

Chapter 17

Import and Export through Post

1. Introduction:

- 1.1 The facility for import and export of goods by Post Parcels is provided by the Postal Department at its Foreign Post Offices and sub-Foreign Post Offices. Customs facilities for examination, assessment, clearance etc. are available at these Post Offices. Limited facility for export clearances is also available at Export Extension Counters opened by the Postal Department where parcels for export are accepted and cleared by the Customs.

2. Legal Provisions:

- 2.1 Goods imported through post are classified under Chapter Heading 9804 of the Customs Tariff Act, 1975 and rate of duty applicable thereon is charged on all the goods imported by post. Importantly, Heading 9804 specifically applies to goods permitted for import through post which are exempted from prohibition under Foreign Trade (Development and Regulation) Act, 1992. As per Note 6 to Chapter 98, goods against an import licence or Customs Clearance Permit can also not be imported through post. Further, Note 4 to Chapter 98 states that motor vehicles, alcoholic drinks and goods imported through courier are not covered under Heading 9804.
- 2.2 Goods imported or exported by post are governed by Sections 82, 83 and 84 of the Customs Act, 1962 whereas the procedure for clearance of goods through post is prescribed in Rules regarding Postal Parcels and Letter Packets from Foreign Ports In/ Out of India of 1953.

[Refer Notification No. 53-Cus, dated 17-6-1950]

- 2.3 In respect of import and exports through post, any label or declaration accompanying the packet or parcel containing details like description, quantity and value of the goods is treated as entry for import or export of the goods and no separate manifest for such goods is required to be filed.
- 2.4 The relevant date for rate of duty and tariff value, if any, applicable in respect of imports through post is the date on which the postal authorities present to the Proper Officer of Customs the list containing details of the goods for assessment. Thus, presentation of said list is equivalent to filing of Bill of Entry so far as assessment of goods imported by post is concerned.
- 2.5 If the post parcels come through a vessel and the said list presented by the postal authorities is presented before arrival of the vessel, the rate of duty and tariff value applicable shall be as on the date of arrival of the vessel i.e. Entry Inward of the vessel.
- 2.6 In respect of export goods, the relevant date for rate of duty and tariff value, if any, applicable, is the date on which the exporter delivers the goods to postal authorities for exportation.

3. Clearance of Letter Mail Articles:

- 3.1 Letter Mail Articles are generally cleared by the Customs at the time of their arrival and sorting unless they appear to contain contraband or dutiable articles. In such cases,

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the Letter Mail is subjected to further examination at the Foreign Post Offices or sub-Foreign Post Offices, as the case may be.

4. Importability of dutiable items through post:

- 4.1 Import of dutiable goods by letter, packet or parcel posts is prohibited except where such letter or packet bears a declaration stating the nature, weight and value of the contents on the front side or if such a declaration is attached alongside indicating that the letter/packet may be opened for Customs examination. Dutiable goods may also be not imported by post if Customs is not satisfied that the details of nature, weight and value of the contents in declaration as above are correctly stated.

[Refer Notification No.78-Cus, dated 2-4-1938]

4.2 Items intended for personal use, which are exempt from the prohibitions under the FTP or the Customs Act, 1962, can be imported by postal channel on payment of appropriate duties under Tariff Heading 9804 of the Customs Tariff Act, 1975.

- 4.3 Customs duty payable if less than Rs.100/- is exempt.

[Refer Notification No. 21/02-Cus, dated 1-3-2002]

5. Import of gifts through post:

- 5.1 Bonafide gifts up to a value limit of Rs.10,000/-, imported by post, are exempt from Basic and Additional Customs duties in terms Notification No.171/93-Cus, dated 16-9- 1993. Further, only those items can be imported as gifts, which are not prohibited for importation under Foreign Trade (Development and Regulation) Act, 1992.

- 5.2 The sender of the gift may not necessarily be residing in the country from where the goods have been dispatched and any person abroad can send the gifts to relatives, business associates, friends, companies and acquaintances. The gifts have to be for bonafide personal use. The purpose of this stipulation is that the person receives the gift genuinely free and the payment is not made for it through some other means. The quantity and frequency of the gifts should not give rise to the belief that it is used as a route to transfer money. The gifts can be received by individuals, societies, institutions, like schools and colleges and even corporate bodies.

- 5.3 For calculating the value limit of Rs.10,000/- in case of imports of gifts, postal charges or the airfreight is not taken into consideration. The value of Rs.10,000/- is taken as the value of the goods in the country from where these were dispatched.

