

CHAPTER - EIGHTEEN

IMPORTS AND EXPORTS BY POST

PRELIMINARY

India is one of the countries signatory to the Universal Postal Union thereby facilitating free exchange of Mail between India and other countries of the world. Before the advent of couriers on the international scenario, overseas Mail/Post Services were the prime media for the exchange of goods/information across the world. This included the receipt and despatch of Mail, postal parcels and packets, small packets containing gifts, samples, etc. to and from India. Though, the movement of a sizeable quantity of letters, parcels, etc. is now being handled by the International Courier Companies, yet the receipt and despatch of letters, packets, etc. through Foreign Mail is still popular among the people across the world.

The movement of letters, packets, parcels, etc. via Foreign Mail is handled by Postal & Customs Authorities through designated Foreign Post Offices. The postal authorities acting as custodians, collect all the articles of post which are imported or exported by post at a central designated Post Office and present the same to the customs authorities posted at these stations. The export articles are allowed to be loaded for export and imported articles are delivered to the consignee after the same have been examined and cleared by the Customs authorities and customs duty for dues, if any, payable thereon have been paid.

The provisions regarding goods imported or exported by post are contained in Section 82 to Sec. 84 of the Customs Act, 1962.

As per Section 82 of the Customs Act, 1962, any label or declaration which contains the description, accompanying the goods imported or exported by post shall be deemed to be an entry for import or export. It implies that a label or declaration, accompanying the import & export postal goods, which contains the description, quantity and value thereof, shall be deemed to be an entry for Customs purposes.

Section 83 of the Customs Act, 1962 stipulates that the rate of duty and tariff value, if any, for the goods imported or exported by post shall be the rate and valuation in force on the date of presentation to the proper officer, the list of such imported goods by the postal authorities. However, in case of goods imported by a vessel, if such list has been presented before the arrival of the vessel, the same shall be deemed to have been presented on the date of such arrival.

In the case of goods exported by post, the rate of duty and tariff value, if any, shall be the rate and valuation in force on the date on which the exporter delivers such goods to the postal authorities for exportation.

Section 84 of the Customs Act empowers the Board to make regulations for examination, assessment, clearance, etc. of imports and exports by post. Even though, no regulations have been framed under this section; the 'Rules regarding Mails' made in 1950 under the Sea Customs Act, 1878 are still in force. These rules contain the procedures to be followed by the Postal Authorities and the Customs Department for receipt, clearance and despatch of goods imported or exported by post.

RULES REGARDING MAILS

In exercise of the powers conferred by section 75 of the Sea Customs Act, 1878 (*now sections 81,84 of the Customs Act, 1962*), and in supersession of all previous notifications on the subject, the Central Board of Revenue is pleased to make the following rules for the landing and clearing, at the ports

of Bombay, Calcutta, Madras, Dhanushkodi and all the Land Customs Stations and Airports, of parcels and packets forwarded by the foreign mails or by passenger vessels or air liners, namely: -

I. Postal Parcels and Letter Packets from Foreign Ports out of India

(i) Landing

(1) The boxes or bags containing the parcels shall be appropriately labeled e.g., "Postal Parcels" ("Colist Postaux") , "Parcel Post", "Parcel Mail", "Letter Mail", and as such will be allowed to land pass, either with or separately from the regular mails, at the Foreign Parcel Department of the Government Post Offices in the case of port of Calcutta and Madras, at the Foreign Parcel Department of the Foreign Post in the case of the port of Bombay and the Foreign Parcel Department of Office at Madurai in the case of the port of Dhanushkodi, at the Sorting Air Mail Office at Delhi and the Office of Foreign Post at New Delhi in the case of airports of Delhi and at the Foreign Parcel department of Golakganj in the case of the Land Customs Station at Golakganj in Assam.

(ii) Clearing

(2) (a) The Postmaster shall, on receipt of the parcel mail, hand over to the Principal Postal Appraiser (a) a memo showing the total number of parcels received by that mail from each country of origin, (b) parcel bills (in triplicate) in the form approved by the Chief Customs Officer, or the senders' declarations and any other relevant documents that may be required for the preparation of the parcel bills by the Customs Department, (c) the relative Customs declarations and despatch notes (if any), and (d) any other information required in connection with the preparation of the parcel bills which the Post Office is able to furnish.

(b) The Postmaster shall, on receipt of letter mail bags and in consultation with the Principal Postal Appraiser get the bags opened and scrutinized under the supervision of the Customs Appraiser with a view to detain all packets suspected to contain dutiable articles. The packets thus detained will be presented in due course to the Customs Appraiser with letter mail bill and assessment memos for assessment as per rule (6) (b).

