

## F.No. 450/ 126/ 98- CUS.

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise &amp; Customs, New Delhi

**Subject: Simplification in procedure for movement of export goods from factories, 100% EOUs/EPZs etc. on the basis of self certification and reduced percentage of Physical examination - reg.**

**2. Reduction in percentage of Physical Examination of Export Cargo.**

Ref : F.No. 446/ 42/ 91- Cus. IV dated 6-8-91.

I am directed to refer to representations made by various Associations and the commitment by the Government in the Parliament for extending the benefit of self-certification to the exporters having clean track record. In the light of the above, the the following further orders are issued:

1. It has been decided vide Circular No. 426/ 59/98-CX.6 date 12-10-98, that the manufacturer exporters of specified turnover would be permitted clearance of goods on the basis of self -certification. In order to allow removal of export goods from the factories on the basis of self certification, a second proviso has been added to Rule 187-A of the Central Excise Rules 1944 vide Notification No. 36/98-CX (NT) dated 2.9.98 providing for sealing of packages or containers by the units themselves who pay duty of Rs. 10 crores and above or are accorded SSTH or STH status etc.
2. If an exporter opt for clearance under self-certification, the export goods and containers may be allowed to be moved from the manufacturer's premises after sealing by the exporter himself. In case of containers, the exporters shall seal it with tamper proof bottle seals and in case of movement by Bonded Trucks, the truck shall also be sealed by tamper-proof bottle seals. The exporter has to declare the number of bottle seals on all the documents and make an endorsement on the back of the packing list and invoice which will be attached to the S/B to be filed at the gateway ports; "I have examined the goods and the same are found to be as per the declaration. The goods are stuffed in the container and the container was sealed with sealed with bottle seal under my supervision. The seal number is \_\_\_\_\_. I under take full responsibility for any difference in description, quality or quantity of the goods".
3. At the Gateway Port, for self-certification units, routine exannuation should be dispensed with. Only one out of 5 containers would be opened for visual inspection of the content. Thereafter from each opened container minimum of two packages and maximum of 5% packages may be examined. The Commissioner, after experience of now year may reduce this examination, with order in writing separately, for each exporter.
4. If the exporters so request, the goods can be examined at the factory of manufacture, ICD / CFS, Warehouses notified under Circular No. 422/55/98-CX dt. 21.8.98 and other places where Commissioner may be Special Order permit. The goods can be examined and containers can be stuffed and sealed at such places by the officers of Customs and Central Excise. In case of exports in the container, the container should be bottle sealed or lead sealed. In case of export through Bonded Trucks the truck should be similarly bottle sealed or lead sealed. In case of export by ordinary trucks/ other means, all packages are required to be lead sealed.
5. After examination and sealing of the containers the same can be transported through Gateway Port/ Airport /ICD/ CFS by road or rail or to foreign destination through land route.
6. Wherever it is required, samples may be drawn as per existing percent age/ guidelines.
7. In modification of Board's F.No. 446/4291-CUS.IV dated 6-8-91, the following percentage of examination may be adopted at the Port of Export.
  - (a) the goods shipped under Free Shipping Bill only 10% of the consignment be selected at random.
  - (b) The goods belonging to SSTH /STH / TH / EH/ Government Departments/ Public Sector Undertaking whether they are covered under free Shipping Bill or under DBK, DEC, DEPB, EPCG Schemes only 10% of their, Shipping Bills may be examined provided the estimated incentives involved in each Shipping Bill is less than Rs. 1,00,000/- (one lakh)
  - (c) In case of DBK/ DEC/ DEPB Shipping Bills where the incentives in individual consignment is up to one lakh, but if this Sipping Bill belongs to the exports other than (b) above, 50% of the consignments would be taken up for physical examination.
  - (d) Where the estimated incentives in above Rs. 1,00,000 /- all such consignments should be examined.
8. In all of the cases above, a minimum of two packages from the consignments and maximum of 5% of the packages shall be examined. The Asstt. Commissioner or Deputy Commissioner or AO shall select the packages on random basis either manually or with the help of E.D.I.
9. Consequent upon the amendment, in Manufacture and other operations in Warehouse Regulation, 1988, vide Notn. No. 44/98- Cus. Dated 2.7.98, the Supervision of Customs Officer for manufacturing of goods in an EOU / EPZ / EHTP unit is no longer compulsory. Therefore, in all the 100% EOUs where the duty of excise on the export product and DTA sale to gather is estimated to be above rupees 10 crores per annum, the unit would be eligible to Self - certification of their consignments and their consignments can be examined in the docks in the same manner as other self-certified containers as given in Para 3.

10. A new Scheme for clearance of goods intended for storage in warehouse and export therefrom has been framed under Notn. No. 26/98-CE(NT) dt. 15.7.98 and the procedure for the same has been vide No. 422/55/98-CX dt. 21.9.98. The goods from such warehouses could also be treated as Departmentally sealed cargo, if they are sealed by the officers of Customs and Central Excise. If the goods are cleared sealed under self-certification, they would be treated as per para 6 above, provided the duty involved in value of clearance from such warehouses is more than Rs. 20 Crores during last one year.

11. It is reiterated that wherever the goods are examined and sealed by the officers of Customs/ Central Excise at the place of dispatch, it shall not be further examined at the place of export by the officers of customs. The sealing of containerised at the factory or warehouses would be treated as the same as the sealed cargo for the purpose of this examination. The sealed containers would not be opened or checked at the point of export unless the seals are found tampered with or there is specific intelligence the orders from the Assistant Commissioner, giving the reason may be obtained before examining the said container/ Consignment.

12. Difficulty if any, in implementation of the procedure, may kindly be brought to the notice of the Board.

The procedure may brought to the notice of the trade as well as the Departmental officers by way of issuing suitable Public Notice and Standing Orders.

Sd/-  
(Vijay Kumar)  
Under Secretary to the Government of India