

Customs Manual

on

Self-Assessment

-

2011

**Central Board of Excise & Customs
Department of Revenue
Ministry of Finance**

PREFACE

'Self-Assessment' in Customs has been implemented w.e.f. 8.4.2011 vide Finance Act, 2011 by suitable changes to Sections 17, 18, 46 and 50 of the Customs Act, 1962. Self-Assessment *interalia* requires importers / exporters to correctly declare value, classification, description of goods, exemption notifications etc. and self assess the duty thereon, if any. As Self-Assessment is newly introduced, the Central Board of Excise and Customs is releasing this Manual to guide importers / exporters in making correct Self-Assessment of duty of imported or export goods.

This Manual covers (a) standard operating procedures, (b) compulsory compliance requirements (CCR) and (c) key aspects of Customs requirements such as classification, valuation, exemption notifications etc. for correct Self-Assessment of duty on goods imported or exported.

Self-Assessment is expected to usher in a new era of trust based Customs-Trade partnership leading to greater facilitation of compliant traders. Therefore, it is important that the trade takes its responsibility for making correct Self-Assessment seriously. Of course, the Departmental officials shall be readily available to resolve any doubts that the trade may have.

As aforesaid, this Manual lists important elements of Self-Assessment and provides Check Lists to ensure common errors in classification, valuation, etc. can be pre-empted so that duty on imported or export goods is correctly self assessed. However, it should be noted that the purpose of this Manual is to serve as a guide or advisory and it is neither exhaustive nor legally binding. Importers and exporters are advised to peruse the statutes, Rules and Regulations as well as Board's Circulars for ascertaining the correct legal provisions.

(M.C. Thakur)
Member (Customs), CBEC

Customs Manual of Self- Assessment

Index

Chapter	Subject	Page No(s).
1.	Elements of Self-Assessment	4-15
	1. Introduction to Self-Assessment	4
	2. Implications of Self-Assessment	4-5
	3. Salient features of Self-Assessment	5
	4. Key elements of Self-Assessment of imported / exported goods	5-12
	5. Compulsory Compliance Requirement (CCR)	13-14
	6. Co-ordination with Customs House Agent	14-15
2.	Illustrative Check List Including CCRs for Self-Assessment	16-26
3.	Overview of Filing and Processing of Bill of Entry and Shipping Bill	27-29
	1. Filing and Processing of Bill of Entry (B/E)	27-28
	2. Filing and Processing of Shipping Bill (S/B)	28-29

Chapter 1

Elements of Self-Assessment

1. Introduction to Self-Assessment

1.1 With effect from 8-4-2011 Self-Assessment has become the norm of assessment of Customs duty in respect of imported / export goods. Thus, importers / exporters are required to declare the correct description, value, classification, notification number, if any, and themselves assess the Customs duty leviable, if any, on the imported / export goods.

1.2 Self-Assessment is supported by Sections 17, 18 and 50 of the Customs Act, 1962 and the Bill of Entry (Electronic Declaration) Regulations, 2011 and Shipping Bill (Electronic Declaration) Regulations, 2011. The On-site Post Clearance Audit at the Premises of Importers and Exporters Regulations, 2011 issued in terms of Section 157 of the said Act would help the Department to verify the correctness of Self-Assessment.

1.3 Importers / exporters who are unable to do the Self-Assessment because of any complexity, lack of clarity, lack of information etc. may exercise the following options:

- (a) Seek assistance from Help Desk located in each Customs Houses, or
- (b) Refer to information on CBEC/ICEGATE web portal (www.cbec.gov.in), or
- (c) Apply in writing to the Assistant / Deputy Commissioner in charge of Appraising Group to allow provisional assessment, or
- (d) An importer may seek Advance Ruling from the Authority on Advance Ruling, New Delhi if qualifying conditions are satisfied.

2. Implications of Self-Assessment

2.1 Self-Assessment can result in assured facilitation for compliant importers / exporters. However, delinquent and habitually non-compliant importers / exporters could face penal action on account of wrong Self-Assessment made with intent to evade duty or avoid compliance of conditions of notifications, Foreign Trade Policy or any other provision under the Customs Act, 1962 or the Allied Acts.

2.2 Penal provisions would not be invoked in cases of bonafide errors in Self-Assessment where *mensrea* and willful intention to evade duty or non-compliance of a condition cannot be proved.

3. **Salient features of Self-Assessment**

- (a) The importer / exporter is responsible for Self-Assessment of duty on imported / export goods and for filing all declarations and related documents and confirming these are true, correct and complete.
- (b) Self assessed import / export declaration may be verified by the Department. For this purpose the Customs officer may call for documents like contract, basis of transfer pricing of goods, broker note, policy insurance, catalogue, invoice etc. If required the goods may also be examined or tested by the officer.
- (c) Verification may result in re-assessment of duty by the officer for which the officer will give a speaking order within 15 days except when importer / exporter accepts re-assessment in writing.
- (d) In case the Self-Assessment is not possible, the importer / exporter may ask for provisional assessment. The officer may also order provisional assessment under Section 18(1). In case, the proper officer feels that the provisional assessment is to be allowed, the concurrence of jurisdictional Commissioner of Customs would require to be taken.
- (e) Cases where re-assessment is not done or when re-assessment is done but a speaking order is not passed will be subject to audit that may include On Site Post Clearance Audit (OSPCA) at the premise of the importer / exporter.

4. **Key elements of Self-Assessment of imported / exported goods**

4.1 **Description of goods:** Declaration of the correct description of imported / export goods is necessary for determining their classification, eligibility of duty exemption notifications, applicability of import / export controls, etc. It is also important for valuation of imported goods since Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 provides that the transaction value can be rejected on the ground of the non-declaration of parameters such as brand, grade, specifications etc.

4.1.1 In respect of export goods also, the description should be complete and accurate. It should conform to established standards of trade which are universally accepted containing details of the product, model etc. The description should not be generic based merely on the descriptions in the Drawback schedule. In fact, the non-declaration of descriptive and technical details may lead to wrong classification under RITC and may trigger a host of unintended compliance requirements or reduction/denial of export benefits. Further, as per Rule 8 of Customs Valuation (Determination of Value of Export Goods) Rules, 2007, the Customs officer can reject the transaction value of export goods just on the ground of the non-declaration of parameters such as brand, grade, specifications that have relevance to value. Likewise the declaration of the correct product code under relevant Export Promotion Scheme is necessary to ensure that appropriate and accurate quantum of benefit is earned on the export goods.

