



Sec 2(10) "customs airport" **Means** any airport appointed under clause (a) of 7 (appointed by CBIC) to be a customs airport; **Includes** a place appointed under Clause (aa) of that section to be an **air freight station**



Sec 2(29) land customs station **Means** any place appointed under clause (b) of section 7 (appointed by CBIC) to be a land customs station.



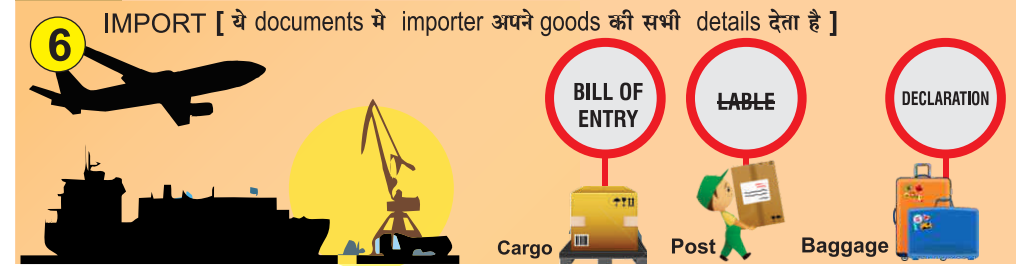
Sec 8 : Berthing Place
 (a) **approve** : Proper places in any customs port or customs airport or coastal port for the unloading and loading of goods or for any class of goods;
 (b) **specify** : The limits of any customs area.







Sec 10 : Boarding Station
 The Principal Commissioner or Commissioner of Customs may, by notification in the Official Gazette, appoint, in or near any customs port, a boarding station for the purpose of boarding of, or disembarkation from, vessels by officers



ENTRY [Application of Clearance]



SEC 2(31) : PERSON-IN-CHARGE (PIC)			
<p>(a) In relation to a vessel</p>  <p>7</p> <p>Master of the Vessel</p>	<p>(b) In relation to an aircraft,</p>  <p>The Commander or pilot - in charge of the aircraft</p>	<p>(c) In relation to a Railway Train</p>  <p>The conductor, guard or other person having the chief direction or the train</p>	<p>(d) In relation to any other conveyance</p>  <p>The driver or other PIC of the conveyance</p>

SEC 2(33) PROHIBITED GOODS

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

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

Example: obscene materials, Maps and literature where Indian external boundaries have been shown incorrectly, Narcotic Drugs and Psychotropic Substances, Counterfeit goods and goods violating any of the legally enforceable intellectual property right, Chemicals mentioned in birds and animals, etc.

Importation and Exportation Procedure

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

Container Freight Station

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

Inland Container Depot

1. It is Extended part of Customs port with independent existence appointed by CBIC. [Normally situated at a place where sea shore is not available.]
2. It is created for loading & unloading of Imported goods & Export goods.
3. All formalities of Customs like manifest, Bill of Entry are made available at ICD

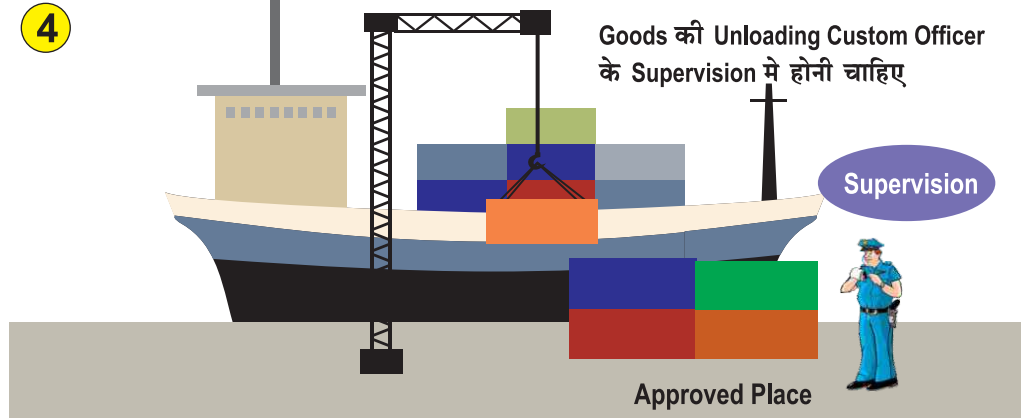
Air Freight Station (AFS)

