

APPRAISING MANUAL

VOLUME I

Import Department

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Import Department: Working:

The Import Department performs the first and pivotal function in the clearance of the Import goods as per the Customs Act, 1962. The relevant provisions of the Act are contained in sections 29 to 38 of the Customs Act which provides the basis of exercising customs control over the vessels and aircraft, which carry imported goods in customs port or airport. The Assistant Collector of Customs incharge of Imports and is assisted by the Office Superintendent, Deputy Office Superintendent, Upper Division Clerks & Lower Division Clerks.

The Main functions performed by the Import Department are:

- (1) To receive the Import General Manifest from the Steamer agents/ Master of the vessels and grant 'entry-inwards' and Rotation No. as per the sections 30 and 31 of the Customs Act, 1962.
- (2) To receive the bills of entry filed by the Importers and Custom house agents as per section 46 of the Customs Act, 1962 and scrutinize these bills of entry as per public notice no. 43.
- (3) To 'note' the bills of entry accepted against the declared IGM i.e. (Rotation no.) and line no. (Item no.) by putting the 'toka no.'(serial no. of B/E) and date on the bills of entry.
- (4) To allow the amendments in the Import Manifest and Bills of entry on the basis of applications received.
- (5) To allow the Transshipment of the cargo from local to T.P. and from one port to other by Road, Rail etc under customs supervision.
- (6) To issue show-cause notice to the Importers/notifer, after 30 days of IGM date, for the clearance of the goods on payment of

duty etc, otherwise the goods to be disposed off by auction/ sale by the Disposal department.

Procedures to be completed in the Import Department as per the provisions of the Customs Act, 1962:

(1) Submission of Import Manifest/unloading of goods-entry-inwards: The section 30 of the Customs Act, 1962 prescribes that the person-in-charge of a conveyance carrying imported goods shall, within 24 hours after arrival thereof at a Customs station, deliver to the Proper Officer, in the case of a vessel or aircraft, an Import Manifest and in the case of a vehicle an Import Report in the prescribed form. Section 31 of the Customs Act, 1962 further provides that the imported goods shall not be unloaded from the vessels until 'entry-inwards' is granted by the Import Department. Section 32 of the Customs Act, 1962 prohibits the unloading of the goods unless they are mentioned in Import Manifest or Import Report. The Act provides for submission of such import Manifest in advance of the arrival of the vessel to enable submission and processing of assessment documents pending arrival of the vessel to expedite ultimate clearance of the goods after the vessel arrives. The Advance Manifest so submitted by the Steamer Agents is known as 'prior entry manifest' and 'prior entry inwards' is granted to enable the trade to get the documents processed for the clearance of the goods. Such Advance Import Manifest can be filed 14/30 days advance of arrival of the vessel. When the entry inward is granted the cargo can be unloaded from the ship/vessel/aircraft. The cargo taken to the import shed where the Examination Work is done by the Appraisers / Examiners under the supervision of the Assistant Collector of Customs (Docks). The goods are allowed to be delivered to the Importer after the payment of duty etc. The goods arriving at Customs are broadly of three types; -

1. Goods to be cleared on payment of duty:

Such goods can be cleared from customs by filing 'white' colour 'bill of Entry' and payment of duty after completing the Customs

Procedures. Goods covered under 'nil' duty are also covered under this procedure.

2. Goods cleared for warehousing:

Such goods can be cleared by filing 'yellow' bill of entry as per the provisions of section 49 of the Customs Act, 1962. The goods are allowed to be deposited in the public or private warehouses approved by the department. The goods allowed for deliveries to the Importer on filing 'green' colour bills of entry and payment of duty and interest payable as on the date of removal of the goods from warehouse. The goods in the warehouse are kept under the customs supervision.

3. Goods cleared for Transshipment:

The Goods imported are allowed for transshipment to other approved places for customs clearance etc. Such goods can be removed from port by filing 'Green colour' Transshipment bill and without payment of duty as per the provisions of sections 53 to 56 of the Customs Act, 1962. The goods can be unloaded only at port/ authorised wharfs as approved by the Collector of Customs, after the permission for discharge of the cargo is given on an appropriate Import General Manifest. All the unloading and loading operations are supervised by the Preventive Department of the Custom House and they also allow discharge into boats by specific order. In each case they keep a systematic account of such deliveries. The port authorities, who act as custodian of all the goods landed in the port premises keep watch and tally/records of the goods landed on wharves, and permit deliveries to the Importers only after production of approved documents such as 'bills of entries' etc containing authorization for delivery by Customs.