4.2 **Classification:** Classification of imported goods as per Section 17 of the Customs Act, 1962 read with the Customs Tariff Act, 1975 (CTA) determines (a) rate of applicable duty, (b) applicability of import controls or restrictions, (c) applicability of anti-dumping duty, safeguard duty etc., and (d) benefits of duty exemption notifications. First Schedule of CTA or the import tariff specifies the nomenclature of imported goods based upon the International Convention on the Harmonized Commodity Description and Coding System or "Harmonized System of Nomenclature" (HSN), which is amended every five years with the latest amendment becoming effective from 1-1-2012. CTA has 21 Sections that contain total 98 Chapters; Chapters 1 to 97 are aligned to the HSN while Chapter 98 is peculiar to India and this applies to goods imported for projects or as baggage, postal goods, laboratory chemicals and ship stores etc. Goods classified under Chapter 98 are subject to a uniform duty rate and such goods cannot be classified under any other headings even though that may be more specific. A Section codifies a particular class of goods and Section Notes explain the scope of Chapters / headings, etc. therein. A Chapter consists of Chapter Notes, brief description of commodities arranged at 4-digit levels i.e. 'headings', 6-digit levels i.e. 'sub-headings' and 8-digit levels i.e. 'tariff items'. Titles of Sections, Chapters and Sub-chapters are for ease of reference only. For legal purposes for determining the classification of an item, the text of Section Notes, Chapter Notes, Sub-heading Notes, Supplementary Notes, Headings, Sub-headings, and the General Rules for Interpretation of Import Tariff (GIR) are relevant. The general principle of classification is to match the correct and

complete description of goods with that in the CTA. When this is not possible such as when goods are imported under a trade name or goods appear classifiable under different Customs Tariff Chapters / Headings, then classification may be determined by ascertaining correct description of goods in terms of Customs Tariff Heading (CTH) read with GIR.

4.2.1 In respect of export goods also, the appropriate HSN classification (commonly referred as 'RITC') is based upon the correct description. Unlike in imports, in exports there are no implications of classification on rates of duty except for Cess and export duty on very few items. However, the correct classification would have implications for grant of export benefits like Drawback.

4.3 **Levy of duty / Cess:** Broadly, the Customs Tariff Act, 1975 (CTA) provides for the levy of (a) Basic Customs duty, (b) Additional duty of Customs equal to excise duty, (c) Additional duty of Customs equal to sales tax, local taxes and other charges, (d) Anti dumping duty, (e) Safeguard duty, etc. on imported goods. Further some import / export goods are subject to payment of cess. The importers / exporters are required to carefully verify whether their item of import / export is liable to such cess and accordingly make payment thereof.

4.3.1 Tariff Notifications issued under Section 25 of the Customs Act, 1962 indicate the effective rate of duty actually leviable by providing exemption partly or wholly, from the tariff duty. These notifications may be conditional or unconditional. The levy of duty and admissibility of duty exemption notification, if any, would depend upon the following factors:

(a) **Nature of the goods:** Whether the description of the goods exactly matches with that in the notification or is covered by the broad description mentioned therein and the goods fall under the CTH mentioned in the notification. It is legally settled that the plain meaning of the language used in the notification is to be taken to decide the applicability of the notification. Meaning of the words used in the notification is not to be stretched to cover unintended goods for the benefit nor is it to be interpreted in a manner that narrows the scope of the notification.

(b) **Whether the notification benefit is conditional or otherwise:** At times the benefit is available on fulfillment of certain conditions including post-import (or end use) conditions. For instance, duty exemptions under EPCG Scheme, EOU scheme, etc. require goods to be used in the manufacture of export goods. Further, in some

cases, diversion of goods is not allowed till the fulfillment of export obligation. The onus is on the importer to strictly ensure compliance as otherwise duty with applicable interest may be recovered plus imposition of penalty.

(c) **Whether countervailing duty is applicable based on MRP:** It must be confirmed if the imported goods are covered under Legal Metrology Act, 2009 and are subject to MRP based levy of CVD.

(d) **Whether anti-dumping duty or safeguard duty is applicable:** Notifications levying anti-dumping or safeguard duty normally prescribe certain conditions based on countries, exporters, manufacturers, specification of goods etc. Hence, these parameters require careful consideration at the time of assessment. Determination of correct description is a key factor in verifying applicability of anti-dumping duty or safeguard duty. Importer should closely examine the records like bill of lading / Airway Bill, Country of Origin Certificate, Contract, Sales brochures and catalogues, Sale invoices, etc. to ascertain the manufacture-supplier or the exporter or the country of origin of the imported goods. Test reports, certificate of analysis, Sales brochures, catalogues, sale invoices may also be verified to ascertain the correctness of the declared specifications.

(e) **Whether duty benefit is available under a Free Trade Agreement:** India has signed trade agreements with Japan, Korea, Singapore, ASEAN, Malaysia, Thailand and is negotiating similar agreements with EU, Australia, New Zealand etc. For claiming duty benefits under an FTA, the importer needs to confirm the tariff notification for rate of duty applicable on specific goods and also to look at the non-tariff notification defining the country specific Rules of Origin under the specific FTA.

(f) **Whether duty benefit is available as Project Import:** Importers planning to set up new projects or significantly expanding existing projects may explore the duty benefits available for import of equipment, raw material etc. under project import.

(g) **Whether duty benefit is available under Export Promotion schemes:** Benefits of Export Promotion schemes under the Foreign Trade Policy are available through Customs duty exemption notifications. Authorization holders operating under the Advance Authorization / Duty Free Import Authorization (DFIA) / Export Promotion Capital Goods (EPCG) schemes have to execute bonds against each authorization. They may either execute individual bonds at different ports or a single running bond with Customs authorities at the port of registration for all imports under

any Export Promotion (EP) scheme, from any EDI port. The facility of a common bond is available to all fresh authorizations issued on or after 1-3-2011. Some key export promotions schemes are:

- (i) Export Promotion schemes listed under Chapter 3 of the FTP - Served from India Scheme, Focus Market Scheme, Focus Product Scheme etc.
- (ii) Duty Exemption and Remission Schemes under Chapter 4 of the FTP - Duty Free Import Authorization (DFIA), Advance Authorization etc.
- (iii) Export Promotion Capital Goods Scheme under Chapter 5 of the FTP.
- (iv) Export Oriented Unit, Software Technology Park of India, Electronic Hardware Technology Park schemes under Chapter 6 of the FTP.