- 1) AFS is an **off-airport common user facility** equipped with fixed installations of minimum requirements & offering services for **handling & temporary storage** of import & export cargo.
- 2) All export & import cargo clearance including customs related activities like assessment, examination, payment of duties, etc., **are provided** at AFS, like any other custom station.
- 3) AFS **avoid congestion** at main airport **besides** expediting clearance of imported goods & minimising handling operations at Airport.

ARRIVAL OF VESSELS AND AIRCRAFT IN INDIA



Unloading and Supervision of Officer



PRESENTATION OF IGM



RESTRICTIONS ON GOODS BEING WATER-BORNE



Entry Inward



RESPONSIBILITY OF CUSTODIAN (DOCK)



IMPORT PROCEDURE

Sec 29: arrival of vessels and aircraft in india

PIC = Person-In-Charge

Landing of vessel or aircraft The PIC of a vessel or aircraft arriving in India must ensure it first reaches a customs port or airport, unless allowed by the board to land elsewhere.

Exceptions:- Emergency landing.

- 1) The PIC must report to the nearest police station or customs officer after an emergency landing.
- 2) No goods can be unloaded, and passengers or crew cannot leave without consent, except for health, safety, or preservation of life/property.
- 3) The PIC must adhere to the officer's instructions, and no one can leave the vicinity without permission.

Sec 30: delivery of arrival manifest or import manifest or import report

- 1) The PIC must submit **Arrival Manifest** which shows the details of cargo to be unloaded, unaccompanied baggage, goods for transshipment, and retention cargo.

Nature of Conveyance	Name of Document	Time Limit	If it is not submitted within given time person in charge shall be liable to a penalty not more than Rs. 50000
Vessels or Aircraft	Arrival Manifest	Before arrival of Vessel or Aircraft	
Vehicle	Import Report	Within 12 hr. after arrival	

- 2) It contain details such as general declaration about the conveyance, stores on the conveyance, private property in possession of the Captain of the aircraft or Master of the ship and other members of crews and Passenger Manifest.
- 3) **Separate declaration has to be given in respect of goods like arms, explosives, narcotics, dangerous drugs, gold and silver.**
- 4) **The Import Manifest may be amended only with permission if there was no fraudulent intention.**

Sec 30A - Special Passenger and Crew Manifest

Meaning It is a detailed list of passengers and crew traveling in a conveyance.

Submitted by & time limit The PIC of a conveyance entering India must provide the following to the PO:

1)	Passenger Name Record (PNR) Info.	Includes details of arriving passengers in the prescribed format and within the required time.
2)	Passenger & Crew Manifest	For aircraft/vessel: To be submitted before arrival. For vehicle: To be submitted upon arrival.

Comment:- "Passenger name record information" refers to records maintained by the operator or their authorized agent for each passenger's journey, including booking details.

Penalty for delay If it is not submitted within time without sufficient cause, person in charge or other person referred shall be liable to a **penalty upto Rs. 50000.**

Sec 31 : imported goods not to be unloaded from vessels until Entry Inward (EI) granted

- 1) **The master of a vessel cannot allow unloading of imported goods until the PO grants "EI".**
- 2) The PO will not grant "EI" until the arrival/import manifest is submitted, or a valid reason for its absence is provided.
- 3) **EI** does not apply to unloading of:
 - Goods imported by aircraft or vehicle.
 - Baggage, mail bags, perishable goods, hazardous goods, and animals.

