

Central Board of Indirect Taxes and Customs (CBIC), India

Summary of Measures taken to combat COVID-19 and ensure smooth Customs Clearances

(As on 11.06.2020)

CBIC sensed the gravity of the pandemic and its likely impact on the global supply chain at the very initial stage, and took a number of proactive measures to ensure smooth operation of all customs locations in India viz. seaports, airports, land customs stations, foreign post offices and courier terminals, while following social distancing and other health related guidelines of the Government, issued from time to time.

To prevent spread of COVID-19, India is following strict lockdown. In these difficult times, CBIC is committed to ensure hassle free movement, release and clearance of goods under import, export or transit, and provide maximum possible comfort to trading community and other stakeholders, and the society at large.

In this regard, an illustrative list of measures and actions taken by India is as below:

- (a) 24x7 custom clearance facility has been implemented at all custom formations to avoid any supply chain disruption. **(Instruction No.02/2020-Customs dated 20.02.2020 and Instruction No. 08/2020 dated 01.06.2020)**
- (b) Special care has been taken in clearance of passengers coming from affected countries. Separate channels were created at the airports, port terminals and land customs stations for such passengers. Customs officers strictly followed instructions to use masks, gloves and sanitizers.
- (c) All customs formations have been asked to show greater sensitivity in dealing with cargo from affected areas, condone the delay in filing import declarations and waive the late filing fees in genuine cases. **(Chairman's letter No.03/CH(IC)/2020 dated 24.02.2020).**
- (d) A dedicated single window COVID-19 helpdesk for EXIM trade has been created on CBIC website to facilitate quick resolution of issue(s) faced by importer/exporter.
- (e) A nodal officer has been designated in each customs zone of India who can be approached for any issue pertaining to clearance of cargo. List is available on CBIC website.
- (f) To minimize human interface and maximize social distancing, the OOC (Out of Charge) work, so far performed by an officer, has been assigned to the EDI system. The machine-based automated release of import consignments has been launched throughout India on 05.03.2020. **(Circular No. 15/2020-Customs Dated 28.02.2020).**
- (g) Shipping Lines have been asked not to levy detention charges on containers held up for reasons attributable to lockdown measures. **(DG Shipping Order no. 07/2020 dated 29.03.2020).**

- (h) All major ports have been directed not to levy penalties, demurrage, charges, fee, rental on any port user (traders, Shipping Lines, concessionaries, licensees etc.) for any delay in berthing, loading/unloading operations or evacuation/arrival of cargo caused by reasons attributable to lockdown measures (**Ministry of Shipping letter No. PD-14300/4/2020-PD VII dated 31.03.2020**).
- (i) Likewise, customs airports have been asked for waiving of demurrage charges at 50% by airport operator/cargo terminal operator for the lockdown period. (**Order date 01.04.2020 of Ministry of Civil Aviation issued under F. No. AV-29012/41/2020-ER**)
- (j) Zonal Customs Chief Commissioners have asked local custodians (Inland Container Depots and Container Freight Stations) to exempt demurrage charges during the lockdown period.
- (k) The time limit for filing of appeal, furnishing of return, or any other compliance under the Customs Act or Customs Tariff Act, which was expiring from 20th March 2020 to 29th June 2020, has been extended up to 30th June 2020. (**Ordinance dated 31.03.2020**).
- (l) In order to address the difficulties faced due to non-availability of stamp papers during the lock-down period, the requirement of different types of customs bond has been dispensed with. Traders can submit undertaking on plain paper in lieu of bond. (**Circular no. 17/2020-Customs dated 03.04.2020**). With the subsequent extension of lockdown period in wake of Covid-19 crisis, and in order to continue the relief against the difficulties faced due to non-availability of stamp papers during the lock-down period, the facility of submitting undertaking on plain paper in lieu of bond (**provided vide Circular 17/2020**) has been extended to **30.06.2020** (**Circular 21/2020 dated 21.04.2020, Circular 23/2020 dated 11.05.2020 and Circular 26/2020-Customs**).
- (m) Import clearance of Edible oils and Food Grains has been permitted on the basis of visual examination without waiting for the analysis report. On receipt of analysis report, final No Objection Certificate shall be issued. (**FSSAI's direction dated 03.04.2020 issued under F. No. 1-1771/FSSAI/Imports/2018**).
- (n) Prioritized clearance of critical goods used for fighting COVID-19, such as medical equipment, drugs and pharmaceuticals, testing kits, PPEs, is ensured. Exemption from basic customs duty and health cess has been granted to such goods- ventilators, masks, personal protection equipment, testing kits and inputs used in manufacturing these items. (**Notification no. 20/2020-Cus dated 09.04.2020**).
- (o) A special refund and drawback disposal drive has been launched to provide immediate relief to business entities, specially MSMEs, adversely hit by COVID. (**Instruction No.03/2020 Customs dated 09.04.2020**). This refund drive successfully culminated in disbursal of **over 4.1 lakh refund claims**, wherein an **amount of Rs 5,538 crores** was sanctioned (in the period from 08.04.2020 to 30.04.2020. A total of Rs. 1409 crore of duty drawback covering about 2.97 lakh shipping bills was also sanctioned. This initiative has provided immediate liquidity

to business entities, especially MSMEs, during the Covid-19 crisis. This remains a priority area in Covid-19 crisis. **(08.04.2020 to 30.04.2020)**.