4.4 Valuation: Valuation of imported goods is governed by Section 14 of the Customs Act, 1962 read with Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. *Ad valorem* duty of Customs is charged on the value of the goods. Valuation in case of unrelated, independent, third party transactions is based on transaction value subject to adjustment of cost and services under Rule 10 of the Valuation Rules, 2007. The transaction value is the price actually paid or payable in relation to the goods being imported or the total payment made or to be made by the buyer to the seller or for the benefit of the seller for the imported goods. It includes all payments made as a condition of sale by the buyer to the seller or by the buyer to a third party to satisfy an obligation of the seller. Valuation is to be done on the basis of objective and quantifiable data, but if these do not exist or if the valuation conditions are not fulfilled or if Customs doubt the truth or accuracy of the declared value then in terms of Rule 12 of the said Valuation Rules, 2007, valuation has to be done sequentially, as per the following methods:

- (i) Based on contemporaneous transaction value of **identical goods** (Rule 4);
- (ii) Based on transaction value of **similar goods** (Rule 5);
- (iii) Based on **deductive value** i.e. sale price in importing country (Rule 7);
- (iv) Based on **computed value** i.e. cost of materials, fabrication and profit in country of production (Rule 8); and
- (v) Based on above listed methods adopted with greater degree of flexibility consistent with the accounting principles i.e. **residual method** (Rule 9).

4.4.1 Transaction value may not be accepted in the categories of cases provided in Rule 3(2) of the Valuation Rules, 2007. These cases include those wherein there are certain restrictions on disposition or use of the goods by the buyer or the sale or price is subject to condition or consideration for which a value cannot be determined or part of the proceeds of any resale, disposal or use of the goods by buyer will accrue directly or indirectly to seller (unless adjusted as per Rule 10 of the said Rules) or the buyer and seller are related, etc.

4.4.2 Valuation of goods in related party transactions and in complex transactions involving addition of cost and services under Rule 10 of the Valuation Rules, 2007 is handled by Special Valuation Branches (SVB) at Bengaluru, Chennai, Delhi Kolkata, and Mumbai. SVB examines the influence of relationship on the invoice value of the imported goods. In this case the goods are provisionally assessed to duty and the importer has to furnish a PD Bond with 1% Extra Duty Deposit (EDD) on the assessable value of the goods besides completing a Questionnaire (if complete reply to Questionnaire is not given within 30 days of receipt, EDD is increased to 5% till the date of receipt of reply). In cases where the SVB has passed an order, the SVB number must be indicated at time of assessment after verifying the business facts of the transaction have not changed. Also, when SVB order is passed but not yet reviewed by the Commissioner, importer may claim finalization of all provisional assessments, in case no additions have been ordered, and also claim refund of ED amount. When SVB order is due for review after 3 years, the importer is required to give duly filled Questionnaire along with all documents. Any change in existing collaboration / agency / distribution / agreements / arrangements and in method of invoicing or pricing should also be declared and a fresh review sought.

4.4.3 Valuation of export goods is determined under Section 14 of Customs Act, 1962 read with the Customs Valuation (Determination of Value of Export Goods) Rules 2007 (EVR, 2007). Exporters have to declare correct FOB value, which is taken as assessable value. Generally, the transaction value for export goods is accepted under Rule 3 of EVR, 2007 even where buyer and seller are related [as specified in Rule 2(2) of EVR, 2007], provided that the relationship did not influence the price of the goods. Acceptance of transaction value is subject to the provisions of Rule 8 of EVR, 2007 which provides for rejection of declared value in certain cases. In situations where the relationship has influenced the price or the value is not correctly declared, the value of the export goods shall be determined by proceeding

sequentially through Rules 4 to 6 of EVR, 2007. Exporters are also required to file a declaration relating to the value along with Shipping Bill under Rule 7 of EVR, 2007. Due care must be taken to ensure that the details filled in the said declaration are accurate, true and complete.

4.5 Import and export restrictions and licensing: "Prohibited Goods" are defined in Section 2(33) of the Customs Act, 1962 as *"any goods the import or export of which is subject to any prohibition under the Customs Act or any other law for the time being in force, but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with"*. Further, notifications issued under Section 11 of the Customs Act, 1962 can prohibit import or export of any goods either absolutely or conditionally. Thus, notifications have been issued to prohibit import of sensitive goods such as coins, obscene books, printed waste paper containing pages of any holy book, armored guard, fictitious stamps, explosives, narcotic drugs, rock salt, saccharine, fake Indian currency notes, etc.

4.5.1 Under Section 111(d) and Section 113(d) of the Customs Act, 1962, goods imported or attempted to be imported and exported or attempted to be exported, contrary to any prohibition under the Customs Act, 1962 or any other law shall be liable to confiscation. Also, Sections 112 and 114 of the said Act provide for penalty for improper importation and export, respectively. Section 125(1) of the said Act provides for absolute confiscation of prohibited goods. However, other goods can be allowed provisional release and after adjudication allowed release on redemption fine.

4.5.2 An importer or exporter knowingly concerned in fraudulent evasion or attempted evasion of any prohibition under the Customs Act, 1962 or any other law in respect of imported or export goods, shall be liable to imprisonment for a maximum term of 3 years (7 years but not less than 1 year in respect of notified goods) under Section 135 of the Customs Act, 1962. Any person who is believed to be guilty of an offence punishable under Section 135 may be arrested under Section 104 of the Customs Act, 1962. Therefore, to avoid any deliberate omission or commission relating to prohibition / restriction on import / export of goods, the importers / exporters must be aware of all prohibitions / restrictions / requirements under the Customs Act, 1962 and other Allied Acts.

4.5.3 Foreign Trade Policy 2009 – 2014 restricts and / or regulates import and export of specified goods in terms of Sections 3 and 5 of the Foreign Trade (Development and Registration) Act, 1992. Section 3(2) of the said Act authorizes the Central Government to prohibit, restrict or otherwise regulate the imports or exports and its Section 3(3) states that such goods shall be deemed to be prohibited for import or export under Section 11 of the Customs Act, 1962. The prohibition may be absolute or subject to certain conditions such as license / permit etc., as illustrated below:

- (a) Import of second hand goods is restricted.
- (b) Notification No.44(RE-2000)/1997-2002, dated 24-11-2000 requires all imported packaged products covered by the Standards of Weights and Measures (Packaged Commodities) Rules, 1997 to carry the name and address of importer, net quantity in terms of standard unit of weights measures, month and year of packing and maximum retail sale price including other taxes, local or otherwise. Adherence to these conditions is checked before Customs clearance for home consumption failing which goods shall be liable to confiscation.
- (c) Import of restricted goods is not permissible under most export promotion schemes e.g. SFIS, VKGUY, FMS, FPS schemes.
- (d) Specified goods are required to comply with the Indian Quality Standards for which their foreign suppliers are required to register with Bureau of Indian Standards (BIS). Non-fulfillment of this requirement shall render the goods prohibited for import.
- (e) Code No. 0005 in Table A of Schedule 2 of ITC (HS) Classification of Export and Import items read with its Appendix 3 restricts the export of the Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET).
- (f) Export of human skeleton is absolutely prohibited whereas export of cattle is allowed against an export license.
- (g) Export of Special Chemicals, Organisms, Materials, Equipments and Technologies (SCOMET), which are in nature of dual use items and technologies are restricted.