Section 32 Imported goods not to be unloaded unless vessels mentioned in Import Manifest or Import Report

- 1) **Imported goods can only be unloaded at a customs station if listed in the Arrival manifest/Report.**
- 2) Goods not listed in the Arrival Manifest/Report may be treated as smuggled or non-compliant.
- 3) **Sec 31 vs. Sec 32:** Sec 31 permits unloading after "EI," while Sec 32 limits unloading to goods specified in the manifest/report.

Sec 33 Unloading and Loading of goods at approved places only

Imported goods cannot be unloaded, and export goods cannot be loaded, except at an approved location or with PO's permission.

Sec 34 : Goods not to be loaded or unloaded except under supervision of custom officer

- 1) Imported goods can be unloaded, and export goods loaded, only under the supervision of the PO.
- 2) General permission may be granted by the board, and special permission by the PO, without requiring PO supervision

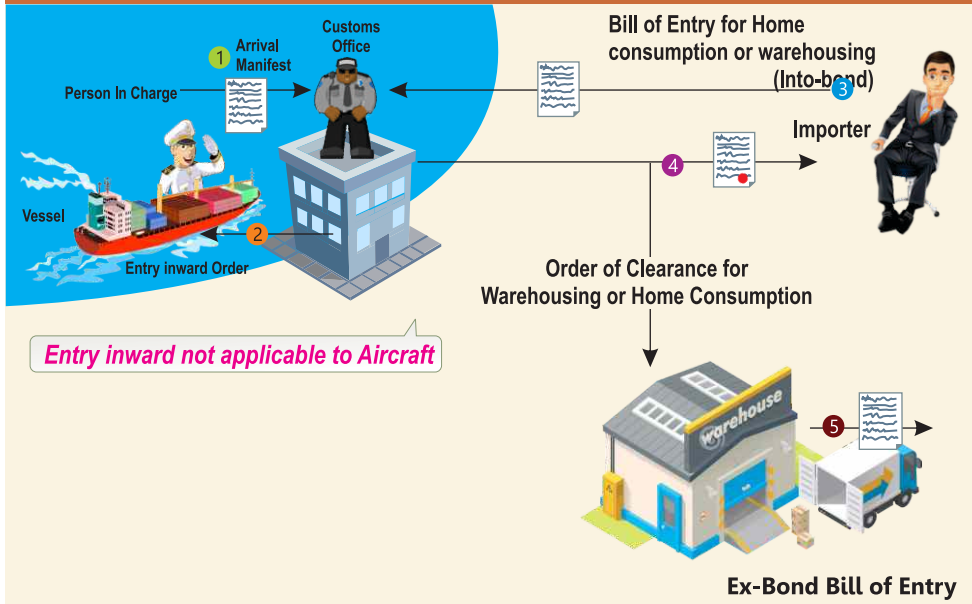
Sec 35 Restriction on goods being Water-Borne (Transported by Boat or Barge)

- 1) Imported goods cannot be water-borne for landing, and export goods without a shipping bill cannot be water-borne for shipping, unless accompanied by a prescribed boat-note.
- 2) The Board may grant general permission, and the PO may grant special permission, to waive the requirement for a boat-note.

