

**Notice calling for suggestions, views, comments etc. from stakeholders on draft Circular on Electronic sealing- Deposit in and removal of goods from a Customs Bonded Warehouse**

Views and comments are invited on a comprehensive draft Circular on electronic sealing of goods deposited in and removed from Customs Bonded Warehouse from all the stakeholders/trade.

It is requested to kindly provide the suggestions, inputs, feedback on draft circular latest by 12<sup>th</sup> June, 2020 on [uslc-cbec@gov.in](mailto:uslc-cbec@gov.in) or [diricd-cbec@nic.in](mailto:diricd-cbec@nic.in), for finalization of the Circular.

**Draft**

**Circular No. /2020- Customs**

F.No. 484/3/2015-LC (Vol II)  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes & Customs

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Room No.227A, North Block, New Delhi

Dated the \_\_\_May 2020

To,

All Pr. Chief Commissioners/ Chief Commissioners of Customs/ Customs (Prev)

All Pr. Chief Commissioners/ Chief Commissioners of Customs & Central tax

All Pr. Commissioners/ Commissioners of Customs/ Customs (Prev)

All Pr. Commissioners/ Commissioners of Customs & Central tax

**Subject: Electronic sealing- Deposit in and removal of goods from Customs bonded Warehouses-reg.**

Madam / Sir,

The Warehouse (Custody and Handling of Goods) Regulations, 2016; the Special Warehouse (Custody and Handling of Goods) Regulations, 2016; the Warehoused Goods (Removal) Regulations, 2016; and the Manufacture and Other Operations in Warehouse (no. 2) Regulations, 2019 prescribe affixation of one-time-lock for transport of goods to be deposited in a warehouse or removed therefrom. The regulations require that goods arriving at the warehouse from a customs station shall be affixed with a one-time-lock with its serial number endorsed upon the bill of entry for warehousing and the transport document. The warehouse keeper or bond officer, as the case may be, is required to inspect the one-time-lock and when it is found intact, permit the goods to be unloaded at the warehouse. A similar procedure has been provided for removal of warehoused goods from one warehouse to another and also from a warehouse to customs station for export.

1.2. Circular 17/2016-Cus dated 17.05 2016 prescribes manner in which the one-time lock (serially numbered bottle seal) is to be affixed and details endorsed on relevant

documents. Subsequently, the Board has prescribed RFID self-sealing for export of containerized cargo. Circulars 36/2017-Customs, 37/2017-Customs and 41/2017-Customs prescribe the use of “RFID tamper proof one-time-bolt seal” and providing of readers / procedure for its use by Customs.

2. It has now been decided by the Board that RFID sealing shall be extended to transport of goods for deposit in a warehouse as well as removal therefrom. Therefore, where ever the Warehousing Regulations (referred in para 1 above) prescribe affixing of a “one-time-lock”, the importer or owner of the goods shall use RFID anti-tamper one-time-lock (hereinafter referred as “RFID OTL”).

3. The RFID OTLs shall be sourced from the vendors whose names appear in the list placed on the website of the CBIC (please see weblink alongside to circulars 36/2017-Customs and 37/2017-Customs on [www.cbic.gov.in](http://www.cbic.gov.in))

4. The specifications, data elements and procedure to be used under the Regulations for Warehousing shall be as follows:

#### 4.1 Seals

RFID One-Time-Bolt Seal as prescribed under circular 36/2017-Customs dated 28.08.2017 shall be used for sealing containers and load compartment of closed body vehicles.

#### 4.2 Readers

The specification of Readers to be deployed shall be as prescribed under circular 41/2017-Customs dated 30.10.2017.

#### 4.3 Software & Application

(a) The data elements to be captured in the web-application in the case of removal goods from a customs station to a bonded warehouse shall be as follows:

- (i) IEC (Importer Exporter Code)
- (ii) Bill of Entry Number
- (iii) Date
- (iv) RFID OTL Number
- (v) Date of sealing
- (vi) Time of sealing
- (vii) Container Number (where cargo is containerized or else not required)
- (viii) Registration number of vehicle
- (ix) Warehouse code
- (x) Customs location code
- (xi) Seal Treatment (verified/rejected/tampered)

(b) The data elements to be captured in the web-application in the case of removal goods from a warehouse to a customs station for export shall be as follows:

- (i) IEC (Importer Exporter Code)
- (ii) Shipping Bill Number
- (iii) Date
- (iv) RFID OTL Number
- (v) Date of sealing
- (vi) Time of sealing
- (vii) Container Number (where cargo is containerized or else not required)
- (viii) Registration number of vehicle
- (ix) Customs location code
- (x) Warehouse code
- (xi) Seal Treatment (verified/rejected/tampered)

(c) The data elements to be captured in the web-application in the case of removal goods from one warehouse to another warehouse (section 67):

- (i) IEC (Importer Exporter Code)
- (ii) Bill of Entry Number
- (iii) Date
- (iv) Warehouse code (origin)
- (v) Warehouse code (destination)
- (vi) RFID OTL Number
- (vii) Date of sealing
- (viii) Time of sealing
- (ix) Container Number (where cargo is containerized or else not required)
- (x) Registration number of vehicle
- (xi) Seal Treatment (verified/rejected/tampered)

#### 4.4 Procedure

(a) All licensees of customs bonded warehouses shall have to procure Readers for scanning of RFID OTLs at the bonded warehouse at their own cost. The licensee shall also procure RFID OTLs from the vendors for providing the same to importer, owner, exporter or in case of private bonded warehouses for their own use. It is clarified that licensees are free to procure RFID OTLs from any one or more empaneled vendors.