4.6 Compulsory Compliance Requirement (CCR): In addition to requirement of licensing or other restrictions imposed vide the Foreign Trade Policy, 2009-2014 and the Customs Act, 1962 various other laws, rules and regulations impose conditions that are to be fulfilled before Customs can allow clearance of the imported / export goods. These requirements are referred to as Compulsory Compliance Requirements or CCRs. The Customs Electronic Risk Management System (RMS) has a consolidated database of the CCRs arising out of various Allied Acts administered by various Government Departments and implemented by Customs. Importers / exporters / CHAs are advised to study the Allied Acts and keep ready the necessary documentation viz. certificates, permits, licenses or any other document for the clearance of the goods through Customs. ACP importers must also fulfill the CCRs before taking out of charge of the imported goods. The indicative list of the Allied Acts / Conventions covered by RMS is as follows:

Explosives Act, 1884 and Explosive Rules, 1983.
Live Stock Importation Act, 1898.
Drugs and Cosmetics Act, 1940 and Drug and Cosmetics Rules, 1945.
Copyright Act, 1957 and Copyright Rules, 1958.
Arms Act, 1959.
Atomic Energy Act, 1962.
Insecticide Act, 1968.
Patents Act, 1970 and Patent Rules, 2003
Wild Life Protection Act, 1972.
Gas Cylinder Rules, 1981 and S & MPV (Unfired) Rules, 1981.
Environment (Protection) Act, 1986 and Rules, 1986.
The Bureau of Indian Standards Act, 1986 and Rules, 1987.
Motor Vehicles Act, 1988.
Plants, Fruits and Seeds (Regulation of Import into India) Order, 1989.
Trade Marks Act, 1999.
Hazardous Waste (Management and Handling) Rules, 2003.
Plant Quarantine (Regulation of Import Into India) Order, 2003.
Food Safety and Standards Act, 2006.
Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011

4.7 Selection of Export Promotion Schemes: Exports have the option of exporting goods under a 'Free S/B' when no incentives are claimed or under a Drawback S/B or an Export Promotion Scheme S/B. The most commonly availed export promotion schemes are as follows:

- Export Promotion Capital Goods (EPCG) Scheme
- Duty Free Import Authorization Scheme (DFIA)
- Focus Market Scheme (FMS)

- Focus Product Scheme (FPS)
- Market Linked Focus Products Scrip (MLFPS)
- Status Holder Incentive Scrip (SHIS)
- Serve From India Scheme (SFIS)
- Vishesh Krishi and Gram Udyog Yogana (VKGUY)
- Export Oriented Unit (EOU) Scheme

5. **Verification of Self-Assessment and Re-Assessment**

5.1 Sections 17(2) and 17(3) of the Customs Act, 1962 provide for verification of the Self-Assessment by the proper officer of Customs. In the process of verification, the Customs officer may ask for further documents or information, or get the goods examined or send the sample of imported / export for testing by an approved agency. Requirement of information for the purpose of verification will be documented by the proper officer. After verification, based on the merits of the case, the proper officer may either accept the Self-Assessment or initiate the process of re-assessment as described under Section 17(4) of the Act, 1962.

5.2 On the basis of verification or for any other reason, if the proper officer of Customs is of the opinion that the Self-Assessment of duty done by the importer / exporter is not correct in any respect - misclassification, overvaluation, etc. - the proper officer of Customs may re-assess the duty. If the re-assessment is not accepted by the exporter in writing, the proper officer may issue a speaking order within 15 days of assessment order. The said speaking order will be subject to the process of review / appeal. The process of re-assessment would be undertaken without prejudice to any other action that may be taken under the act.

5.3 In terms of Section 17(6) of the Customs Act, 1962 in the event no re-assessment is done or a speaking order is not passed the assessment of duty of the imported / export goods may be audited at the premises of the importer / exporter. For this purpose the Board has issued the On-site Post Clearance Audit at the Premises of Importers and Exporters Regulations, 2011.

6. **Co-ordination with Customs House Agent**

6.1 When an importer / exporter utilizes the services of a Customs House Agent (CHA) there must be proper coordination between them for the purposes of Self-Assessment. Notwithstanding the fact that most CHAs acquire a fair degree of

competence in assessment and import clearance procedures of goods being handled by them regularly on behalf of the various importers, it would be imperative for importers / exporters to have in place checks and balances to ensure that the CHA makes the correct declarations. Thus, it would be prudent for the importers / exporters to check and confirm the declarations being made by the CHA in respect of each B/E / S/B to ensure that Self-Assessment is being correctly done. This co-ordination will also ensure that the importer/exporter does not face any penal consequences on account of an incorrect declaration being made by the CHA. In the case of exporters it will also ensure that the export related benefits are correctly availed.

Chapter 2

Illustrative Check List Including CCRs for Self-Assessment

S.No.	Check List of Declarations / Documents for Self-Assessment	Authority / Source
1.	For importers / exporters: Importer-Exporter Code (IEC) [For entry in B/E or S/B. IEC is validated online in ICES with database of DGFT.]	
	Whether valid IEC obtained?	DGFT
2.	For importers / exporters: PAN [For DGFT, Bank etc. PAN is validated online in ICES with database of CBDT.]	
	Whether valid PAN obtained?	Income Tax Department
3.	For importers / exporters: CHA Licence No. [For entry in B/E when clearance made through CHA.]	
	Whether CHA holds valid CHA license?	Customs House / CHA
4.	For exporters: Business Identification Number (BIN) [For entry in S/B. PAN based BIN is validated online in ICES with database of DGFT]	
	Whether valid BIN obtained?	DGFT
5.	For exporters: Authorized Dealer Code (AD Code) [Allotted by RBI to Bank through which export proceeds are to be realized. This is validated online in ICES with database of AD Codes of RBI.]	
	Whether exporter has obtained AD Code and mentioned it in the S/B?	Concerned Bank branch.
6.	For exporters: Bank Account in Designated Bank [For automatic credit of Duty Drawback amount on export goods.]	
	Whether Bank account has been opened and details intimated to Customs?	Concerned Bank branch.
	For importers : Export Promotion (EP) licenses [For being transmitted from DGFT to ICES through ICEGATE.]	
	Whether importer intending import under an export promotion scheme has obtained the Export Promotion (EP) license and got it transmitted from DGFT to ICES through ICEGATE.	DGFT