- 5.4 If the value of the gifts received is more than Rs.10,000/-, the receiver has to pay Customs duty on the whole consignment, even if the goods were received free, unsolicited. In addition, at the discretion of the Assistant/ Deputy Commissioner, if the goods are restricted for import, the receiver has a liability for penalty for such import, even if the goods have been sent unsolicited. The restricted goods are also liable to confiscation and receiver has to pay redemption fine in lieu of confiscation in addition to duty and penalty. Certain prohibited goods like narcotic drugs, arms, ammunition, obscene films/printed material etc. are liable to absolute confiscation and the receiver is liable to penal action, even if the goods have been sent unsolicited.

5.5 Customs duty is chargeable on gifts assessed over Rs.10,000/- by the Customs. In case of post parcel, the customs department assesses the duty payable and the postal department collects the assessed duty from the receiver of the gift and subsequently deposits it with the customs.

6. Import of samples through post:

6.1 Bonafide commercial samples and prototypes imported by post are exempted from Customs duty, subject to the value limit of Rs.10,000/-, provided that the samples are supplied free of cost.

6.2 Importers having IEC code number can import commercial samples through post without payment of duty upto a value of Rs.100,000/- or 15 units in number within a period of 12 months. The goods so imported shall be clearly marked as "Samples". The importer is required to furnish a declaration to the effect that the samples are solely for the purpose of being shown to the exporters for securing or executing export orders. The importer is also required to undertake that if declaration is found to be false, he will pay appropriate duty on the goods imported as commercial samples.

[Refer Notification No.154/94-Cus", dated 13-7-1994]

7. Import of Indian and Foreign Currencies by Post:

7.1 Under the provisions of Foreign Exchange Management Act, 1999, no person may bring or send into India any foreign exchange or Indian currency except with special or general permission of the RBI. Import of Indian currency notes and coins by post is not permitted.

7.2 To reduce pendency and to avoid delay in clearance of mail articles, Customs may allow import of both Indian and foreign currencies received by residents by post, provided the value does not exceed Rs.5,000/-, subject to the following conditions:

(a) Approval is granted by Assistant/ Deputy Commissioner of Customs;

(b) A detailed record should be maintained of the exemptions granted;

(c) Record of the name and addresses of the remitter and addressee in India should be maintained; and

(d) Where a spurt is noticed in the number of covers received over a time, the matter may be reported to the concerned Regional Office of RBI.

7.3 Parcels/packets containing foreign/Indian currency, etc., in excess of Rs.5,000/- shall be detained and adjudicated on merits and released on the basis of "No Objection Certificate" from the RBI.

[Refer Circular No.16/2002-Cus, dated 5-3-2002]

7.4 There is a general permission given to Authorised Dealers to import currency notes from their overseas branches/correspondents for meeting their normal banking requirements. In view of this, no specific clearance is required from RBI for such imports.

[Refer Circular No.60/02-Cus, dated 13-9-2002 read with Annexure V to RBI's AD (MA Series) Circular No.11, dated 16-5-2000]

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8. Procedure in case of postal imports:

- 8.1 Rules Regarding Postal Parcels and Letter Packets from Foreign Ports in/out of India prescribe procedure for landing and clearing at notified ports/airports/ LCSs of parcels and packets forwarded by foreign mails or passenger vessels or airliners. The procedure broadly is as under:
- (a) The boxes or bags containing the parcels shall be labelled as “Postal Parcel”, “Parcel Post”, “Parcel Mail”, “Letter Mail” and will be allowed to pass at specified the Foreign Parcel Department of the Foreign Post Offices and Sub Foreign Post Offices.
 - (b) On receipt of the parcel mail, the Postmaster hands over to the Customs the following documents:
 - (i) A memo showing the total number of parcels received from each country of origin;
 - (ii) Parcel Bills in sheet form (in triplicate) and the senders’ declarations (if available) and any other relevant documents that may be required for the examination, assessment etc. by the Customs Department;
 - (iii) The relative Customs Declarations and dispatch notes (if any); and
 - (iv) Any other information required in connection with the preparation of the Parcel Bills which the Post Office is able to furnish.
 - (c) On receipt of the documents, the Customs Appraiser shall scrutinize the particulars given in the Parcel Bill and identify the parcels to be detained for examination either for want of necessary particulars or defective description or suspected misdeclaration or under-valuation of contents. The remaining parcels are to be assessed by showing the rates of duty on the declarations or Parcel Bill, as the case may be. For this purpose, the Appraisers are generally guided by the particulars given in the Parcel Bill or Customs declarations and dispatch notes (if any). When any invoice, document or information is required to ascertain the real value, quantity or description of the contents of a parcel, the addressee may be called upon by way of a notice to produce or furnish such invoice, document and information.
 - (d) Whenever necessary, the values from the declarations are entered into the Parcel Bill and after conversion into Indian Currency at the ruling rates of exchange, the amount of duty is calculated and entered. The relevant copies of Parcel Bills with the declarations so completed are then returned to the Postmaster.
 - (e) Duty is calculated at the rate and valuation in force on the date that the postal authorities present a list of such goods to the Customs. In case the parcels are brought through a vessel and postal authorities present list of goods before arrival of the vessel, the rate of duty and tariff value shall be the date on which Inward Entry is granted to the vessel.
 - (f) All parcels marked for detention are to be detained by the Postmaster. Rest of the parcels will go forward for delivery to the addressee on payment of the duty marked on each parcel.

