



Chapter 2

IMPORTATION AND EXPORTATION PROCEDURE

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01: Important Definitions

CH.2

**Importation and
Exportation Procedure**

CCP 02.01.01.00

Briefly explain the following with reference to the provisions of the Customs Act, 1962:-

Act, 1962:-

(i) Arrival manifest or import manifest or import report

(ii) Entry inward

(iii) Bill of entry

(iv) Departure manifest or Export general manifest or Export report

(v) Entry outward

(vi) Shipping Bill & Bill of export

(vii) Let export order (viii) Boat Note (or restriction on goods being waterborne)

Answer:

1	Arrival manifest or import manifest or import report	<p>➤ Arrival Manifest or Import Manifest or Import Report is a detailed information filed by person-in-charge of conveyance carrying the goods at destination customs location about the details of arrival of goods at such destination customs location.</p> <p>➤ Time limit:-</p> <ul style="list-style-type: none"> ➤ If imported goods are brought in vessel or aircraft:- Import General Manifest/ Arrival Manifest is to be presented before arrival of Vessel/ Aircraft. ➤ If imported goods are brought in vehicle:- Import report is to be presented within 12 hours after arrival of vehicle. <p>➤ If it is not submitted within time without sufficient cause, person in charge shall be liable to a penalty upto Rs. 50000.</p>
2	Entry inward	<p>➤ Entry inward is a permission granted by proper officer to a vessel after which the master of the vessel permits unloading of the imported goods.</p> <p>➤ Such entry inward is granted only after master of the vessel delivers import general manifest to proper officer or proper officer is satisfied that there was sufficient cause for not delivering it.</p>

		<p>➤ Entry inwards is not required for unloading of:-</p> <ul style="list-style-type: none"> → Goods imported by Aircraft or Vehicle. → Baggage accompanying a passenger or crew member, mail bags, perishable goods, hazardous goods and animals.
3	Bill of entry	<p>➤ It is application by importer to proper officer for assessment & clearance of goods for home consumption or warehousing from customs area, for goods other than those intended for transit or transshipment.</p> <p>➤ Types:-</p> <ul style="list-style-type: none"> ➤ Bill of entry for home consumption, ➤ Bill of entry for warehousing (Into bond) & ➤ Bill of entry for Home Consumption from warehouse (Ex-bond). <p>➤ Time limit:-</p> <ul style="list-style-type: none"> ➤ Importer shall present it “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 home consumption or warehousing. ➤ Board may prescribe different time limits for presentation of BOE but it shall not be later than the end of the day of such arrival. ➤ BOE may be presented at any time not exceeding 30 days prior to the expected arrival of aircraft/vessel/vehicle in which goods are shipped.
4	Departure manifest or Export general manifest or Export report	<p>➤ It is a detailed information given by person-in-charge of a conveyance carrying export goods or imported goods or by person specified by central government to customs offices about goods to be exported in conveyance.</p>

	<p>⇒ Types:-</p> <p>➤ in case of vessel or aircraft:- a departure manifest or an export manifest is to be presented electronically, and</p> <p>➤ in case of vehicle:- an export report is to be presented.</p> <p>⇒ Time limit:-</p> <p>It is to be presented before departure of conveyance from a customs station.</p> <p>⇒ If person-in-charge fails to deliver the same within time without sufficient cause, then penalty upto ₹ 50,000 is leviable.</p>
5	<p>Entry Outward ⇒ Export goods are not to be loaded on vessel until entry outwards is granted.</p> <p>⇒ The master of the vessel shall not begin the loading of any export goods, other than baggage and mail bags, until an order has been given by proper officer granting entry-outwards to such vessel.</p> <p>⇒ This restriction is for vessels and not for aircraft and vehicles.</p>
6	<p>Shipping bill & Bill of export ⇒ It is a document presented by an exporter to the customs authorities for clearance of goods meant for export.</p> <p>⇒ Types:-</p> <p>➤ For goods to be exported in a vessel or aircraft - a shipping bill is to be filed and</p> <p>➤ For goods to be exported by land - a bill of export is to be filed.</p> <p>⇒ Time of presentation of shipping bill:-</p> <p>Shipping Bill is filed after an entry outward but under special circumstances, Commissioner of Customs may permit advance Shipping Bill to be filed.</p>