8.	<p>For importers: Bill of Entry (B/E) [Customs clearance document for imported goods.]</p> <p>(a) Whether correct choice of B/E made viz. home consumption or warehousing? (b) Whether IGM is filed or not, Entry Inward given or not? (c) Whether Bill of Lading/AWB details in B/E match with IGM details? (d) Whether First Check is required or not? (e) Whether B/E is for provisional assessment or final assessment. If provisional assessment, whether Bond details given? (f) Whether invoice details are correctly declared – CIF, weight etc. (g) Whether container details are declared correctly and match with IGM details? (h) Whether Standard Unit Quantity Code (UQC) required for statistical purpose is correctly indicated?</p>	<p>(a) Section 46 of the Customs Act, 1962 – B/E for home consumption or B/E for warehousing. (b) Schedule to Customs Tariff Act, 1975 (column 3) for UQC.</p>
9.	<p>For exporters: Shipping Bill (S/B) or Bill of Export [Customs clearance document for export goods.]</p> <p>(a) Whether correct choice of S/B (or Bill of Export) made viz. Free S/B, Drawback S/B, or S/B for export promotion scheme? (b) Whether correctness of the information given in S/B certified by the exporter in the declaration therein? (c) Whether Bill of Lading /AWB details in S/B are correct? (d) Whether EP License details transmitted from DGFT and registered at Customs are correctly given? (e) Whether container details are declared correctly? (f) Whether Standard Unit Quantity Code (UQC) required for statistical purpose is correctly indicated? (g) Whether re-export particulars such as B/E no., B/E date, Invoice no., Port code, quantity imported etc. are declared correctly? (h) Whether cess particulars (if applicable) such as invoice no., cess serial no. etc. are declared correctly (i) Whether CENVAT particulars such as invoice no., Central Excise code etc. are declared correctly (j) Whether invoice details, FOB, weight etc. are correctly declared.</p>	<p>(a) Section 50 of the Customs Act, 1962 (b) Documents such as Bill of Lading, Airway Bill, Central Excise export related documents (ARE 1 etc.), invoice, etc.</p>

	<p>(k) Whether details of Central Excise documents such as ARE1, if applicable, are correctly given?</p> <p>(l) In respect of third party exports whether the invoice serial no., name of manufacturer etc. have been following to be declared correctly</p> <p>(m) Whether Quota allocation particulars, if any, are declared correctly?</p> <p>(n) Whether Annexure -'C' details given below are correctly filled, as applicable:</p> <p>(i) B/L / MAWB / HAWB No.</p> <p>(ii) Factory stuffed or not - with seal no. and agency.</p> <p>(iii) Packing details.</p> <p>(iv) Marks & Nos.</p> <p>(v) Rotation No. and date.</p>	
10.	<p>For importers: Country of Origin [For availing exemption under FTA or levy of duty based on Country of Origin.]</p>	
	<p>(a) Have you reported correct Country of Origin (COO) on B/E?</p> <p>(b) Are you in possession of COO Certificate?</p> <p>(c) Have you verified that COO Certificate is issued by the competent authority?</p> <p>(d) Have you assured that goods are properly marked with the correct COO?</p>	<p>(a) Relevant Customs duty exemption notification and rules.</p> <p>(b) COO Certificate from agency in said Country.</p>
11.	<p>For exporters: Country of Final Destination / Port of Final Destination [For availing exemption under FTA or levy of duty based on Country of Origin.]</p>	
	<p>(a) Whether correct declaration of Country of destination / Port of destination is made?</p> <p>(b) Whether COO Certificate obtained from the designated authorities in India for availing benefit under Free Trade Agreements in destination country.</p>	<p>Agency authorized by Department of Commerce to issue COO Certificate</p>
12.	<p>For importers / exporters: Description of goods [For correct classification, valuation, rate of duty, applicability of import / export restrictions, if any, for correct grant of drawback/export benefits for exporters etc.]</p>	
	<p>Have you provided correct, complete and accurate description of goods?</p>	<p>Product literature, invoice, contract, etc. with relevant details such as description, generic name, technical specifications, brand, grade, etc.</p>
13.	<p>For importers / exporters: Classification of Goods [For correct rate of duty and applicability of import / export restrictions, if any, and in case of exporters for grant of export benefits.]</p>	

	<p>(a) Have you provided correct tariff classification of goods (upto 8 digits) in accordance with HS schedule of Customs Tariff Act, 1975?</p> <p>(b) If needed, have you obtained an advance ruling on the classification? If yes, have you followed the ruling?</p> <p>(c) Have you consulted the Tariff schedule, Court decisions or CBEC Circulars to properly classify your goods?</p> <p>(d) Where goods description and classification is not available, have you established a procedure for obtaining it?</p> <p>(e) Does the nature of goods require a chemical test report to arrive at the correct description and classification?</p>	<p>(A) For all goods:</p> <p>(i) GIR read with Section Notes and Chapter Notes of CTA, 1975.</p> <p>(ii) Product's technical literature, application catalogue etc.</p> <p>(iii) Certificate of Analysis from manufacturer / supplier</p> <p>(iv) In-house Test Report, if any, of past imports.</p> <p>(v) Sale Invoice, etc.</p> <p>(vi) Composition of raw material / intermediate goods and manufacturing process of finished goods using the raw material / intermediate goods.</p> <p>(vii) Tariff Advices / Circulars issued by Board</p> <p>(viii) HSN of WCO and classification in other countries including the country of export for persuasive value.</p> <p>(B) For project imports / baggage / postal goods / lab chemicals / ship stores etc. classification is in Chapter 98 of the First Schedule of CTA.</p>
14.	<p>For importers / exporters: Valuation of Goods [For levy of correct duty / cess if levy is on <i>ad valorem</i> basis. Also, for grant of export benefits in case of exporters.]</p>	
	<p>(a) Do you know terms of your sale?</p> <p>(b) When declaring transaction value, have you verified that the transaction is 'at arms length' at the place and time of importation? Also, whether true transaction value is in accordance with Section 14 of the Customs Act read with Customs Valuation (Determination of Value of Imported Goods) Rules, 2007?</p> <p>(c) Whether required declaration on valuation as per Rule 10 of Valuation Rules, 2007 has been made?</p> <p>(d) Whether Invoice no., value (FOB/CF/CIF) declared correctly?</p> <p>(e) If goods purchased from a 'related seller' have you reported this fact and assured that the value declared meets one of the related party tests in terms of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007?</p> <p>(f) Have you assured that all legally required cost, additional considerations flowing from buyer to seller or payments associated with the imported goods (commissions, indirect payments) are taken into account?</p> <p>(g) Have you verified that royalty paid to the seller is included in the value</p>	<p>(A) For valuation in normal commercial transactions between unrelated parties:</p> <p>(i) Invoice, contract etc. evidencing transaction value and that sale does not involve abnormal discount / reduction or special discounts limited to exclusive agents.</p> <p>(ii) Declaration about relationship in GATT declaration form.</p> <p>(iii) Documents confirming goods are correctly declared in parameters such as description, quality, quantity, country of origin, year of manufacture or production, brand, grade, specifications that have relevance to value.</p> <p>(iv) Documents establishing Customs accepted value of identical / similar goods imported at or about the same time in comparable quantities in comparable commercial transactions.</p> <p>(v) Documents evidencing costs and services listed under Rule 10, if warranted. Examples are: commission, cost of containers, packing cost, freight etc.</p>