(b) The e-seal vendors shall:

- (i) provide Readers to Customs locations free of charge. Readers already deployed by vendors to Ports and ICDs for RFID sealing can also be used for this procedure. Air Cargo Complexes, CFS and LCSs are also covered under this procedure for transport of bonded goods.

- (ii) ensure that data can be uploaded from internet enabled Readers as well as desktops.
  - (ii) ensure that an e-seal sold to a Warehouse is activated in the web-application only after it is allotted to an Importer or Exporter, as the case may be, post its sale by the Warehouse to that Importer or Exporter.
  - (iii) create LOGIN and PASSWORD for Exporter/Importer in their system based on data communicated by warehouse licensee only.
  - (iv) ensure that TID number is captured in data base and warehouse code of the licensee to be linked to the same at the time of sale of seals. (Warehouse codes may be obtained from office of Directorate General of Analytical Risk Management (DGARM)).
  - (v) submit required certifications to DGARM to demonstrate that the Reader and RFID seals conform to the prescribed specifications.
  - (vi) transmit data elements under para 4.3 on real time basis to DGARM.
- (c) Any importer permitted to remove goods for deposit in a warehouse shall obtain an RFID seal from the Warehouse where the goods are to be deposited.
- Provided that for warehouse to warehouse transfer, the owner of the goods shall procure an RFID seal from the destination warehouse.
- (d) The data entry onto web-application will be made by importer/exporter and same will be authenticated at time of affixing the seal, by the Customs Officer or Warehouse keeper, as the case may be.
- (e) Circular No 19/2016-Customs dated 20.05.2016 prescribes that the importer shall declare the warehouse code in the Bill of Entry for warehousing. The Customs officer releasing the cargo for deposit in a warehouse is required to match the warehouse code declared in the Bill of Entry with that linked to the seal. This procedure shall dispense the need for securing any space availability certificate by importers.
- (f) The exporter of warehoused goods will be obligated to declare the physical serial number of RFID OTL at the time of filing the online integrated shipping bill or in the case of manual shipping bill, before the container or cargo is dispatched from the warehouse.
- (g) In case the RFID OTL is found to be tampered at the Customs Station at the time of export, then mandatory examination would be carried out by the Customs authorities.
- (h) In case at the time of arrival of the goods at the warehouse, the RFID OTL is found to be tampered, the licensee shall not permit unloading of the goods and shall inform the bond officer [Please refer regulations 5 and 7 of the Warehouse (Custody & Handling of Goods) Regulation, 2016 and regulations 10 and 11 of the Manufacture and Other Operations in Warehouse (no. 2) Regulations, 2019].
- (i) The Seal Treatment, i.e. marking the e-seal as Verified, Rejected or Tampered, as the

case may be, would be carried out at the source and destination warehouse/ Customs location as follows:

<b>Movement (from-to)</b>	<b>Verification of 'Proper Seal affixing' at the source location shall be done by</b>	<b>Seal Treatment (marking the e-Seal as Verified/ Rejected/ Tampered at the destination location) shall be marked by</b>
Customs location to Warehouse	Customs Officer	Warehouse Keeper, in case of Public/ Private Warehouse (section 57 or 58) Bond Officer, in case of Special Warehouse (section 58A)
Warehouse to Warehouse	Warehouse Keeper, in case of Public/ Private Warehouse (section 57 or 58) Bond Officer, in case of Special Warehouse (section 58A)	Warehouse Keeper, in case of Public/ Private Warehouse (section 57 or 58) Bond Officer, in case of Special Warehouse (section 58A)
Warehouse to Customs location	Warehouse keeper, in case of a Warehouse operating under section 65 Bond Officer, in all other cases	Customs Officer

- (j) Under regulation 5 of the Warehoused Goods (Removal) Regulations, 2016, and regulation 16 of the Manufacture and Other Operations in Warehouse (no. 2) Regulations, 2019, the importer or owner is required to produce an acknowledgement of the due arrival of the goods. With the introduction of the procedure contained in this circular, the “trip report” generated by scanning the RFID OTL at the destination customs station or warehouse, shall be printed and retained for records by the customs station, bond officer and licensee. The requirement of acknowledgement enjoined under regulations 5 of the Warehoused Goods (Removal) Regulations, 2016, and regulation 16 of the Manufacture and Other Operations in Warehouse (no. 2) Regulations, 2019 shall be discharged by communicating the copy of trip report via email by the importer to the bond officer or proper officer under sub-section (1) of section 60, as the case may be. However, this is notwithstanding the obligation cast on the licensee for proper account of goods under the Warehouse (Custody and Handling) Regulations, 2016; the Special Warehouse (Custody and Handling) Regulations, 2016; or the Manufacture and Other Operations in Warehouse (no. 2) Regulations, 2019, as the case may be.

(k) For the purposes of risk management, if there is any inordinate delay in the due arrival of goods, the bond officer may be alerted by the customs station or vice versa.

(l) Where any procedure requires that goods removed from a warehouse shall move under physical escort by customs (e.g. as prescribed by circular 32/2016-Customs regarding Duty Free Shops), the use of RFID OTL shall not apply.

5. The Principal Commissioner of Customs /Commissioner of Customs is duly empowered to permit movement of goods without affixation of RFID OTLs, where the nature of goods or their manner of transport so warrant (e.g. Liquid Bulk Cargo transported through Pipe Lines and Over Dimensional Cargo).

6. Field Formations are advised to publish designation-based email address for receiving acknowledgement of due arrival of goods from registered email address of importer or owner, as stated in Para 4.4(j) above.

7. The above procedure shall come into force with effect from \_\_\_\_, 2020, superseding Circular 17/2016-Customs.

8. Clarifications, if any, may be sought from the Board.

9. Hindi version follows.

Yours faithfully,

(Dr. Swati Bhanwala)

OSD (Land Customs)