7	<p>Let-Export order ⇒ It is an order made by proper officer permitting clearance & loading of goods for exportation, if</p> <p>➤ any goods entered for export are not prohibited goods &</p> <p>➤ exporter has paid duty assessed & any charges payable under customs.</p> <p>⇒ Order may also be made electronically through CAS based on risk evaluation.</p>
8	<p>Boat note ⇒ Boat notes are issued to cover transport of cargo to or from vessels that cannot come into the port.</p> <p>⇒ Imported goods shall not be water-borne for being landed from any vessel, and export goods which are not accompanied by a shipping bill shall not be water-borne for being shipped, unless the goods are accompanied by a boat-note in the prescribed form.</p> <p>⇒ By notification, board may give general permission & proper officer may give special permission in any particular case, for any goods to be water-borne without being accompanied by a boat-note.</p>

CCP 02.01.02.00

Examine the validity of the following statements:-

- (a) Customs area does not include a warehouse.
(b) Customs station includes international courier terminal.

Answer:

a	<p>⇒ The statement is not valid.</p> <p>⇒ Definition of customs area includes a warehouse too within its ambit.</p> <p>⇒ The customs area is defined to mean the area of a customs station or a warehouse & includes any area in which imported goods or export goods are ordinarily kept before clearance by customs authorities.</p>
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b	⇒ The statement is valid.
	⇒ As per Section 2(13) of Customs Act, 1962, a customs station means any customs port, customs airport, international courier terminal, foreign post office or land customs station.
	⇒ Hence, they both fall within the ambit of custom station.

02: Sec 29:- Arrival of vessels and aircraft in India

CCP 02.02.03.00

An aircraft was compelled to land at a place other than customs airport due to stress of weather. What are the statutory obligations cast on person-in-charge of the aircraft in such a situation? OR

Explain the obligation cast on person-in-charge on arrival of vessels or aircraft in India u/s 29 of Customs Act, 1962.

Answer:

As per section 29 of Customs Act, 1962,

General obligations:-	⇒ Vessels or aircrafts entering India from outside India can only call or land at a notified customs port or a customs airport, except in an emergency.
	⇒ However, Central Board of Indirect tax and Customs (CBIC) can permit calling/landing of vessels and aircrafts at any place other than customs port or customs airport.
Special obligation:-	Above provisions shall not apply to any vessel or aircraft which is compelled by accident, stress of weather or other unavoidable cause to call or land at a place other than a customs port or customs airport, but the person-in-charge of any such vessel or aircraft shall-
	a) report to the nearest police station or custom officer of such emergency arrival,
	b) not permit, without the consent of any such officer,
	⇒ any goods carried in vessel or aircraft to be unloaded from, or
	⇒ any of the crew or passengers to depart from the vicinity of

	vessel or aircraft.
	However, the passengers, crew and goods can keep away from the conveyance for the reason of health, safety or preservation of life or property.
	c) comply with any directions given by such officer for such goods & without consent of such officer, no passenger/member of crew shall leave the immediate vicinity of vessel/aircraft.

03: Sec 46:- Entry of goods on importation

CCP 02.03.04.00

An importer filed a bill of entry after 60 days of filing Import General Manifest. The Deputy Commissioner of Customs imposed a penalty of ₹ 10,000 for late filing of the bill of entry. Since, importer wanted to clear the goods urgently, he paid the penalty. Can penalty be imposed for late filing of the bill of entry? Can bill of entry be filed in advance? Examine the issue regarding period available for filing bill of entry in the light of relevant statutory provisions?

Answer:

1	⇒ Yes, as per section 46(3) of Customs Act, 1962, charges are payable for late filing of bill of entry, if importer fails to present bill of entry before the end of the day (including holidays) preceding the day on which aircraft/vessel/vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for home consumption or warehousing.
	⇒ Also, proper officer is satisfied that there was no sufficient cause for such delay.
	⇒ In certain cases, the Board may prescribe different time limits for presentation of bill of entry which shall not be later than the end of the day of such arrival.

2	<p>☞ Yes, a bill of entry can be filed in advance.</p> <p>☞ As per proviso to section 46(3) of Customs Act, 1962, it can be presented within 30 days of expected arrival of aircraft/vessel/vehicle by which the goods have been shipped for importation into India.</p>
3	<p>☞ In given case also, the time period as described above will be available - with reference to the date of arrival of vessel/aircraft - for filing the bill of entry.</p>