	<p>declared? Also have you verified that conditions of royalty have been fulfilled?</p> <p>(h) Have you avoided the following commonly noticed invoicing errors?</p> <p>(i) Assuming commission, royalty or other charges against the goods are non-dutiable, these are omitted from the invoice.</p> <p>(ii) Goods are sold at a discount and invoice indicates the net price but fails to show the discount.</p> <p>(iii) Goods are sold at a delivered price but invoiced at a price f.o.b. place of shipment and subsequent charges are omitted.</p> <p>(iv) Invoice shows the importer is the purchaser, whereas he is either an agent receiving a commission for selling the goods or a party who will receive part of the proceeds of the sale of the goods sold for the joint account of the shipper and consignee.</p> <p>(v) Invoice descriptions are vague, listing only part of numbers, truncated or coded descriptions, or lumping various articles together as one when several distinct items are included.</p>	<p>(vi) For goods Sold on High Seas i.e. sale by the consignee while the goods are yet on high seas or after their dispatch abroad and before their arrival in India:</p> <p>(a) Actual high-seas-sale-contract price paid by the last buyer as evidence of the transaction value under Rule 3(1) of Customs Valuation Rules, 2007; and (b) In the absence of original invoice, high sea sale contract etc. valuation can be done as per the Valuation Rules. [Refer Circular No. 32/2004-Customs dated 11-5-2004.]</p> <p>(vii) For sale / transfer of imported goods after warehousing: Into-Bond Bill of Entry showing the original transaction value since duty will be charged on the original transaction value. [Refer Circular No. 11/2010-Customs dated 3-6-2010.]</p> <p>(viii) For second hand machinery / capital goods / cars:</p> <p>(a) Evidence of transaction value (b) In case of doubt regarding transaction value, evidence like Certificate issued by an independent Chartered Engineer or equivalent in the country of supply, invoice, year of manufacture, price when new, etc. [Refer Circular No. 4/2008-Customs dated 12-2-2008].</p> <p>(b) For valuation by straight line method of depreciation – evidence of original value to calculate value taking month of manufacture as December (if Chartered Engineer’s certificate indicates only year of manufacture) and allowing full depreciation for a quarter even if goods are used for a part thereof. Also, depreciation is to be calculated upto date of dismantling or till date of shipment. Depreciation is not allowed for the period the machinery is not used at all. Further, depreciated value is calculated in foreign currency and then converted in Indian Currency at the current rate of exchange prevailing on date of presentation of B/E.</p> <p>(c) For reconditioned machinery – evidence of cost to be added before allowing depreciation.</p> <p>(d) All expenses connected with dismantling of old machinery and</p>
--	---	--

		<p>making it ready for being transported including inspection charges are includible.</p> <p>(e) Depreciation has to be taken on the following scale subject to maximum of 70%: (i) for every quarter in 1st year: 4% (ii) for every quarter in 2nd year: 3% (iii) for every quarter in 3rd year: 2.5% (iv) for every quarter in 4th and subsequent year: 2%. [Refer Circular No. 495/16/93-Cus dated 26-5-1993].</p> <p>(B) For valuation of imports from related party:</p> <p>(i) Various agreements with supplier to the extent these affect valuation.</p> <p>(ii) Declaration about relationship in GATT declaration form.</p> <p>(iii) PD Circular No. if order for provisional assessment is given by a PD circular</p> <p>(iv) Completed Questionnaire given by SVB with required documents. Also, when SVB order is due for review after 3 years. In this case change in collaboration /agency / distribution/ agreements/ arrangements and method of invoicing or pricing should be declared.</p> <p>(v) Documents, if any, to demonstrate the arms length nature of transaction through examination of the circumstances of sale or by using the test value method.</p> <p>vi) SVB order (or its number), if any, after verifying business facts of transaction are unchanged.</p>
15.	<p>For importers: Duty Exemption Benefit Under Notifications [For determining effective Customs duty payable.]</p> <p>(a) Whether the description of goods matches with that of the notification and/or the goods fall under the CTH mentioned in the notification.</p> <p>(b) Whether conditions, if any, in the notification are satisfied. The compliance would extend to future events in the case of post-import conditions.</p> <p>(c) Whether confirmed if the imported goods are covered under Legal Metrology Act, 2009 and MRP based levy of CVD.</p> <p>(d) Whether anti-dumping duty or safeguard duty is applicable on the basis of countries, exporters,</p>	<p>(a) Legal Metrology Act, 2009 and Notification 49/2008 CE(NT) dated 24-12-2008 for MRP based levy of CVD.</p> <p>(b) Relevant duty exemption notification claimed and conditions thereof, if any.</p> <p>(c) Relevant notification if anti-dumping duty or safeguard duty is applicable. Also:</p> <p>(i) Bill of Lading / Airway Bill.</p> <p>(ii) Country of Origin Certificate.</p> <p>(iii) Contract.</p> <p>(iv) Sales brochures and catalogues.</p> <p>(v) Sale invoices, etc.</p> <p>(vi) Test reports.</p> <p>(vii) Certificate of analysis.</p>

	<p>manufacturers, suppliers, specification of goods etc. which the levy applies.</p> <p>(e) Whether goods are re-imported or not and if yes, conditions of notification fulfilled or not?</p> <p>(f) Whether duty benefit is claimed under a FTA? If yes, whether condition of Rules of Origin and qualifying criteria like Significant Transformation Rule and Value Addition are satisfied and Country of Origin Certificate is genuine?</p> <p>(g) If duty benefit under Project Import Regulations is claimed whether compliance of the said Regulations including certificate of the Project Sponsoring authority, fulfillment of post import conditions such as production of installation certificate etc. are ensured?</p> <p>(h) For duty benefits under Export Promotion Schemes eligibility would vary from scheme to scheme but a standard Check List is as follows:</p> <p>(i) Have you confirmed that the goods satisfy the condition of the notification or are covered therein?</p> <p>(ii) Have you complied with the conditions?</p> <p>(iii) Have you ensured that the Bond or Bank Guarantee has been furnished?</p> <p>(iv) Have you ensured that goods on which exemption clauses shall be used only for intended purpose?</p> <p>(i) For duty benefit under IT Agreement whether products are covered under the IT Agreement?</p> <p>(j) Whether import goods are subject to payment of cess?</p>	<p>(d) For duty benefit under FTAs:</p> <p>(i) Tariff notification for rate of duty</p> <p>(ii) Non-tariff notification defining the Country specific Rules of Origin (ROO) under specific FTA.</p> <p>(e) For duty benefit under Project import Regulations:</p> <p>(i) Project Import Regulations, 1986.</p> <p>(ii) Certificate of the Project Sponsoring authority.</p> <p>(iii) For post import conditions- Installation certificate, reconciliation statement etc.</p> <p>(f) For duty benefits under Export Promotion Schemes:</p> <p>(i) Valid authorization.</p> <p>(ii) Under Advance Authorization/ DFIA / EPCG required bond to be executed with Customs.</p>
16.	<p>For exporters: Export under Export Promotion / Incentive Schemes [For determining admissibility of export benefits.]</p>	
	<p>(a) Have you confirmed correctness of Drawback Serial No. for export goods?</p> <p>(b) Have you confirmed admissibility of export benefits for the item under export?</p> <p>(c) Whether DEEC / EPCG Licenses particulars like Registration No., Serial Nos. in part (C) and (E) are correctly declared?</p> <p>(d) Whether DFRC Licenses particulars such as Registration No., Standard IO Group Code and S.No. Quantity, etc. are declared correctly?</p> <p>(e) Whether job work particulars</p>	<p>Drawback Schedule / relevant export promotion / incentive scheme.</p>