- (g) The detained parcels are submitted together with the Parcel Bill to the Customs. After examining them and filling in details of contents of value in the Parcel Bills, Customs Appraiser notes down the rate and amount of duty against each item. The remark "Examined" is then entered against the entry in the Parcel Bill relating to each parcel examined by the Customs Appraiser and the Postmaster's copies will be returned by the Customs.
- (h) In the case of receipt of letter mail bags, the Postmaster gets the bags opened and scrutinized under the supervision of the Customs with a view to identify all packets containing dutiable articles. Such packets are to be detained and presented in due course to the Customs Appraiser with letter mail bill and assessment memos for assessment. After examining them and filling the details of contents of value in the bill, the Customs Appraiser will note the rate and amount of duty against each item. He will likewise fill in these details on the assessment memos to be forwarded along with each packet.
- (i) All parcels or packets required to be opened for Customs examination are opened, and after examination, closed by the Post Office officials and are then sealed with a distinctive seal. The parcels or packets shall remain throughout in the custody of the Post Office officials.
- (j) If on examination the contents of any parcel or packet are found mis declared or the value understated or consisting of prohibited goods, such parcels or packets must be detained. The Postmaster shall not allow such parcels or packets to go forward without the Customs' orders. Adjudication proceedings shall be initiated in such cases by the competent officer and the parcels released only after payment of fine and penalty, if any, levied by the adjudicator.
- (k) The duties as assessed by the Customs Appraiser and noted in the Parcel Bill or letter mail bill shall be recovered by the Post Office from the addressees at the time of delivery to them. The credit for the total amount of duty certified by the Customs Appraiser at the end of each bill is given by the Post Office to the Customs Department in accordance with the procedure settled between the two Departments.
- (l) The Parcel Bills or letter mail bills and other documents on which assessment is made remain in the custody of the Post Office, but the duplicates, where prepared, are kept in the Customs Department for dealing with claims for refunds, etc.

9. Legal provisions and exemptions in case of postal exports:

- 9.1 Goods which are not prohibited or restricted for export as per FTP can be exported by post through specified Foreign Post Offices or Sub-Foreign Post Offices or Export Extension Counters. Drawback can also be availed for export through post but not under other export promotion schemes like Advance Licence, DFRC, EPCG etc. (an exception is made for Chapter 3 schemes of the FTP when exported by post through Delhi FPO). Commercial samples, prototypes of goods and free gifts may also be exported by the post.
- 9.2 The rate of duty and tariff value, if any, applicable to any goods exported by post shall be the rate and valuation in force on the date on which the exporter delivers such goods to the Postal Authorities for exportation.

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- 9.3 Bonafide commercial samples and prototype of goods supplied free of charge of a value not exceeding Rs.50,000/- which are not subject to any prohibition or restriction for export under FTP and which do not involve transfer of foreign exchange, may be exported through post.
- 9.4 Bonafide gifts of articles for personal use of a value not exceeding Rs.25,000/- which are not subject to any prohibition or restriction on their export under FTP and which do not involve transfer of foreign exchange, may be exported through post.
- 9.5 Export by post of Indian and foreign currency, bank drafts, cheques, National Saving Certificates and such other negotiable instruments is not allowed unless accompanied by a valid permit issued by the RBI, except in cases where such negotiable instruments are issued by an authorised dealer in foreign exchange in India.
- 9.6 Indian currency notes of Rs.500/- and Rs.1000/- denominations are prohibited by Government of Nepal. Therefore, the Indian currency notes of Rs.500/- and Rs.1000/ - denominations shall not be allowed for export to Nepal.
- 9.7 Prohibitions/restrictions under the FTP and the Customs Act, 1962 apply on the export of various articles by post. Some of these articles are viz. arms and ammunitions, explosives, inflammable material, intoxicants, obscene literature, certain crude and dangerous drugs, antiquities, narcotic drugs etc.
- 9.8 Export of purchases made by the foreign tourists is allowed through post subject to proof that the payment has been made in foreign exchange.