(3) On receipt of those documents, the Customs Appraisers shall scrutinize the particulars given therein and shall mark off on the relative declarations on parcel bills, as may from time to time be directed, all parcels required to be detained for examination either for want of necessary particulars or defective description or suspected misdeclaration or undervaluation of contents. They shall assess the remaining parcels by showing the rates of duty on the declarations or parcel bills, as the case may be. For this purpose, they will generally be guided by the particulars given in the parcel bills or Customs declarations and despatch notes (if any). When any invoice, document or information is required whereby the real value, quantity or description of the contents of a parcel can be ascertained, the addressee may be called upon to produce or furnish such invoice, document and information.

(4) The Customs clerk shall then transcribe on the parcel bill whenever necessary the value from the declarations and after converting them into Indian currency at the ruling rates of exchange shall calculate and enter the amount of duty. The parcel bills with the declarations so completed, shall then be audited by the Audit clerks and the original and duplicate copies shall be returned to the Postmaster with as little delay as possible, the triplicate being retained in the Customs Department.

(5) The Postmaster shall then detain all parcels marked for detention in the manner indicated above, and shall allow the rest to go forward for delivery to addressee on payment of the duty marked on each parcel.

(6) (a) As soon as the detained parcels are ready for examination, they shall be submitted together with the parcel bill to the Customs Appraisers, who, after examining them and filling in details of contents of value in the parcel bills, will note the rate and amount of duty against each item. The remarks "Examined" shall be entered by the Appraiser against the entry in the parcel bill relating to each parcel examined by him. The parcel bill shall then be audited and the original and triplicate copies returned to the Postmaster, the duplicate being retained in the Customs Department.

(b) As soon as packets detained as per rule (2) (b) are ready for examination and assessment, they shall be submitted together with the relative letter mail bill and assessment memos to the Customs Appraising Officer, who, after examining them and filling the details of contents of value in the bill, will note the rate and amount of duty against each item. He will likewise fill in these details on the assessment memo, to be forwarded along with each packet. The bill and the assessment memo shall then be audited.

(7) All parcels or packets required to be opened for Customs examination shall be opened, and after examination re-closed by the Post Office officials and shall then be sealed by them with a distinctive seal. The parcels or packets will remain throughout in the custody of the Post Office officials, but if it comes to the knowledge of the Appraiser at the time of examining any parcel or packet that its contents are damaged or short, a note thereof shall be made on the parcel or packet bill.

(8) If on examination the contents of any parcel or packet are found to be misdescribed or the value understated or to consist of prohibited goods, such parcels or packets shall be detained and reported to the Customs Commissioner, and the Postmaster shall not allow such parcels or packets to go forward without the Customs Commissioner's orders.

(9) The duties as assessed by the Customs Appraiser and noted in the parcel bill or letter mail bill shall be recovered by the Post Office from the addressees at the time of delivery to them. The credit for the total amount of duty certified by the Customs Appraisers at the end of each bill shall be given by the Post Office to the Customs Department in accordance with the procedure settled between the two Departments from time to time.

(10) The duties imposed by these rules upon Customs Appraisers shall be performed at Madurai by such officer as the Chief Customs Officer may determine.

(11) The parcel bills or letter mail bills and other document on which assessment is made shall remain in the custody of the Post Office, but the duplicates, where these are prepared, shall be kept in the Customs Department for dealing with claims for refunds, etc., and shall be preserved for three years.

The parcel bill or letter mail bill shall show the following particulars: -

- (a) Number assigned by office of posting.
- (b) Name of office of posting.
- (c) Name of office of destination.
- (d) Weight of insured parcel.
- (e) Local number.
- (f) Contents as ascertained by the Customs
- (g) Declared value in foreign currency.
- (h) Rupee value.
- (i) Rate of duty.

- (j) Amount of duty, and
- (k) Remarks.

II. Postal Parcels or Packets from Foreign Ports in India

(12) Postal parcels or packets from foreign ports in India may be forwarded as ordinary mails to the Foreign Parcel Department of the General Post Office.

(13) For assessment and other Customs purposes such parcels will be treated in the same manner as postal parcels from foreign ports out of India and the procedure prescribed in Rules (2) to (10) above shall be followed.

[Notfn. No.53/50–Cus. dtd 17.6.1950, as amended by Notfn. No. 111 / 55-Cus. dtd 8.7.1955]

IMPORT OF GIFTS BY POST / AIR/ COURIER

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and in supersession of the notification of the Government of India in the Ministry of Finance, Department of Revenue No. 107/91-Customs, dated the 25th July, 1991, the Central Government being satisfied that it is necessary in the public interest so to do, hereby exempts bonafide gifts as are exempted from any prohibition in respect of the import thereof under the Foreign Trade (Development and Regulation) Act, 1992, and either imported by a courier as defined in the Courier Imports (Clearance) Regulations, 1995, or falling under heading 98.04 of the First Schedule to the Customs Tariff Act, 1975, from the whole of the duty of customs leviable thereon under the said First Schedule and the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act:

Provided that the value of such bonafide gifts imported by post or as air freight does not exceed rupees five thousand.