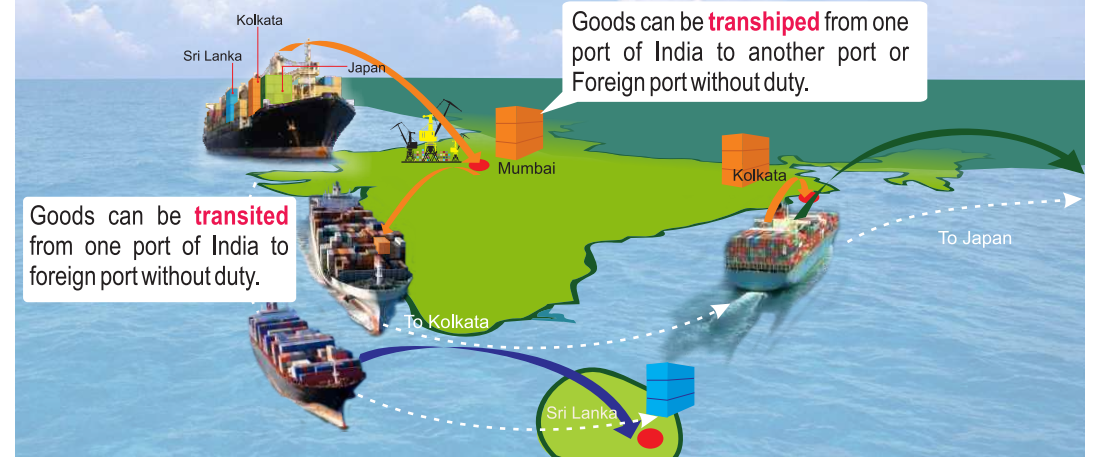
Section 45 Restriction on custody and removal of imported goods

- 1) **Imported goods in a customs area must remain in the custody of an approved custodian (e.g., Port or Airport Authority) until cleared for home consumption or warehousing.**
- 2) **The custodian must:**
 - a) **Maintain records** and send a copy to the Proper Officer (PO).
 - b) **Ensure goods are not removed** or dealt with without PO's written permission.
- 3) If goods are pilfered under custodian custody, the custodian is liable to pay duty at the rate applicable on the date the import manifest/report was delivered to the PO (Sec 30).