	including Notification No. availed, B/E/ No. and date, etc. (f) Whether Annexure C1 particulars for EOUs such as date of examination, Seal Nos. etc. are declared correctly?	
17.	For importers: Import restrictions, authorization and licensing requirement [For fulfilling requirement of Foreign Trade Policy and other relevant statutes.]	
	(a) Whether the imported goods are subject to any restrictions under First Schedule to ITC (HS)? (b) If yes, whether you have obtained necessary license, permission, permit, authorizations from the DGFT / administrative department for such import?	Valid import license / permit form DGFT / concerned Department / Agency. Please see list below*
18.	For importers: Imports involving Intellectual Property Rights [For purposes of legal import.]	
	(a) Have you determined whether the goods or packing involve any trade mark or copyright or patent? If so, can you establish a legal right to import those items into and / or use them in India? (b) If you are importing goods or packaging bearing a package marked in India, have you established that it is genuine or that you have taken permission from the trade mark holder to import the goods? (c) Can you produce the required entry documentation and supporting information?	Documents establishing legal right on trade mark, copyright etc. or legal right to import goods subjected to trade marks, copyright etc.
19.	For exporters: Licensing requirements [For fulfilling requirement of Foreign Trade Policy and other relevant statutes.]	
	(a) Have you ascertained whether export of the goods is subject to requirements as per 2 nd Schedule of ITC (HS)? (b) Have you obtained necessary license, permission, permit, authorizations from the administrative department for such export?	ITC(HS), license / permit/ etc.
20.	For importers: Duty payment [To avoid interest under Section 47(2) of the Customs Act, 1962, duty is to be paid within 5 days after submission / entry inward date / verification of assessment.]	
	(a) Whether duty amount kept ready? (b) Whether duty to be paid manual or	(a) TR-6 challan (b) E-payment procedure [Refer

	by E-payment? If by E-payment whether necessary arrangement made with Bank?	Circular No. 33/2011-Cus. dated 29-7-2011.]
21.	For importers: Goods Registration / Examination for Purpose of Clearance [For physical clearance of imported goods]	
	Along with B/E whether required documents are ready at time of goods registration / examination?	Documents required at time of goods registration / examination: <ul style="list-style-type: none"> (i) Original duty paid challan (ii) Copy of Delivery order (iii) Copy of B/L (iv) Invoice in original (v) Packing List in original (vi) Certificate of Origin in original (vii) Exemption Certificate in original if required (viii) Copy of the bond or undertaking executed, if any. (ix) GATT declaration duly signed by the importer (x) Technical literature / catalogue (xi) Copy of request for Green channel clearance, if any (in non RMS sites) (xii) Clearance of ADC or any other agency / authority, where required.
22.	For exporters: Goods Registration / Examination for Purpose of Export [For physical clearance of export goods]	
	Along with S/B whether required documents are ready at time of goods registration / examination?	Documents required at time of goods registration / examination: <ul style="list-style-type: none"> (i) Check List (ii) Original challan evidencing payment of duty / cess (iii) Copy of Airway Bill / B/L (iv) Invoice in original (v) Packing List in original (vi) Copy of the bond or undertaking executed, if any. (vii) GATT declaration duly signed by the exporter (viii) Technical literature / catalogue (ix) Clearance of any other agency / authority, where required.

***CCRs and Supporting Documents (Refer S.No. 17 of Table above)**

Nature of Goods	Permit / Authorization	Authority/Source
From Country of Export / Country of Origin (as applicable)		
Mineral Products (Chapter 25), Ores Slag Ash (Chapter 26)	Purity Certificate	Manufacturer
Mineral Oils (Chapter 27), Chemicals (Chapter 28-29), Fertilizers (Chapter 31) & Pesticides (Chapter 38)	Chemical Analysis Certificate or Purity Certificate	Manufacturer
Wood art (Chapter 44)	Phytosanitary Certificate	Export Pre-Inspection Agency
Textile and Textile articles (Chapter 50 to 63)	Pre-shipment Certificate	Textile Testing Laboratory accredited to National Accreditation Agency of the Country of Origin
Iron-Steel (Chapter 72-73)	Mill Test Certificate (Composition) (Ukraine) and other Inspection Certificate (China)	Manufacturer
Scrap (Chapter 72-81)	Export Inspection Certificate from designated Agencies	Manufacturer
Second hand machinery (Chapter 84)	Chartered Engineer Certificate of Country of Export	Manufacturer
Vehicles / Cars (Chapter 87)	Type Approval Certificate (European Country)	Country of Manufacturer
Toys (Chapter 95)	Composition Certificate for Toxic Elements / Certificate of Conformance Test Report	Manufacturer
Goods for International Exhibitions	ATA CARNET / CARNET-DE-PASSAGE	Designated organization
From within India:		
Livestock & Livestock Products (Chapter 1)	NOC	Animal Quarantine or Veterinary Authorities; Wild Life Range Officer (WLRO)
Meat and Meat Products of all kinds (Chapter 2)	Sanitary Import permit	Department of Animal Husbandry and Dairying, Government of India; PHO and Animal Quarantine.
Food & Edible Articles (Chapters 4 to 23)	NOC	Food Safety Security Authority of India
Plants and Plant materials (Chapters 6 to 07)	NOC	Plant Quarantine (PQ) Dep't.
Pulses (Chapter 7), Seeds etc. (Chapter 29)	Permits / NOC	Sponsoring Ministry e.g. Ministry of Agriculture
Alcoholic Beverages (Chapter 22)	License / Permit	State Excise, PHO
Sludge Oil (Chapter 27)	Registration / Certificate	Pollution Control Board, Ministry of Environment
Rare Earth Elements	License / Certificate	Department of Atomic