Explanation: - For the purpose of this notification, postal charges or the air freight shall not be taken into account for determining the value limit of rupees five thousand.

[Notificationn No. 171/93-Cus.dt.16.9.1993, as amended by Notifications No. 100/95-Cus. dt. 26.5.1995, No. 28/98-Cus. dt.2.6.1998 and No. 87/99-Cus. dt.6.7.1999]

Postal Articles Unclaimed, Refused, etc.:

The contents of postal articles, which having originally been posted in India or the State of Pondicherry and not having left the custody of the post office at any time since their original posting, are imported into India or the State of Pondicherry on return to the post offices in India or the State of Pondicherry as unclaimed, refused or redirected, are exempt from the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975, and from the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act:

Provided that no drawback of duty was obtained when the article was exported from India or the State of Pondicherry.

[Notfn.No.273/58-Cus.dt.25.10.1958,as amended by No.128/86-Cus. dt.17.2.1986]

Exemptions To Goods Imported By Post

(1) Gift parcels: The bonafide gift articles (excluding tobacco, liquor and fire arms etc.) are exempted from customs duty upto the value of Rs.5,000/- (FOB i.e., excluding the cost of postage or airfreight)

(2) Samples parcel: The bonafide imported samples are exempted from customs duty subject to the value limit of Rs.5, 000/- and not more than 2 piece of each item is allowed. The samples should be supplied free of cost by the supplier.

There are no hard and fast rules for deciding the application of exemption notification as far as the trade goods' are concerned but for consumer goods. Care should be taken to grant the exemption notification to the genuine samples.

(3) Diplomatic bags: (a) The parcel bags containing diplomatic mail are exempted from duty and examination subject to the declaration made on the bags.

(b) Parcels and packets containing goods (other than mail, letters) addressed to consulates or consular officers, are not required to be examined without their prior concurrence.

(4) Medicines and life saving drugs: The import of medicines for personal use and 'life saving drugs' upto the value of Rs.5,000/- are allowed duty free.

(5) Food articles: The food articles and provisions (except fruit products, alcohol and tobacco) Imported by the foreigner for their personal use are exempted from duty upto the value of Rs.50,000/- in one year vide Notification no. 207/89 as amended by notification no. 45/92 Cus. dated 1.3.1992. The parcels may be released after making entry in their passport. The parcels containing food articles other than for personal use may be released subject to the clearance from the public health authorities. In no case the parcels should be detained longer lest these may be spoiled.

Prohibitions On Imports / Exports By Post

The import of dutiable goods by post is prohibited as per Notifications No. 151/1938 and No. 44/1941, otherwise than complying with the following conditions: -

(a) Such letter or packet shall

- (i) Bear on the front a declaration stating the nature, weight and value of the contents of the letter or packet, or
- (ii) Is accompanied by a declaration as aforesaid either enclosed therein or fastened to the outside by a string tied crosswise and shall in the former case bear on the front a label indicating that the letter or packet may be opened for customs examinations.

(b) Such parcel shall comply with clause (1) of condition (a) except when the declaration referred therein is sent separately attached to the parcel bills, and

(c) The Commissioner of Customs is satisfied that the nature, weight, and the value of the contents of such letter, package or parcel are correctly stated in the declaration.

To give effect to the above orders, all letter mail packets or parcels containing dutiable goods which do not bear a green label or other declaration showing correctly the nature, weight and value shall be detained and reported for orders as regards confiscation, with a note as to when last warning was issued and whether there are any obvious signs of attempted evasion. For the purpose of the notification, a declaration of value on the label need not be insisted upon if the label indicates that invoice is enclosed in the packet.

The following goods are prohibited from import by post: -

- (1) Arms, ammunition and military stores including toy, dummy or imitation revolvers or pistols.
- (2) Explosives, inflammable or dangerous substances such as magnesium wader tapers, sparklers, amorces, Chinese crackers, fireworks pyrotechnic matches, rockets, spirits.

(3) Coin or bullion exceeding (Rs.65/-) in value except coins clearly intended for the purpose of ornament.

(4) Anything which, by its nature is likely to injure postal articles or officials

(5) All plants including bulbs, American cotton and seeds of cotton, bersin and flax (6)

Prohibition/restriction also exists for the import or export of various articles by post, such as intoxicants, obscene literature, crude drugs, antiques, etc.

Guidelines regarding the clearance of following articles when imported by post-

(1) Explosives, etc.: - As per the provisions of Art, 60 of Universal Postal Convention, explosives, inflammable or dangerous substances are prohibited from transmission by post.