Importation by Vessel & Aircraft



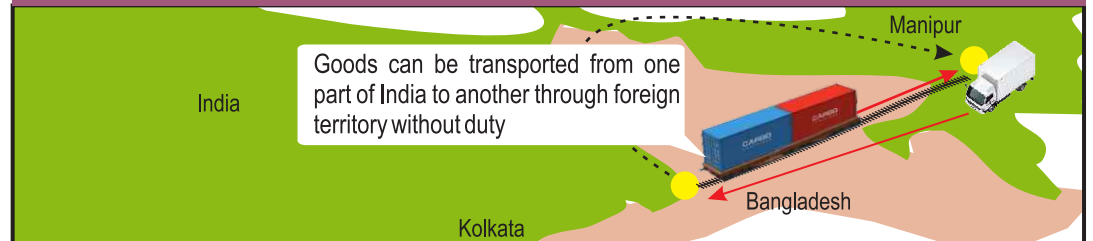
TRANSIT AND TRANSHIPMENT



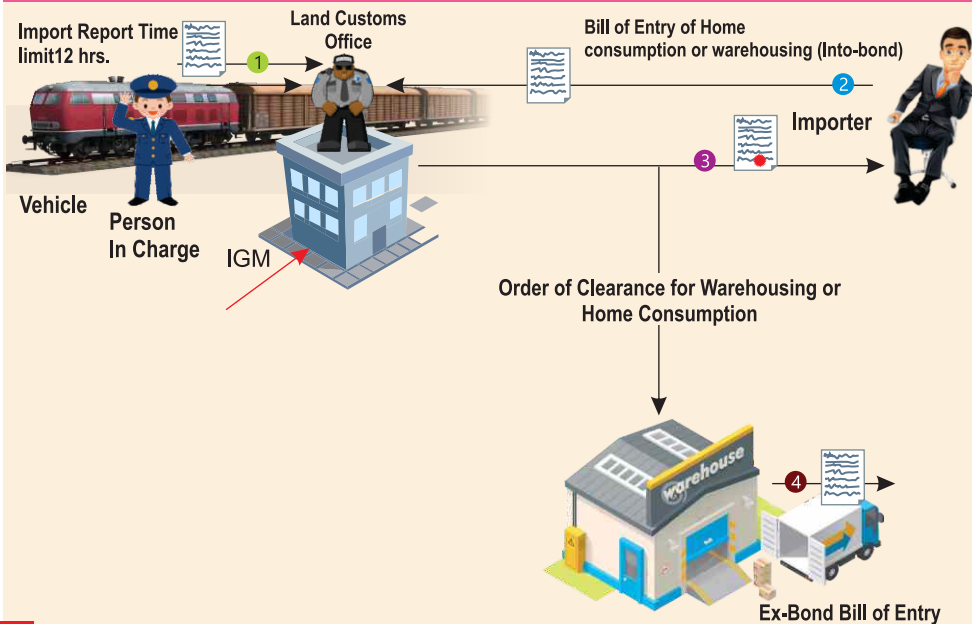
DIFFERENCE BETWEEN TRANSIT AND TRANSHIPMENT OF GOODS

S.No.	Transit (Sec 53)	Transshipment (Sec 54)
1	In case of Transit of goods the conveyance remains same.	In case of transshipment, goods first landed in the particular Indian customs station and loaded to another conveyance for destination port i.e. conveyances changes.
2	The records already made in the ship's/ aircraft's will continue. The goods will have to be shown in the manifest as the same bottom cargo.	In case of transshipment goods are to be mentioned in manifest or report, as for transshipment for any customs station. Record will change as bill of transshipment shall be presented to the PO.
3	In case of transit there is continuity in the record and there is no chance of the control over such transit goods being lost.	In case of Transshipment care or caution have to be exercised to ensure that the goods are not illicitly landed and smuggled into India.
Sec 55	In case of Transit or Tranship in India Duty is payable at last destine port/Air port as if goods are imported first time at such port or Air port	

Sec 56 : TRANSPORTATION THROUGH FOREIGN TERRITORY



Importation by Vehicle



Section 46 : Bill of Entry (BOE) of goods on Importation	
[CAS=Custom Automated System , P.C = Principal Commissioner, C=Commissioner]	
Meaning	It's a application by the importer to clear goods from customs.
Presenting bill of entry	<ul style="list-style-type: none"> Importers must submit a BOE electronically on Custom automated system for Home consumption or Warehousing. If electronic submission isn't possible, P.C or C may allow another method & BOE isn't required for transit/tranship goods.
3 Types of Bill of Entry:	<ol style="list-style-type: none"> BOE for home consumption BOE for warehousing (into bond) BOE for home consumption from warehouse (ex-bond) submitted u/s 68
Bill of lading	BOE must include all goods in the bill of lading or carrier's receipt.
Content of BOE declared by importer	<ul style="list-style-type: none"> Details of packages Description of goods for correct classification and duty value <p>Note: The importer must declare and affirm the truth of the BOE contents.</p>
Incomplete BOE	<p>If importer is not able to furnish all particulars of goods required & if he confesses his predicament , PO permit him</p> <ol style="list-style-type: none"> to examine goods in presence of an custom officer, or allow to be deposited in warehouse without carrying the provision of warehousing
Time limit:	<p>Importer shall present BOE:-</p> <ul style="list-style-type: none"> Before the end of the day (including holidays) preceding the day” on which the aircraft/ vessel/vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for H.C or W.H. Board may prescribe different time limits but not be later than the end of the day of such arrival.
Prior Bill of Entry	BOE may be presented at any time not exceeding 30 days prior to the expected arrival.
Late fee	If BOE is not presented within time without sufficient cause the importer shall pay prescribed charges.
Compliance	<p>The Importer who present a BOE shall ensure the following:-</p> <ol style="list-style-type: none"> accuracy and completeness of information. authenticity and validity of supporting document & compliance with the restriction or prohibition relating to goods.
Conversion of BOE:	If PO is satisfied that it's interests of revenue not affected prejudicially & there's no fraudulent intention, he may permit substitution of BOE.

