

CBEC prescribes final self-sealing procedure for exports

With the implementation of GST, the existing procedure in relation to exports was realigned *viz.* claim of refund, stuffing of container, etc. Revised guidelines for procedures relating to export and sealing of containers was issued by CBEC in July 2017.

Specifically simplified procedure was notified for sealing of containers. The practice of factory stuffing under the supervision of Central Excise authorities is proposed to be replaced by a trust based compliance by strengthening Risk Management System.

One of the key aspect relating to simplified sealing procedure for export of goods is the use of tamper proof electronic seals of standard specifications. The revised procedure was to be implemented from 1 September 2017. However, the CBEC *vide* Circular No. 36/2017-Customs dated 28 August 2017 has notified the final procedure to be implemented from 1 October 2017.

The key features of the revised procedure are as follows -

- Exporters availing facility of sealing at the factory premises under the earlier regime and Authorised Economic Operators will be automatically entitled for this facility. They would not be required to seek specific permission from the Customs authorities.
- Permission once granted for self-sealing at an approved premises will remain valid unless withdrawn. However, in case of change in approved premises, fresh permission would be required.
- Customs authorities will be required to communicate the Importer Exporter Code of specified class of exporters to the Risk Management Division.
- Exporter will be required to declare the physical serial number of e-seal at the time of filing of online Shipping Bill (in case of manual Shipping Bill at the time of dispatch to designated port).
- For this purpose, exporter would need to procure RFID seal from the vendors at their own cost conforming to the following standards:
 - Seal needs to be "RFID tamper proof one-time bolt seal" bearing a unique serial number and brand of the vendors in the prescribed format.
 - Seal should conform to ISO 17712:2013 (H) and ISO/ IEC 18000-6 Class 1 Gen 2 standards and should be readable with the use of UHF (860 MHz to 960 MHz) reader scanners.
 - The manufacturer/ vendor of such seals should be in possession of certification required for conformance of the ISO standard ISO 17712:2013 (H) specially of specific clauses of the standards. Prior to sale, these certifications along with unique series of the seals needs to be submitted to Risk Management Division and to all ports where the vendor intends to operate.
- Exporter in addition to specified declarations would now need to furnish e-seal number, date of sealing, time of sealing, destination customs station for export, container number and trailer track number to the customs authorities. This information need not be mounted in the seal but tagged to seal using a web/ mobile application to be provided by the vendor of the RFID seals.
- Vendors will be required to share this data at the port of export including to Risk Management Division and make available scanners/ readers for reading the data including integrating such data with ICEGATE.

PwC comments

The procedure has undergone some minor changes compared with the earlier prescribed procedure. The same is line with the Government's push towards digitalisation and trade facilitation and would be expected to reduce the compliances for trade.

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