(Chapter 28)		Energy
Drugs / Pharmaceuticals Cosmetics (Chapter 30)	NOC	Assistant Drug Controller
Soap - Toilet Preparation (Chapters 33 to 34)	NOC	Assistant Drug Controller
Gelatin of animal origin (Chapter 35)	NOC	WLRO
Explosives (Chapter 36)	NOC / Certificate	Controller of Explosives
Photographic / Cinematographic goods (Chapter 37)	Certificate	CBFC / Censor Board
Leather & Leather Products (Chapter 42)	NOC	WLRO
Fur Shan / Artificial Fur Shan (Chapter 43)	NOC	WLRO / Animal Quarantine
Cylinder (Chapter 73)	Certificate	DG Explosives, Nagpur
Lead Battery (Chapter 83)	Certificate	Ministry of Environment
Air Craft (Chapter 88)	DGFT License / NOC	DGFT / DGCA
Vehicles (Chapter 87)	Homologation Certificate	Manufacturer / ARAI, Pune
Ozone Depleting Substances (ODS)	License / NOC from Ministry of Environment	DGFT
Genetically Modified Material such as GM Soya Bean Oil etc.	Permit	Genetic Engineering Approval Committee (GEAC) under Ministry of Environment & Forests
Exemptions such as (a) Non-conventional Energy (b) Road laying machinery	Exemption Notification Certificates	Sponsoring Authority / Ministry
Petroleum operations	DGHC Certificate	DGHC, Ministry of Petroleum
Hazardous elements covered by Rule 18 of Hazardous Chemicals Rules, 1986	Certificate	Ministry of Environment and Forest / Central and State Pollution Control Board
Arms & Ammunitions	License	Ministry of Home Affairs
Measuring devices – Legal Metrology Act, 2009	Registration / Certificate	State Government Department for Weight and Measurement

Note: The list of goods covered by the above table is illustrative and not exhaustive.

Chapter 3

Overview of Filing and Processing of Bill of Entry and Shipping Bill

1. Filing and Processing of Bill of Entry (B/E)

1.1 **Filing of B/E through Service Centre:** The data pertaining to B/E is filed in a prescribed format at the Service Centre and a checklist is generated. While filing the B/E, the correctness of the information given therein has to be certified by the importer in the form of a declaration at its foot and any mis-declaration/incorrect details has legal consequences. The ICES system would accept Annexure for B/E only if it finds that the IGM No. and Bill of Lading (B/L) No. match the corresponding line number of the IGM. The system will accept only one declaration against a line number. If the declaration is not accepted, CHA (includes the importer) should verify the particulars The importer / CHA has to submit duly filled-in Annexure along with one copy of Invoice to the Service Centre . The Service Centre staff enters the data into the ICES system and generates Check List to be verified by the importer / CHA for correctness. On verification, if the data are found to be correctly recorded, the importer / CHA will sign the Check List and return it to the Service Centre, signaling final submission. Then the Service centre will generate the B/E Number, which will be recorded manually on the right top of the Check List and returned to the Importer / CHA; thus completing the registration of document.

1.2 **Filing of B/E through ICEGATE:** The importer / CHA can file B/E remotely through ICEGATE. In this case, the ICES application validates the data and in case of errors, a negative acknowledgment mentioning the error description is sent back to the importer / CHA. In case there is no error, B/E Number is assigned to the document and an acknowledgment is sent to the importer / CHA. Thereafter, the importer / CHA can print the Check List in their premises.

1.3 **Processing of B/E not facilitated through RMS:** ICES system automatically marks the B/E to the Appraising Group for processing by Appraising Officer (AO). B/Es with assessable value of more than Rs.1 Lac are marked to Group Assistant Commissioner (AC) while others are marked directly for payment of duty. After the assessment is approved by the AC concerned, the following process takes place:

(i) Assessed Copy of the B/E with examination instructions and TR-6 challan is printed at the Service Center for payment of duty. AO has the option to change tariff classification / notification / declared value etc., and raise queries for clarification. The queries raised by AO are marked to Group AC for approval.

(ii) Processing status of the document can be enquired through Service Centre. In case of query, reply can be given through the Service Center. The duty is to be paid through designated banks or through e-payment mode. On receipt of duty payment message from Bank, the B/E is marked to the Appraiser (Docks). The importer / CHA should present a copy of the B/E along with duty paid challan and other documents including invoice, packing list etc. at the time of examination of the goods.

(iii) Inspector / EO examines the goods and enters the examination report and in case of discrepancy, the same is reported to the Appraising Group with comments of the SA. Thereafter, the Group may revise the assessment. Otherwise the B/E is marked to Shed Appraiser (SA) for “out-of-charge”. After out-of-charge, the system generates two copies of B/E (importer’s copy and the Exchange Control Copy).

2. Filing and Processing of Shipping Bill (S/B)

2.1 Filing of S/B through ICEGATE: The S/B needs to be filed with correct and complete information of goods - description (including the grade, brand and specifications), quantity (in standard UQC) and other parameters of assessment related to the goods, and self assessed valuation, exportability and eligibility under any export promotion scheme, if claimed. Filing of the S/B under Section 50 of the Customs Act, 1962 would also require the exporter / CHA to certify that all the aspects of assessment have been properly evaluated and declared. The exporter / CHA can file S/B through Service Centre by submitting duly filled-in Annexure along with one copy of Invoice. The Service Centre staff enters the data into the ICES system and generates Check List to be verified by the exporter / CHA for correctness on verification if the data found to be correctly recorded. The exporter / CHA will sign the Check List and return it to the Service Centre, signaling final submission. Then the Service Centre will generate the S/B Number, which will be recorded manually on the right top of the Check List and returned to the exporter / CHA thus completing the registration of document.

2.2 Filing of S/B through ICEGATE: The exporter or his Agent can file S/B through ICEGATE. In case of remote submission over ICEGATE, the ICES application validates the data and in case of errors, a negative acknowledgment mentioning the error description is sent back to the exporter / CHA. In case of no error, S/B Number is assigned to the document and an acknowledgment is sent to the exporter / CHA. The exporter / CHA can then print the Check List in their premises.

2.3 Processing of S/B: For S/Bs involving duty / cess, ICES system calculates the duty / cess payable and generates TR – 6 Challan which can be collected at Service Centre (if S/B filed there) or printed at the premises of the exporters / CHA (if S/B is filed through ICEGATE). The duty / cess can be paid in the designated bank. The LEO is given by the Appraiser / Superintendent in charge of the Shed Examination Unit after being satisfied that the goods entered for export are not prohibited goods and the exporter has paid the duty / cess, if any, assessed thereon as well as any charges payable under the Act. The LEO is the permission for clearance and loading of the export goods. The LEO date is critical for determining rates of duty / Duty Drawback / other export related benefits.
