SUB: ELECTRONIC FILING AND PROCESSING OF SHIPPING BILLS FOR RE-EXPORT UNDER CLAIM FOR DRAWBACK UNDER SECTION 74 OF THE CUSTOMS ACT, 1962 AT NCH, NEW DELHI

Attention of Importers, Exporters, General Trade, Custodians, Air Lines and all other stakeholders is invited to various Public Notices issued from time to time in relation to assessment, examination & clearance of export consignments, wherein shipping bills for certain categories of exports were allowed to be filed in manual mode with the approval of the Commissioner.

2. In tune with the Government of India initiative of ‘Ease of Doing Business’, and to facilitate export clearances, it has been decided to discontinue manual shipping bill procedure in respect of Re-export under Section 74 of the Customs Act, 1962.

3. Currently, such Shipping Bills are filed manually in the requisite format following the procedure laid out under Re-export under Section 74 of Customs Act, 1962 read with other regulations/instructions etc., with the prior approval of the Commissioner of Customs as laid down in Circular No. 17/2011-Customs dated 08.04.2011. After such permission is granted, a manual job is generated from the system by the Inspector (CRU) which becomes a Shipping bill once the same is authorized by DC/AC(CRU). The Manual Shipping bill is processed by the Superintendent(CRU), DC/AC(CRU) and forwarded to DC/AC(shed) in line with Board Circular No. 46/2011-Customs dated 20.10.2011.

4. Henceforth, all such shipping bills are required to be filed electronically in ICES. In order to ensure that statutory and procedural requirements as prescribed in corresponding schemes/ notifications/ policy are complied with, the following procedure is required to be followed by exporters as well as officers attending such clearances at Export Shed and Export Assessment.

5. Re-export under Section 74 (Drawback allowed on re-export of duty-paid goods):

5.1: Filing of Shipping Bill under Section 74:

(a) Shipping bill under claim of drawback under Section 74 may be filed under Scheme Code 19 and Drawback Sr. No. 9801 (till a separate “scheme
(b) **Indication in the shipping bill so as to identify cases of re-export under Section 74:** In order to enable the Export shed officers to identify such shipping bills and take necessary action as prescribed, the exporter/Customs Broker is required to clearly indicate the fact of export/re-export under the aforesaid scheme [for eg. “Re-export under Section 74” ] alongwith details relating to import [such as Bill of Entry No & date, quantity imported, value, duty paid/ payable] in the shipping bill in the field "item details" (after complete description of goods has been indicated) till a scheme code for such export is provided in the system. For Eg. “Automobile frame for testing purpose” (re-export under Section 74) [Imported vide BE No ---- & date ----, quantity: -------, Value: -------, Duty paid:-------, Total drawback claimed: Rs ------- (--- % of Rs ------)].

(c) **Indication regarding IGST and MEIS:** Exporters/Customs Brokers are instructed to specify the correct preference for IGST PAY field in the shipping bill in ICES keeping in mind Board’s circular 21/2017 dated 30.06.2017. Likewise, the intent to claim reward under MEIS at the time of filing shipping bill for re-export under Section 74 of the Customs Act, 1962, should clearly be marked ‘N’.

5.2: **Examination and Clearance of Section 74 Shipping Bills:**

(a) In this regard, attention is invited to Board Circular No. 46/2011 – Customs [F.No.603/01/2011-DBK], dated 20th October, 2011 and Circular No. 35/2013-Customs [F.No.603/01/2011-DBK], dated 5th September, 2013, wherein it has been provided that:

3.1 **Instructions in relation to "identification of goods" and "determination of use" in terms of Section 74 of the Customs Act, 1962.** (a) In terms of the section 74 of the Customs Act, 1962, the export goods are to be identified to the satisfaction of the Assistant/Deputy Commissioner of Customs. This may require examination and verification of various parameters, including but not limited to physical properties, weight, marks and numbers, test reports, if any, documentary evidences vis-a-vis import documents etc., for identification of the goods. If such export goods have been ‘used after import’, the same is to be determined besides establishing the identity of the goods.