Presentation of Bills of Entry for Noting:

Import noting department: After the IGM has been filed by the Steamer Agent in the Custom House and 'entry inward' or 'prior entry' granted, the Importer or authorised Custom House Agent can file the Bill of Entry for completing various procedural formalities and

payment of duties of customs etc. The bill of entry is accompanied by documents like Bill of landing, Invoice, Import Licence, etc and presented in the Noting department of the Custom House where it is Noted against the line no. i.e. particular entry of the Import General Manifest submitted by the Steamer Agent. The particulars declared on the bill of entry are broadly matched with those declared on the IGM and 'tokha' no. (Serial no.) And the current date is put on the Bill of entry. The date of 'Noting' of the Bill of Entry is crucial date for determining the rate of duty applicable to the goods imported. The Bill of Entry along with the documents submitted is returned to the Importer/CHA for completing the assessment procedure. The Noting procedure is done by the Noting clerk who puts his initials on the Bill of Entry and records the particulars in the IGM against the Line No. The Importers are required to Note the Bill of Entry within 30 days of arrival of goods otherwise the goods can be disposed off by auction/sale and the amount realised is adjusted against the duties of the customs levied. A list of such goods against which no bill of entry is noted is sent to the disposal section for the disposal of the goods and recovery of the duty leviable. Any discrepancies observed during the noting procedure are corrected by allowing the amendment on the application by the importer/ Steamer Agent. The IGM with the amendment applications finally sent to the Manifest Clearance Department (MCD) for closing and taking appropriate steps.

Instructions regarding 'noting' of different type of cases of B/E

1. Bill of Entry for part consignment:

Under section 46 of the Customs Act, 1962 the owner of the goods is bound to submit the Bill of Entry in respect of the entire consignment landed, corresponding to the entry in the manifest. The request for part bill of entry to be allowed by the Customs authority to avoid hardship in certain cases subject to the scrutinizing each case on merit protecting any anticipated loss of revenue.

2. Filing of second bill of entry in case of original lost:

The 'second' set of bill of entry may be admitted for noting. In case the original Bill of entry is lost or misplaced etc, on payment of suitable fee and after obtaining no objection from the concerned Appraising group. The second bill of entry so admitted should bear the same date of noting as the first and should be endorsed "duplicate set".

3. Transfer of one bill of entry from one clearing agent to other:

The Bills of Entry once noted against the Manifest in favour of any clearing agent or Importer are valid for clearance of the goods by the Importer or Clearing agent concerned, and Bill of entry once filed by a Clearing agent cannot be utilised by other Clearing agent or Importer. If occasion arises to effect clearance of the same goods by a different firm or Clearing agent, then the proper course is to cancel the previously noted bill of entry and to file a fresh bill of entry in favour of the newly appointed Clearing agent, and it is discouraged to allow the clearance by a different firm against a Bill of entry already noted in favour of the other party.

The following alternative procedure may also be adopted in the matter: -

The Agent who handles the documents fresh and completes his part of processing the documents may return them to the owner of the goods, and the latter in turn may endorse them directly to the other clearing agent for doing the remaining part of the work.

4. Presentation of the Bill of Entry for Noting:

Determining the date for rate of duty:- When a bill of entry is presented containing all the essential particulars required to the noting clerk, it should be assigned a serial number and date on its presentation regardless of the fact that some additional information may have to be called for. Where however, the Bill of entry as originally presented does not contain the prescribed particulars, it

should not be noted on the date of its first presentation. In that case the crucial date for the purpose of section 15(1) of the Customs Act, 1962 would be the date on which the bill of entry containing all the prescribed particulars is subsequently presented to the department.

STANDING ORDERS AND PUBLIC NOTICES:

S.O. NO. 6666 DATED 3-07-1978. SUB: - ACT. NO. 25 OF 1978 AMENDING CERTAIN PROVISIONS OF THE CUSTOMS ACT, 1962 MODIFIED PROCEDURES. REG.

S.O. NO. 6671 DATED 27-7-1978. SUB: - FACILITY FOR PRESENTING A BILL OF ENTRY EVEN BEFORE DELIVERY OF THE I.G.M. - AMENDMENT OF SECTION 46 OF THE CUSTOMS ACT 1962. REG.

S.O. NO. 6686 DATED 16-10-1978. SUB: - INTRODUCTION OF STAMPING SR. NO. AND DATE OF PRESENTATION OF B/E IN 3 COPIES.

S.O.NO.6995 DATED:-10-1-1992. SUB: - ADVANCE NOTING OF THE B/E'S BEFORE THE DELIVERY OF THE IGM IN THE IMPORT DEPARTMENT- PROCEDURE REG.

S.O. NO. 6727 DATED: 27-10-1979. SUB: - NOTING OF BILLS OF ENTRY IN THE JOINT NAMES OF BANKS/ THEIR CLIENTS.

S.O. NO. 6748 DATED: 6-1-1981. SUB: - PROCEDURE FOR ALLOWING TRANSHIPMENT OF FCL CONTAINER TO KANDLA FREE TRADE ZONE.

S.O. NO. 6755 DATED: 24-6-1981. SUB: - MOVEMENT OF FCL CARGO BETWEEN BOMBAY PORT AND INLAND CONTAINER DEPOT, NEW DELHI.