Section 47 : Clearance of goods for Home Consumption	
Order	<ul style="list-style-type: none"> PO may permit clearance of goods for H.C, if they are not prohibited goods & importer has paid import duty & other charges if any under customs. It can be made electronically through CAS also.

Deferred Payment:	CG notified the following class of importers for Deferred Payment:								
(i)	Importers certified under Authorized Economic Operator programme as AEO (TierTwo) and AEO (Tier-Three).								
(ii)	<table border="1"> <tr> <td>Authorised Public Undertaking.</td> <td></td> </tr> <tr> <td>a) In case of self assessment or</td> <td>On the date of presentation of duty</td> </tr> <tr> <td>b) In case of assessment, re-assessment or provisional assessment or</td> <td>within one day (excluding holiday) from the date on which bill of entry refunded to him by PO for payment of duty</td> </tr> <tr> <td>c) In case deferred payment in notified cases</td> <td>on such due dates as may be specified by rules.</td> </tr> </table> <p>(Note: An eligible importer intend to avail benefit of deferred payment shall intimate to the P.C/C . & He shall pay the duty electronically but A.C/D.C may for reasons to be recorded in writing, allow payment of duty by any other mode also.)</p>	Authorised Public Undertaking.		a) In case of self assessment or	On the date of presentation of duty	b) In case of assessment, re-assessment or provisional assessment or	within one day (excluding holiday) from the date on which bill of entry refunded to him by PO for payment of duty	c) In case deferred payment in notified cases	on such due dates as may be specified by rules.
Authorised Public Undertaking.									
a) In case of self assessment or	On the date of presentation of duty								
b) In case of assessment, re-assessment or provisional assessment or	within one day (excluding holiday) from the date on which bill of entry refunded to him by PO for payment of duty								
c) In case deferred payment in notified cases	on such due dates as may be specified by rules.								

Payment of duty & Interest:	<p>a) In case of Self -Assessment:- On date of presentation of BOE or</p> <p>b) Assessment, Reassessment or Provisional Assessment:- Within 1 day (excluding holidays) from the date on which BOE is refunded to him.</p> <p>c) In case of Deferred Payment:- Within due date specified in rules (as above). If he fails to pay duty within time, he shall pay interest @15% p.a. on duty not paid or short-paid till the date of its payment.</p>
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Deferred payment not to apply in certain cases:	<ul style="list-style-type: none"> If there is default in payment of duty by due date more than once in 3 consecutive months, this facility will not be allowed unless the duty with interest has been paid in full. Above benefit will not be available for goods which have'nt assessed or not declared by the importer in the entry.
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Sec 48:- Procedures for goods not cleared, warehoused, or Transhipped within 30 days after unloading:

Sale of goods by custodian:	<p>The imported goods may be sold only after sending notice to importer & with permission of PO, if such imported goods are not cleared for H.C or W.H or transhipped</p> <ol style="list-style-type: none"> within 30 days from the date of its unloading or within further time allowed by PO.
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Sale at any time	<ol style="list-style-type: none"> With PO permission, animals, perishable goods, and hazardous goods can be sold at any time (may be before 30 days). Arms and ammunition may be sold at a time, place, and manner directed by the Central Government (CG).
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Procedure & liability compliance:	<ol style="list-style-type: none"> The custodian files a consolidated bill of entry (buyer-wise) with Customs for clearance of auctioned goods under Section 46. The Proper Officer (PO) assesses the duty within 15 days of filing the bill of entry and informs the custodian of the payable duty. The goods are handed over to the successful bidder after duty assessment, out-of-charge orders by the PO, and payment of dues.
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Sec 49 :- Warehousing without Warehousing:

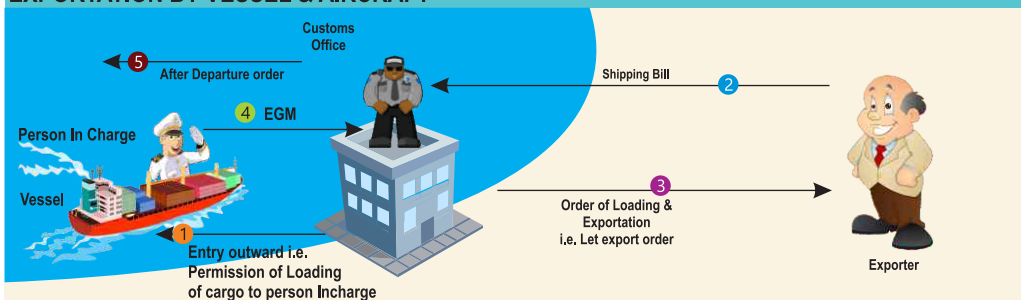
Sale of goods by custodian	Though the clearance or removal is pending, goods may be permitted to be stored in a public warehouse for more than 30 days, if: a) For imported goods (whether dutiable or not) entered for H.C :- AC/DC is satisfied on importer's application that the goods cannot be cleared within a reasonable time. b) For imported dutiable goods entered for warehousing:- AC/ DC is satisfied on importer's application that the goods cannot be removed for deposit in a warehouse within a reasonable time.
Non-applicability	Public warehouse.
Extension of Period	Further period not exceeding 30 days at a time.

Warehousing without Warehousing (Allowed in following 3 cases)

Section	46(1) Proviso	49	85
Types of Goods	Generally only Dutiable Imported Goods.	Any Imported Goods, whether Dutiable or not.	Imported Goods supplied as stores.
Application/ Declaration by Importer	That he is unable to furnish all particulars of goods u/s 46(1) (for B/E), for want of information	That the goods cannot be cleared within a reasonable time	That the goods are to be supplied as "Stores" to Vessels or Aircraft
Place of Deposit	Public Warehouse only	Public Warehouse only	Not Specified

EXPORT PROCEDURE

EXPORTATION BY VESSEL & AIRCRAFT



EXPORTATION BY VEHICLE



Sec 50:- Entry of goods (application) for exportation:

[CAS=Custom Automated System ,P.C =Principal Commissioner, C=Commissioner]

1) Exporter shall make following entry, electronically on CAS, for clearance of goods for exportation & also give declaration as to the truth of its Contents-

i)	If goods to be exported in vessel or aircraft:-	Shipping bill is to be filed
ii)	If goods to be exported by land:-	Bill of export is to be filed

2) If it is not feasible PC/C may allow entry to be presented in any other manner.

Time Limit Shipping Bill is filed after an entry outward but under special circumstances advance Shipping Bill to be filed.

Compliance The exporter who presents a shipping bill/ bill of export shall ensure the following:-
a) accuracy and completeness of information.
b) authenticity and validity of supporting document &
c) compliance with the restriction or prohibition relating to goods.

SEC 51: - Clearance of goods for exportation:

Order PO may make order permitting clearance & loading of goods for exportation, if
1) goods are not prohibited goods &
2) exporter has paid duty on it & other charges if any.
3) Order may also be made electronically through CAS based on risk evaluation.

Deferred Payment CG may notify a class of exporters permitting them for such benefit & other charges payable if any . Interest @15% p.a if exporter fails to pay deferred payment of duty within specified time on said duty not paid or short-paid till the date of its payment.

Section 39: Export goods not to be loaded on vessel until entry-outwards granted

Order Master of the vessel shall not begin loading of any export goods until an order has been given by PO granting entry-outwards to such vessel.

Non-applicability
1) Goods exported by baggage and mail bags.
2) Goods exported by aircraft and vehicles

Section 40:- Export goods not to be loaded unless duly passed by PO:

Goods can be taken on board in any conveyance, only if they are accompanied by following documents:-

In case of export goods other than baggage & mail bags	Goods shall be accompanied by:- ➤ Shipping Bill (at seaports/airports) ➤ Bill of Export (at Land Customs Station)
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	➤ Bill of Transhipment (for transhipment goods) all duly passed by PO
In case of baggage mail bags	Export should be permitted by Customs for export.