- (p) Goods imported under free trade agreements can be cleared without producing original certificate of origin. **(Circular no. 18/2020-Cus dated 11.04.2020)**. Also exemption from IGST /compensation cess on goods imported against Adv. Authorization/ EPCG has been extended upto 30.03.2021 **(Notification No. 18/2020- Customs dated 30.03.2020)**.
- (q) To make import clearance process more contact less, CBIC has launched e-delivery of PDF based Gatepass and Out of Charge copy of BoE to custom brokers/importers across India from 15.04.2020. **(Circular No. 19/2020-Customs dated 13.04.2020)**.
- (r) **Personal hearing** with respect to any proceeding under Customs Act, 1962 maybe conducted by **video conferencing mechanism**. Further, submission of all documents for the personal hearing (including letter of authorization made digital vide emails over official mail). Necessary instructions have been issued to the field formations in this regard. **(F. No. 390/Misc/3/2019-JC dated 27.04.2020)**
- (s) Considering that the entire country is facing unprecedented challenges due to the COVID 19 pandemic, and that the exporters are facing genuine hard-ships, the facility of SB005 error correction in the Customs EDI system for Shipping Bills with date upto 31.12.2019 was provided to the exporters. **(vide Circular No. 22/2020 dated 21.04.2020)**.
- (t) With a view to tackle pending claims so as to provide immediate relief to the business entities and especially MSMEs for Brand Rate fixation and consequent disbursal of the claim, it has been decided that a special drive should be undertaken by the Customs Zones to dispose off the pendency so that no application received upto 31.05.2020 is pending at the end of the drive on 30.06.2020. Due precaution should be taken to have minimal physical interface with the exporters/ representative during the process and required applications, documents, etc. should be obtained electronically to the extent possible. **(vide Instruction No. 07/2020 dated 28.05.2020)**
- (u) To allow duty free import against the existing Export Performance Certificates for FY 2019-20, their period of validity has been extended upto 30.09.2020. **(vide Notification No. 23/2020 dated 14.05.2020)**
- (v) Extension of time limits for last date of re-export in Drawback by 6 months to provide relief from CoVID. **(Notification No. 24/2020 – Customs dated 21.05.2020)**
- (w) Shipments of essential drugs like Hydroxychloroquine and Paracetamol have been facilitated to multiple countries including on grant basis.
- (x) Customs has contributed to the success of Vande Bharat Mission ensuing seamless clearance of thousands of passengers.

- (y) Customs has also facilitated repatriation of stranded nationals of other countries through various ports and airports, helping them with procedures and swift clearances.
- (z) To ease the burden of compliance on the AEO's, the AEO certificates that were expiring between 01.03.2020 and 31.05.2020 have been extended to 30.06.2020 (vide Circular 27/2020-Customs dated 02.06.2020). All the AEO entities have been sent individual intimations over email. (from 24th April onwards extension communications have been made)
- (aa) As a relief measure for other countries battling with the pandemic, specific export shipments of critical drugs, pharmaceuticals, testing kits, personal protection equipment etc. are actively facilitated by customs at the borders. Some of these shipments are donation from the Government of India.
- (bb) CBIC actively coordinated with other Ministries for ensuring that customs operations are declared as an essential service during the lock down period, which has allowed smooth operations at all the customs stations.
- (cc) In line with the aforesaid, further directives were issued permitting movement of customs brokers and transporters, and allowing functioning of warehouses during the lock down period.
- (dd) CBIC has coordinated with the port and airport authorities and other custodians to see that ample space is available for storing exim cargo in the customs area.
- (ee) Importers are being advised to file advance import declaration for expeditious customs clearance, timely payment of duty and take delivery of cleared goods without delay, so as to prevent clogging of customs area.
- (ff) Requests and documents from importer/exporter are being accepted via email to avoid physical visit and contact between the trade and customs officers. Email address of each customs zones has been notified.
- (gg) Based on email requisitions, computers and related accessories have been permitted by Customs to be transferred from the bonded premises to residence of employees of Software Technology Park of India to facilitate work from home during the lockdown period.
- (hh) CBIC and zonal Chief Commissioners are promptly monitoring the situation through video conference with customs stations and trade to resolve any emerging issue.
- (ii) Customs offices have been assigned contingency fund to take care of health and safety of frontline officers. It will be used to provide a safe work environment in terms of PPEs, maintenance of hygiene etc. as well as to render financial assistance to officers at the lower rung should they so require. Community outreach in and around the workplace is also included in this scheme.
- (jj) Government has sanctioned special package of Rs 5 lakh for immediate assistance to families of customs officers who may in an unlikely situation succumb in their valiant fight against COVID-19.

- (kk) Customs offices across India have generously contributed in distribution of food and relief material, such as masks, to poor and needy in the lockdown period.
- (ll) Regular coordination is maintained with district administration and police authorities for ensuring smooth movement of EXIM cargo, and persons engaged in the process during the lockdown.
- (mm) Gopalpur port has been allowed as a notified port for getting benefits under AA/EPCG scheme and other export promotion schemes (**Notification No. 25/2020-Customs dated 21.05.2020**).
- (nn) Letters of Intent issued by CBIC to various promoters for setting up of ICDs/CFSs were expired during the lockdown period. As a facilitation measure, with the approval of the Inter-Ministerial Committee, The validity of such LOIs have been extended up to 31 August 2020.
- (oo) Customs has implemented first phase of Faceless Assessment across Chennai and Bengaluru with effect from 8th June, 2020 vide **Notification No 50/2020(N.T.) and Notification 51/2020 dated 05.06.2020, Circular No. 28/2020 dated 05.06.2020 and Instruction No. 9/2020 dated 05.06.2020**.