	<p>☞ It is a trade facilitation move wherein benefits are extended to the entities who have demonstrated strong internal control systems and willingness to comply with the laws administered by the CBIC.</p>	
3	<p>The due dates for payment of deferred duty are -</p>	
	<p>S. No.</p>	<p>Goods corresponding to Bill of Entry returned for payment from:</p>
		<p>Due date of payment of duty, including period (excluding holidays) as per sec 47(2):</p>
	1	1st day to 15th day of any month
	2	16th day till the last day of any month other than March
	3	16th day till 31st day of March
4	<p>☞ If there is default in payment of duty by due date more than once in three consecutive months, the facility of deferred payment will not be allowed unless the duty with interest has been paid in full.</p> <p>☞ The benefit of deferred payment of duty will not be available for goods which have not been assessed or not declared by importer in the bill of entry.</p>	

04 Sec 47:- Clearance of goods for home consumption & Deferred payment of duty Rules, 2016

CCP 02.04.05.00

With reference to the facility, 'Clear first-Pay later' extended to importers under the customs law, answer the following questions:-

(i) What is the objective of the facility?

(ii) Who is eligible to avail this scheme?

(iii) What are the due dates for payment of duty under this facility?

(iv) What are the circumstances when the deferred payment facility will not be available? [RTP May 18] OR

State the salient features of "Deferred duty payment facility" with reference to Customs Act, 1962 & rules thereunder. [CA Final May 18 Exam New]

Answer:

1	<p>☞ 'Clear first-Pay later' i.e., deferred duty payment is a mechanism for delinking duty payment & customs clearance.</p> <p>☞ The aim is to have seamless wharf to warehouse transit in order to facilitate just-in-time manufacturing.</p>
2	<p>☞ Central Government have notified the following class of importers (eligible importers) permitting them to make deferred payment of import duty & other charges payable:-</p> <p>a) Importers certified under Authorized Economic Operator programme as AEO (Tier-Two) & AEO (Tier-Three) &</p> <p>b) Authorised Public Undertaking.</p>

05: Sec 42:- No conveyance to leave without written order

CCP 02.05.06.00

Mayoni Export House has exported certain goods to Canada through sea. The person-in-charge of the ship carrying the export goods at the custom station is ready to cause the ship to depart from that custom station. However, he comes to know that he cannot cause or permit the ship to depart from that customs station until a written order to that effect has been given by the proper officer. He has approached you for knowing the conditions to be fulfilled before issue of such an order. What would you advise him? [RTP JUNE 09]

Answer:

☞ As per section 42 of Customs Act, 1962, the person-in-charge of conveyance which has brought any imported goods or has loaded any export goods at a customs station shall not cause or permit the conveyance to depart from that customs station until a written order to that effect has been given by proper officer.

⇒ No such order shall be given by proper officer until the following conditions are fulfilled:-

- (a) Person-in-charge of conveyance has answered the questions put to him.
- (b) Provisions of export manifest have been complied with.
- (c) Shipping bills or bills of export, bills of transshipment & other documents required have been delivered to proper officer.
- (d) All duties leviable on stores consumed in conveyance & charges & penalties due for conveyance or from person-in-charge is paid or payment is secured by guarantee/deposit as proper officer may direct.
- (e) No penalty is leviable on person-in-charge 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 proper officer may direct for bringing back the goods to India.

06: Sec 54:- Transshipment of certain goods without payment of duty

CCP 02.06.07.00

State the provisions of transshipment of goods without payment of duty u/s 54 of the Customs Act, 1962.

Answer: As per **section 54** of the Customs Act, 1962, goods may be allowed to be so transhipped without payment of duty, if goods imported into a customs station are mentioned in import manifest or import report as for transshipment to

- ⇒ any place outside India or
- ⇒ within India to any major port or notified customs port or customs airport.

07: Combined Questions

CCP 02.07.08.00

Answer the following independent questions:-

a) What is the permissible time limit with respect to the following:-

- i) for filing a bill of entry
- ii) for paying the assessed duty
- iii) for delivery of arrival manifest or import manifest/report and departure manifest or export manifest/report

b) Which class of importers is required to pay customs duty electronically?

Name the dedicated payment gateway set up by the Board (CBIC) to use e-payment facility easily by an importer.

Answer:

a)

1	Refer section 46:-	30 days prior to arrival, & not later than the end of the day of arrival.
2	Refer section 47:-	Day of filing bill of entry (self-assessment) or within a day (excluding holidays) of receiving re-assessed bill of entry.
3	Refer section 30:-	Arrival manifest/ Import manifest:- before arrival; Import report:- within 12 hours of arrival of conveyance at customs station;
	Refer section 41:-	Departure or export manifest/report:- before departure of conveyance.

b) Authorised economic operators and those importers who are paying ₹ 10,000 or more per bill of entry. They will pay through ICEGATE. Refer para "Mandatory E-payment of duty".