Section 41:- Delivery of departure manifest or export manifest or Export report:

Export manifest/ Export report	It is a detailed information given by (PIC) of a conveyance about goods to be exported in conveyance.		
Time Limit to file EM/ER	The PIC shall deliver to PO:-		
	In case of	Export Document	Time limit to file
	Vessel / Aircraft	Export Manifest / Departure Manifest	before departure of conveyance
	Vehicle	Export Report	from a customs station
			Electronic (Principal commissioner/ commissioner may allow in any other manner, if not feasible to deliver electronically)
Penalty for delay	upto 50,000(if not in time & without sufficient cause).		
Amendment	PO may permit if it's incorrect in any way with no fraudulent intension.		
Content of EM/ER	1) General declaration of particulars of vessel, its crew & passengers, its date & port of departure, 2) List of ship's stores & crew's personal effects and 3) Cargo declaration which is a complete list of goods shipped from port , transhipped & lying in vessel but not landed or transhipped ("same bottom cargo"), and dutiable goods, including arms and ammunition, forming part of equipment of vessel.		

Section 41A:- Passengers and crew manifest:

Meaning	It's detail list of passengers and crew traveling in a conveyance.
Submitted by & time limit	PIC of a conveyance that enters India from any place outside India or person specified by CG shall provide to as may be prescribed:- i) Passenger name record information of departing passengers & ii) passengers and crew departure manifest.
Penalty for delay	upto ₹50,000(if not in time & without sufficient cause).

Common provisions for import as well as export of goods:

Section 42:- No conveyance to leave without written order:

- ➔ PO shall not permit the conveyance to depart until a written order (departure order) is given by him to PIC of conveyance .
- ➔ No such order shall be given until:-
 - a) PIC has answered the questions asked to him.
 - b) Provisions of export manifest have been complied with.

- c) Shipping bills or bills of export, bills of transhipment and other documents required have been delivered to PO.
- d) All duties leviable on stores consumed in conveyance & charges & penalties due for conveyance or from PIC is paid or payment is secured by guarantee/deposit.
- e) No penalty is leviable on PIC u/s 116 or payment of penalty is secured by guaranteed/ deposit as PO may direct.
- f) Where any export goods have been loaded without payment of export duty or in contravention of any provision relating to export of goods, i) such goods have been unloaded, or ii) if it is not practicable to unload them, then person-in charge has given an undertaking, secured by guarantee/ deposit as PO may direct for bringing back the goods to India.

Comment:- Stores consumed during stay of conveyance at a customs station is import so custom duty is leviable on it. It is customary to have an inventory of ship stores at arrival and again at the time of departure of conveyance. Customs duty is leviable on the difference.

Electronic Payment of Import and Export Duty

Section 51A:- Payment of duty, interest, penalty, etc.

Deposit in E-cash ledger	Every deposit made towards duty, interest, penalty, fee or any other sum shall be credited to electronic cash ledger of such person.
Use of E-cash ledger	Amount available in e-cash ledger may be used for making any payment towards duty, interest, penalty, fees or any other sum.
Refund	Balance, if any, may be refunded in prescribed manner.
Exemption	Board can exempt notified persons or for notified goods from maintaining e-cash ledger.

Section 51B :- Ledger for duty credit:

Duty Credit	CG may specify the manner to issue duty credit a) in lieu of remission of any duty/tax/levy chargeable on any material used in manufacture or processing of goods or for carrying out any operation on such goods in India that are exported or b) other financial benefit subject to specified conditions & restrictions.
Maintained in	It shall be maintained in CAS in the form of an electronic duty credit ledger of recipient of such duty credit.
Used by:	the person to whom it is issued or the person to whom it is transferred .
Used for	making payment of duties payable under this act or under Customs Tariff Act, 1975.