b) The goods should, therefore, be subjected to Examination by AC /DC in charge of export examination and issuance of LEO will be granted only after suitable comments about "identification of goods" and "determination of use" as required in terms of above instructions issued for the purpose of Section 74 of the Customs Act, 1962 are entered in the “Departmental Comments” field in the system before issue of Let Export Order (LEO). It is further reiterated that identity of goods and period of use needs to be established/ascertained by examination of goods & documents even if the
shipping bill is facilitated by RMS. It is also to be ensured that all the supporting documents relating to establishment of identity of goods and determination of use are invariably uploaded in eSANCHIT at the time of filing of shipping bill. Paper copies of only those documents need to be submitted where the document codes are not currently available in eSANCHIT.

c) The Sample examination report may be as under:-

"Inspected lot, checked marks & numbers & net weight, examined 100% under DC/AC Export Docks Supervision. Identity established with import document i.e. Bill of Entry No ____, dated ____ and concerned invoice & packing list. Export is within time period i.e. 2 years (in case of goods were not used after import) or 18 months (in case of goods were used after import). Present market value and FOB value declared in the shipping bill is fair. Representative samples drawn and forwarded to DC for testing (if sample drawn), Goods not found to be used / found to be used”.

d) Officers should ensure at the time of LEO that correct preferences are indicated for IGST and MEIS.

e) Further, as mentioned at para 5.2(b) above, exporters/ customs brokers should ensure that the identity of goods is established through examination, even if the Shipping Bill has been facilitated by RMS.

5.3: Processing of claim for drawback under Section 74:

(a) Officers processing drawback claims under Section 74 of the Customs Act, 1962 will ensure that the goods have actually been exported by verifying the relevant EGM filed by Airline in the EDI system instead of present practice of manual verification through Export Shed. Such shipping bills need to be finalized in the system by “Drawback section” after disposal of drawback claims.

(b) Claims for IGST under Section 74 of the Customs Act, 1962 will be dealt as per Circular No. 21/2017-Customs, dated 30.06.2017

(c) For cases where no remittances are due for the re-export, Guaranteed Remittance (GR) Waiver may be obtained from concerned banks by the exporters.

6. EFFECTIVE DATE

This Public Notice shall come into force with effect from 06.09.2019.

7. Difficulty, if any, may be brought to the notice of Deputy/ Assistant Commissioner (CRU) through email/ phone (email:- cruexportsshed@gmail.com, Phone No: 011-25652084). Specific issues, if any, may be brought to the notice of Additional/ Joint Commissioner in charge of ‘CRU’ for remedial action.
8. Action to be taken in terms of this Facility Notice should be considered as standing order for the purpose of officers and staff.

9. Hindi version would follow.

(Aarti Agarwal Srinivas)
Commissioner of Customs,
Air Cargo Export

Copy forwarded to:-
1. The Chief Commissioner of Customs (DZ), NCH, New Delhi.
2. The Principal Commissioner of Customs (ACC, Import), NCH, New Delhi.
3. The Principal/Commissioners of Customs, ICD Tughlakabad Import/Export/ICD Patparganj/Airport & General, New Delhi.
4. The Addl./Joint/ all Dy./Asstt./Commissioners of Customs, Air Cargo Export, NCH, New Delhi.
5. The Delhi Customs Clearing Agents Association, 260-60, Anarkali Bazar Jhandewalan Extension, DDA Shopping Complex, New Delhi-110055.
6. The Federation of Indian Export Organisations, Niryat Bhawan, Rao Tula Ram Marg, Opp. Army Hospital Research & Referral, New Delhi-110057.
7. The System Manager/Alternate System Manager, NCH, New Delhi- for uploading on DZ website.
8. Notice Board.
9. Guard File.

(Dr Radhe Tallo)
Deputy Commissioner, CRU