(2) Unloaded weapons (rifles and pistols): - If imported by post can be allowed for clearance on payment of redemption fine in lieu of confiscation under Sec. 125 of Customs Act, (subject to Import Policy and Board's instructions) provided the addressee is in possession of an valid and appropriate Arms Licence. Ammunition should, however be confiscated absolutely as it falls under Art. 60(3) of the Universal Postal Convention.

(3) Sulphur: Sulphur is not allowed to be imported by post parcel, whether in pure or crude form.

(4) Plants: No relaxation should be made in enforcement of rules issued by Government of India prohibiting importation of plants other than sugar cane for planting intended to be grown under conditions specified under rules, by means of the letter or sample post. Accordingly, the plant so imported should not be released even on payments of penalties and even if accompanied by health certificates.

(5) Coins, as articles of curio or hobby: Import of coins received as articles of curio or hobby is allowed provided bonafide is proved.

(6) Magnesium wire and ribbon: Importation of magnesium wire and ribbon by post parcel is prohibited.

(7) Fictitious stamps: If any postal article received in India is found to contain such stamps it should not be delivered to the addressee and should be confiscated.

(8) Opium, morphine, cocaine and other narcotics: The bringing into India through the medium of the post is prohibited of any narcotics drugs other than;

- (i) Those which are dangerous drugs within the meaning of the Dangerous Drugs Act 1930 and
- (ii) The Medicinal preparations which have been declared by a notification for the time being in force under clause(g) of Sec. 2 of the Dangerous Drugs Act, 1930 not to be manufactured drugs. This prohibition is in addition to the prohibitions and restrictions imposed by the Dangerous Drugs (Import, Export and Transshipment Rules) as amended.

The postal authorities have been empowered under the Sec. 25 of the Indian Post Offices Act to search for those goods in the postal articles in transit referred above. Such postal articles whether received for delivery in India or for transmission to foreign territory should not be confiscated but should be returned by the post offices to the country of origin.

(9) Prohibited publications: An up-to-date copy of the list of prohibited or objectionable publications should be maintained in the Postal Appraising Department and this list should be referred to when parcels and packets are examined for prohibited publications. Such prohibited literature and books should be confiscated after issuing the show cause notice to the addressee.

(10) Cinema films/video films etc.: The Cinema and video films are to be released on the basis of certificate granted by the central film censor board. Also the video cassettes are released only after screening in the Postal Appraising Department. The parcels containing such films will be got sealed with Customs seal and will be allowed to be removed to the Film Censor Board office under Preventive escort. After screening, the parcels will be returned to the Postal department.

(11) Chemicals: Parcels and packets containing chemicals in liquid or powder form, imported either as samples or otherwise, which are not branded and/or not dispatched by well known

manufacturers to well known importers should invariably be, before release, got tested in the Custom House laboratory for ascertaining the composition.

(12) Currency: The parcels/packages containing foreign currency as well as Indian currency should be detained and cases adjudicated on merits. The parcels/packages containing Indian currency are to be confiscated by the Postal authorities under Indian Postal Act. The parcels/packages containing foreign currency are to be released on the basis of no objection certificate issued by the RBI.. The particulars of such release may be forwarded to the RBI, and Enforcement Directions for information, etc.

[**Release of imported currency-** under Section 13(i) of FERA, 1973, no person can bring or send into India any foreign exchange or Indian Currency except with special or general permission of RBI. Further, import of Indian currency notes or coins by post is not permitted. As per the existing practice, whenever such notes / coins, received by post, are confiscated by the Customs authorities, RBI is approached for grant of ' no objection certificate ' on merits of each case. Impounded currency is released by Customs on the basis of such no objection certificates.

2. Some difficulties are reported to have been faced by individuals/Customs Officers in following the aforesaid procedure, as it causes undue delay in the release of post parcels. RBI has considered the matter and has decided to permit Customs authorities to allow import of both Indian and foreign currencies received by post provided the value does not exceed Rs.1000/- subject to certain conditions.

3. The matter has been examined by Board and it has been decided that henceforth individual cases of import of foreign/Indian currency received by post of value not exceeding Rs.1,000/- need not be referred to RBI subject to the following conditions:-

- (i) The power to grant approval may be exercised by an officer not below the rank of Additional Commissioner/Joint Commissioner.
- (ii) A detailed record should be maintained of the exemption granted.
- (iii) Record of the name and addresses of the remitter and addressee in India should be maintained.
- (iv) Where a spurt is noticed in the number of covers received over a time, the matter may be reported in the concerned Regional Office of Reserve Bank of India.]

[M.F. (D.R.) Circular No. 22/99-Cus., dtd. 07.05.99]

(13) Precious stones, diamonds and Jewellery: The assessment of such parcels should be done by the Expert Appraisers. In case of dispute about the valuation, etc. the case may be referred to the panel of Appraisers to ascertain the correct valuation.