10. Procedure in case of postal exports:

- 10.1 Articles exported by post are required to be covered by a declaration in the prescribed form.
- 10.2 In term of the export made under claim of benefit under Chapter 3 (Reward Scheme) of FTP, the exporter shall file a Postal Bill of Export along with the documentation requirement enjoined under section 82 of the Customs Act 1962, as prescribed by the postal department (eg. CN23).
- 10.3 All exports by post, where the value exceeds Rs.50/- and payment has to be received, must be declared on the exchange control form viz. P.P. form. When the postal article is covered by a certificate issued by the RBI (with or without limit) or by an authorised dealer in foreign exchange that the export does not involve any transaction in foreign exchange upto Rs. 500/-, the declaration in a P.P. form is not necessary.
- 10.4 The letters and parcels are produced by the postal authorities to Customs officer in the Foreign Post Office. After preliminary scrutiny of the letters and declarations the proper officer shall ensure that prohibited goods like narcotic drugs, foreign exchange, currency etc. is not being sent through the parcel. The suspected parcels are detained and other letters/parcels are handed over to the postal authorities for sending to their destination.
- 10.5 The detained parcels are opened by Customs officer in presence of the postal authorities and if same do not contain any prohibited or restricted goods and there is no mis-declaration of value or drawback, the parcels are re-packed and handed over to postal authorities for export.

- 10.6 If the detained parcels contain restricted or prohibited goods or mis-declared goods with intention to avail inadmissible export benefits, the case is investigated and adjudication proceedings are initiated.

11. Procedure for claiming Drawback on exports through post:

- 11.1 The procedure for claiming Drawback through post is prescribed in Rule 11 of Customs and Central Excise Duties Drawback Rules, 1995. The outer packing of the consignment shall be labeled "Drawback Export" and the exporter shall deliver to postal authorities a claim in Annexure I to said Rules in quadruplicate. The date of receipt of claim by proper officer of Customs shall be the relevant date for filing of claim for the purpose of Section 75A of the Customs Act, 1962.
- 11.2 In case the claim is incomplete, a deficiency memo shall be issued within 15 days and if exporter complies within 30 days, an acknowledgement shall be issued. The date of issue of acknowledgement shall be taken as date of filing the claim for the purpose of Section 75A of the Customs Act, 1962.
- 11.3 Drawback on exports through post is sanctioned in the Foreign Post Office.

12. Drawback in respect of goods re-exported through post:

- 12.1 The goods imported on payment of duty may also be re-exported through post and applicable rate of Drawback under Section 74 of the Customs Act, 1962 claimed. The Drawback of the duty paid at the time of import is permissible subject to the fulfillment of the conditions of Section 74 of the Customs Act, 1962 and Re-export of Imported Goods (Drawback of Customs Duties) Rules, 1995. The Proper Officer of Customs at Foreign Post Office shall be satisfied about the identity of the goods being re-exported and if the same cannot be established, no Drawback would be payable.
- 12.2 The procedure to be followed for claim of Drawback on goods re-exported through post, which is paid by the Customs Officer in the FPO, is as follows:
- (i) Rule 3 of Re-export of Imported Goods (Drawback of Customs Duties) Rules, 1995 requires the outer packing of the parcel to carry the words "Drawback Export" and exporter shall give a claim as per Annexure I to said Rules in quadruplicate to the Postal authorities. The date of receipt of aforesaid Annexure I by Customs from Postal authorities shall be the date of receipt of the claim for the purposes of Section 74 of the Customs Act, 1962 and exporter shall be informed.
 - (ii) If claim is incomplete, a deficiency memo shall be issued within 15 days and if claim is again filed by exporter after complying with the deficiencies within 30 days, the receipt shall be acknowledged and this date shall be treated as date of filing the claim for the purposes of Section 74 of the Customs Act, 1962.

13. Export of postal goods under Reward Schemes under Foreign Trade Policy

- 13.1 Notification Nos. 92/2209, 93/2009, 94/2009 and 95/2009-Cus., all dated 11-9-2009 allow export of goods by post under claim of benefits under Chapter 3 (reward schemes) of the FTP from the Foreign Post Office, New Delhi. The procedure for availing this benefit is contained in Public Notice No. 13/2013 dated 13-8-2013 issued by the Commissioner of Customs (Exports), New Delhi.

[Refer Circular No 29/2013-Cus., dated 5-8-2013]

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14. Re-export of partial consignment not allowed:

- 14.1 If the addressee takes delivery of parcels on payment of duty and then wishes to return to the sender, they can do so only under claim for Drawback after observing the prescribed procedure.
- 14.2 Permitting an addressee to open a parcel and take the delivery of part contents on payment of duty and repack the balance of the contents for re-export without payment of duty thereon is not authorised and is irregular.

7. Postal imports for personal use:

7.1 All goods imported by Post or Air for personal use are classifiable under a single Tariff Heading 9804 and levied to duty accordingly. This heading has been sub divided into two subheadings, one applicable to drugs and medicines and the other, to the balance items so imported. Such goods will however be governed by the FTP as far their importability is concerned. Motor vehicles, alcoholic drinks and goods imported through courier service can however not be classified under this heading. Goods imported under an import license or a customs clearance permit will however not be classified under this tariff heading.