(14) Live plants, seeds etc.: As soon as the parcels containing plants, seeds, or raw cotton, etc, received which require fumigation, a call notice will be issued to the addressee asking him to arrange for necessary fumigation. When such arrangement is made, the parcel/package will be allowed to be taken away for fumigation under Preventive escort. After the contents have been fumigated and parcel/package will be assessed in usual manner and returned to the postal authorities.

(15) Labels/tags: Import of labels, price tags and like articles for export product, supplies made by foreign buyers of labels, price tags and trimming materials like buttons and belts to be attached to the goods against specific orders placed by them on Indian exporters, may be allowed clearance without a licence provided the Customs authorities are satisfied with the bonafide of the case. This will also cover the import of 'hangers' supplied free of charge to be re-exported with the garments, which are exempted from import licence.

These goods are also exempted from customs duty for value upto Rs.10,000/- in each case as per exemption notification no. 219/89 cus. as amended by notification no. 183/93 cus. dated 6.12.1993.

Free importability of certain category of goods

Subject to compliance with the provisions of any other law for the time being in force, imports may also be made without a licence by the categories of importers specified below provided the imports do not involve foreign exchange remittances: -

- (1) Import of goods by officials of U.N.O. and its specialised agencies who are exempted from payment of Customs duty;
- (2) Paintings and other display articles required for competitions or exhibitions;
- (3) Food-stuffs, medicines, clothing and blankets received by any charitable organization or any individual as a gift from any philanthropic organization or individuals abroad, for free distribution either by themselves or other charitable organization or individuals to the poor and needy without any distinction of caste, creed or colour;
- (4) Goods received as free gift by the Indian Red Cross Society from abroad provided such goods are exempted from Customs duty;
- (5) Relief supplies and packages received as gift through a government agency or any other approved agency covered by an agreement entered into by the Government of India with a foreign Government, provided they are exempted from Customs duty; and articles donated to National Defence Fund or to the Govt. of India for use of the defence personnel;
- (6) Equipment and raw materials imported by foreign TV companies coming to India on visits sponsored by the Ministry of External Affairs/Ministry of Information and Broadcasting or Department of Tourism, on re-export basis.
- (7) Imports of exhibits, including constructions and decorative materials required for the temporary stands of the foreign exhibitors at the exhibitions/fairs for period of six months on re-export basis.
- (8) Bonafide technical and trade samples of items not appearing in the negative lists of imports (restricted items) supplied free of charge for value not exceeding Rs.30, 000/- (CIF) in one consignment except vegetable seeds, bees and new drugs by any importer;
- (9) Bonafide technical and trade sample of tea supplied free of charge not exceeding Rs.2000/- in CIF value, in one consignment, by any person connected with the tea industry on the recommendation of tea board, Calcutta.
- (10) Import of prototypes and samples not exceeding 5 in numbers in a year by actual users engaged in the production of item for which the prototype/sample is sought for, upon a self-declaration to that effect to the satisfaction of the Customs authorities.

PROCEDURE FOR CLEARANCE OF GOODS IMPORTED BY POST

When goods are imported by sea or air, the Bill of Entry procedure is adopted for assessment of duty and Customs clearance. This procedure is not applicable to goods imported by post.

Imports by Post may be by sea or land as "surface mail" or by air as "air mail".

The Postal Department divides goods imported or exported by post into two categories –

(i) parcels, and (ii) packets or Letter Mail Articles (LMA), which are generally based on the weight and dimensions of the package.

A Post Parcel or L.M.A. is required to be accompanied by a Customs declaration or a label (green label) indicating the description of the contents, value, quantity, etc. The import of parcel or packet without such a declaration or with a declaration, which is incorrect, is prohibited under Customs Notification No. 78/1938. Even though no Bill of Entry is required to be filled by an importer of goods by post, this declaration or label furnished by the sender of the parcel or packet is deemed to be an entry for import,

under Section 82 of the Customs Act, 1962. Hence Customs Authorities can take action against mis-declaration even though the importer himself has not made the mis-declaration.

The Postal Department prepares waybills in triplicate for all parcels or packets imported from abroad. This way bill has been referred to as 'list' in Section 83 (1), Customs Act. It contains the following particulars: -

- (a) Number assigned by office of posting,
- (b) Name of Post Office of posting,
- (c) Name of Post Office of destination,
- (d) Weight of insured parcels,
- (e) Local number (assigned by the Postal authorities in India),
- (f) Contents as ascertained by the Customs,
- (g) Declared value in foreign currency,
- (h) Rupee value,
- (i) Rate of duty,
- (j) Amount of duty, and
- (k) Remarks.

The particulars regarding (a) to (e) above are filled in the waybill by the Postal authorities. The waybills are then presented (along with the Customs declarations wherever available) to the Customs Postal Appraising Department. The Receiving Clerk of the Postal Appraising Department affixes on them the date of receipt.

Section 83 (1) specifies the relevant date for determining the rate of duty (or Tariff Value) applicable to goods imported by Post. It may be noted that the provisions of Section 15 are not applicable for this purpose as there is no Bill of Entry for Postal imports. The correct rate of duty applicable is the one, which prevails on the date on which the waybill for the parcels or packets is presented by the Postal authorities to the Customs Postal Appraising Department. If the waybill is presented by the Postal Department before the arrival of the vessel bringing the parcels or packets, the rate of duty prevailing on the date of arrival of such vessel is the rate applicable to the imported goods.

There is no legal provisions in the Customs Act (similar to Section 14 (1) (a) proviso in respect of Bills of Entry) specifying the relevant date for applying Exchange Rates. In practice the Exchange Rate prevailing on the date of presentation of waybill in the Postal Appraising Department is adopted for assessment.

Assessment of parcels:

When bags containing foreign parcels arrive by sea or air, the Foreign Parcel Department of the concerned jurisdictional Post Office receives the mail bags and transports them to the Foreign Parcel Department. The Postal Appraising Department of the Custom House functions as a Unit attached to the Foreign Parcel Department of the Post Office. The Assessing Officers in the Postal Appraising Department are Appraisers and Examiners. A contingent of Preventive Staff consisting of Preventive Superintendent and Preventive Officers is also posted in the P.A.D., who look after the storage, disposal, etc., of the confiscated articles.

Sheet Assessment: -

The waybills along with Customs declarations are presented to the Assessing Officers of the P.A.D. The Assessing Officer scrutinises the declaration and if he feels that the declaration is acceptable in respect of description of goods, value, etc. he indicates the rate of duty chargeable on the declaration itself. Where he feels that documents are required for assessment, he indicates the nature of documents

(such as invoice, import licence, passport, landing certificate) on the declaration itself.. The Customs clerk assisting the Assessing Officer transcribes on the waybill the particulars of assessment such as value, rate of duty, wherever assessments have been made. He also calculates the amount of duty and indicates it in the relevant column of the waybill against the respective parcel numbers. The waybills are then passed on to the postal staff who make arrangements for the amount of duty to be collected on the respective parcels and for onward transmission of the parcels (not the waybills) to the respective destination post offices. If he considers that a parcel has to be examined before assessment he marks the letter 'D' (indicating 'detain') on the declaration

In cases where the assessing officer has indicated that certain documents are required, the Customs clerk sends a call-memo to the addressee, which also serves as a Show cause notice in cases where the addressee is unable to produce the necessary documents such as import licence for clearance. The call-memo also contains a clause that if the documents are not produced within 28 days, the parcel is likely to be returned to the sender. This time limit has been agreed under an International Postal Convention. However, it does not imply that the parcel must be returned to the senders especially in a case where there is a contravention of the provisions in the Customs Act and the party chooses not to respond.

Detained Parcels

In the case of parcels not assessed during sheet assessment either for want of documents or for examination of the parcels, the Customs Clerk gives a requisition to the Postal staff to produce the parcels. When the parcels are produced by the Postal staff and the required documents have also been furnished by the addressee, the assessing officer scrutinises documents, decides whether assessments can be made on the basis of the particulars available in the documents without opening the parcels. Wherever he considers it necessary to examine a parcel, he asks the postal staff to open it, and examines the same. The Assessing Officer writes down on the waybill the description of the goods, value, and the rate of duty applicable. Wherever an import licence is required and has been produced he debits the licence and indicates the licence number in the remarks column on the way bill. If any shortage or damage is noticed in the contents of the parcel, the assessing officer asks the postal staff to prepare an "Error Slip", signs it and puts it in the parcel. He then passes on the waybill to the clerk who calculates the amount of duty and notes it in the relevant column on the waybill. The waybill is thereafter pre-audited and handed over to the Postal staff for marking the amount of duty on the parcels and for making arrangements for onward transmission of the parcels to the post office of destination.

Assessment of Letter Mail Articles:

When bags containing Foreign Letter Mail Articles are received at the Foreign Postal Department, the assessing officer witnesses the opening of the bags and decides quickly on the spot which of the packets do not attract any duty or prohibitions and restrictions and segregates them for allowing onward transmission by the Postal authorities to the Post Offices of destination. The remaining packets are detained by him. The Postal authorities prepare an assessment memo for each such detained article. The Postal staff also prepares waybills for the detained packets. The waybills, assessment memos and the detained packets are thereafter presented to the Customs Assessing Officer.

Assessment is carried out by examining the packets and calling for documents wherever necessary as in the case of detained parcels. The assessing officer writes down the description of goods, value and rate of duty on each assessment memo. The Customs clerk transcribes the assessment particulars on the waybill and also works out and indicates the amount of duty in the appropriate column, both in the assessment memo and in the waybill. After pre-audit, the postal staff marks the rate of duty on the packets and despatch them to the Post Offices of destination.

Collection and Realisation of Customs Duty

The amounts of duty entered in the waybills are credited by the Postal department to the Customs department without waiting for the parcels or packets to be actually delivered to the addressees on payment of the amounts. When the parcel or packet reaches the Post Office of destination, the concerned postmaster/postman delivers it to the addressee after collecting the Customs duty indicated on the parcel or packet.

Writebacks

Sometimes the parcels or packets on which Customs duty has been assessed by the P.A.D are not taken delivery of by the addressee who may not be available or who may refuse to pay the duty imposed. In such cases the Post Office returns the parcels/packets to the senders in the foreign country. The Postal authorities submit a statement of the parcels/packets which have been returned to senders and claim writeback of the respective amounts of duty, if any.

Sometimes the addressee of a parcel/packet feels that the Customs duty assessed by the P.A.D. is too high and requests the Post Office of destination to return the parcel/packet to the P.A.D. for assessment (without paying the duty and taking delivery). Such parcels/packets are re-examined to consider whether the addressee's request for re-assessment is justified.

If on re-examination the original duty is revised to a lower amount or a high amount, a separate memo called Write back memo is sent by the P.A.D., to the Foreign Parcel Department authorising them to collect the revised duty instead of the original duty and claim the difference as write-back, or credit the same to P.A.D.

Mode of Assessment

Bulk of the parcels/packets received from abroad are addressed to individual persons and not intended for trade. In order to simplify the process of classification and assessment of such parcels/packets, a separate heading No.98.04 carrying a flat rate of duty has been provided in the Customs Tariff. This heading covers all dutiable articles imported by Post or air, even if such articles are also covered under chapters 1 to 97 of the Customs Tariff. The conditions for classification of goods imported by Post under this heading are: (1) the goods should be for personal use, and (2) they should not come under any Import Trade Control restrictions. Goods which do not fall under 98.04 (for example, imports for commercial or professional purposes, trade parcels, etc.) are assessable at the appropriate rate of duty under the relevant heading in chapters 1 to 97 of the customs tariff together with the corresponding auxiliary and countervailing duties.

Import Trade Control:

All imported goods, even if they are imported by post, attract the provisions of the Foreign Trade (Development and Regulation) Act, 1992, rules made and order issued thereunder. In other words, even goods imported by post require an import licence for Customs clearance, unless they are covered by OGLs etc. However according to Section 3 (i) of The Foreign Trade (Exemption from Application of Rules in Certain Cases) Order, 1993 issued under Foreign Trade (Development & Regulation) Act, 1992, nothing contained in the Foreign Trade (Regulation) Rules, 1993 shall apply to the import of any goods by any person through the Post or otherwise for his personal use, or by any institution or hospital for its user except-

- (a) vegetable seeds exceeding one lb in weigh;
- (b) bees;
- (c) tea;

- (d) books, magazines, journals and literature which are not allowed to be imported under the policy for the time being in force;
- (e) goods, the import of which is canalised under the policy;
- (f) alcoholic beverages;
- (g) fire arms and ammunition;
- (h) consumer electronic items (except hearing aids and life saving equipments, apparatus and appliances and parts thereof);

Provided that the C.I.F. value of goods imported as aforesaid at any one time shall not exceed rupees five thousand;

- (i) by or on behalf of Diplomatic personnel, consular officers and Trade Commissioners in India who are exempted from payment of Customs duty under Notification No. 3 dated the 8th January, 1957 of the Government of India in the Ministry of Finance (Department of Revenue);

PROCEDURE FOR CLEARANCE OF GOODS EXPORTED BY POST

Goods intended for Export by Post may be booked from any of the Post Offices in the country. However, the Postal Department must route all such export parcels through any of its foreign post offices where the Postal Appraising Department subjects them to customs scrutiny.

Export parcels must be accompanied by a Custom declaration or Despatch Note which is deemed to be an entry for export under Section 82 of the Customs Act, 1962. It is filled up by the exporter at the time of booking the parcel and contains information like description, quantity and the value of the contents besides names and address of the consignee/addressee and the exporter. In the absence of a shipping bill this declaration is the entry for export.

PP Form which is similar to the GR form is filed for Exchange Control purposes as per the requirement under FERA, in case the exports involve any foreign exchange transaction. The exporter declares the Full Export Value in this form which he expects to realise from the export. This Full Export Value is verified by the Appraisers. For this purpose the Invoice and copy of contract/agreement entered between the buyer and seller are submitted by the exporter. After verification, the PP Form is endorsed by the Appraiser under his seal. Thereafter the PP Form is sent to the R.B.I. to ensure that foreign exchange earned out of these exports is repatriated through the R.B.I. Outstation parties will attach self addressed envelope along with the PP Form for return of duplicate PP Form.

However in the case of gifts, samples or unaccompanied baggage this PP Form is not required as there is no foreign exchange involved in such cases. A gift parcel or a commercial sample parcel should be accompanied by a self declaration stating that it does not involve any transaction of foreign exchange. For parcels of high value a certificate from an authorised dealer (a bank) in foreign exchange or an R.B.I. waiver would be needed to justify the claim that it does not involve any transaction of foreign exchange. All such self-declarations, certificates or waivers have to be pasted on the face of the parcel so that they may be checked at the time of Customs clearance by Postal Appraising Department.

In the case of Unaccompanied Baggage, no such document is required. Their only requirement, besides the Customs declaration is that the Passport Number of the passenger should be clearly mentioned on this declaration form.

Whenever needed, exporters are also required to furnish a pre-shipment inspection or Quality Control Certificate from then Export Inspection Agency or any other agency authorised for such purpose, viz., ISI, Silk Board or Agmark etc. In such cases the certificate indicates the validity and details of the

seal used to seal the packages. If the seals are intact, the packages need not be opened and examined. In case of doubt a percentage check shall be carried out.

Where necessary, export of goods by Post requires an Export Licence if the goods are listed in the Export Policy under the restricted or controlled commodity list or if they do not satisfy the conditions mentioned in the Postal Notice No. 13/73.

Postal Notice No. 13/3.12.73 fixes certain monetary limits beyond which any post parcel would have to be accompanied with a valid Export Licence. In addition, Arms and Ammunition, Explosives, Inflammable material, Obscene literature, Dangerous Drugs, Snake skins, Antiquities, etc. are also prohibited from being Exported by post.

In the absence of any Shipping Bill, the licences are not in the form of endorsements but are issued as a separate document by the Export Trade Control authorities. In case of canalised items an export permit has to be produced from the canalising agency.

It is the responsibility of the exporter to ensure that the parcel is covered by a proper Export Licence where such a licence is necessary, failing which the parcel is liable to be returned. The fact that a parcel is accepted by a Post Office in the first instance does not in itself constitute a guarantee that the requirements of Export Control have been fulfilled.

After verifying all the documents, the Appraiser in the Postal Appraising Department asks the Postal Staff to open the parcels selected by him. Parcels are opened by the Postal staff and also closed by them. At no point of time the parcels are in the custody of Customs department. If the contents are in conformity with the entries made in the declaration and all other documents are in order, a 'Customs Passed' stamp is put on the face of the parcel.

The rate of duty and Tariff value, if any, applicable to any goods exported by post shall be the rate and valuation in force on the date on which the exporter delivers such goods to the postal authorities for exportation. Authority for this date is Section 83 (2) of Customs Act 1962.

Drawback was given under Section 74 & 75 on exports by post until the Customs Act was amended in 1983. As a result of the amendment any drawback could be given on any exports only when a "let export" order has been passed under Section 51 by the proper officer. Hence drawback claims were held up till 1985 when the Customs Act was amended to allow drawback by Post also giving retrospective effect to the amendment.

Goods which are being exported under claim for drawback cannot be despatched directly from any Post Office. They must be produced at the P.A.D. first along with all the required documents, as mentioned above. In addition it must be accompanied by the 'D' Form (in Quadruplicate) also. The parcels must be examined with reference to their weight or any other criterion relevant for Duty drawback. After their examination the parcels are sealed. Thereafter, a stamp "Passed under Drawback claim" is put on the face of it. Claims made in the 'D' Form regarding their quantity and value are also verified on the basis of examination report.

The exporter takes this sealed parcel along with the copies of 'D' Form and presents it for exportation to the Foreign Postal Department, or any other Post office for that matter. The post office retains 2 copies of 'D' Form and returns one to the exporter after endorsing the parcel No. and date of booking on it. This copy of the D. Form, which is also known as pre-shipment copy, is then submitted to the Postal Appraising Department for the processing of drawback claim. After the shipment of the parcel, the Postal department endorses the date of shipment and the parcel number (which was earlier assigned to the parcel) on one of the copies of D-Form which was retained by them at the time of booking. This is

known as Post shipment copy of the D. Form. It is sent to Postal Appraising Department by registered post. On receiving this copy, the Postal Appraising Department takes both the pre-shipment and post-shipment copies and the D-Form and completes their processing and grants drawback. (In the absence of post-shipment copy of the 'D' Form, a certificate from bank is obtained to the effect that amount has been realised, which in turn will be proof that the parcels were shipped out).

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