

**F.No.450/126/98-Cus.IV**  
Government of India  
Ministry of Finance  
(Department of Revenue)  
Central Board of Excise & Customs

**Subject: Examination norms for export goods at port of export – reg. –**

I am directed to refer to Circular No.90/98-Cus.IV dated the 8<sup>th</sup> December, 1998 as amended, wherein a procedure for clearance of export goods from factories on the basis of self-certification and scale of physical examination at port of export was prescribed. Since then several references have been received from the trade and industry, seeking reduction in percentage examination of export consignments for faster clearance of cargo. The matter was considered by the Export Promotion Board (EPB), and EPB had recommended that in case of exports where the duty benefit is above Rs. 1 lakh, 10% shipments should be checked on a random basis, and in cases where the duty benefit is below Rs.1 lakh, only surprise checks should be resorted to.

2. The proposals received in this regard have been carefully examined by the Government, and pursuant to this examination, it has been decided to revise the examination norms keeping in view the quantum of incentive, value of export goods, the country of destination etc. As such, the following decisions have been taken :

2.1 The scale of physical examination of various categories of exports at the port of export shall be as follows:

**A. Factory Stuffed Export Cargo:**

Category of Exports	Scale of Examination
Export goods stuffed and sealed in the presence of the Customs/Central Excise officers at the factories of manufacture, ICD/CFS, notified warehouses and other places where the Commissioner has, by a special order, permitted examination of goods for export.	No examination except (a) where the seals are found tampered with; or  (b) there is specific intelligence in which case, permission of Deputy/Assistant Commissioner would be required before checking.

**B. Export under Free Shipping Bills:**

Category of Exports	Scale of Examination
Exports under Free Shipping Bills i.e. where there is no export incentive	No examination except where there is a specific intelligence.

**C. Export under Drawback/DEPB Schemes :**

S.No.	Category of Exports	Scale of Examination	
		Export consignments shipped to sensitive places viz. Dubai, Sharjah, Singapore, Hong Kong and Colombo	Others
(i)	Consignments where the amount of drawback/DEPB involved is Rs.1lakh or less	25%	2%
(ii)	Consignments where the amount of drawback/DEPB involved is more than Rs.1 lakh	50%	10%

**D. Export under EPCG/DEEC Schemes :**

S.No.	Category of Exports	Scale of Examination	
		Export consignments shipped to sensitive places viz. Dubai, Sharjah, Singapore, Hong Kong and Colombo	Others
(i)	Consignments where the FOB value is Rs.5 lakh or less	25%	2%
(ii)	Consignments where the FOB value is more than Rs.5 lakh	50%	10%

2.2 In all cases referred to above, in respect of consignments selected for examination, a minimum of two packages with a maximum of 5% of packages (subject to a maximum of 20 packages from a consignment) shall be opened up for examination. The package number to be opened for examination will be selected by the system.

2.3 It is to be ensured that exporters do not split up consignments so as to fall within the lower examination norms. Therefore, wherever on the same day the same exporter attempts to export a consignment (other than free shipping bills) involving export incentive of Rs.1 lakh or less (Drawback/DEPB) or in other cases having the FOB value upto Rs.5 lakh to the same country, the system would alert the examining officer that this is second shipment of the same exporter. The examining officer can then decide whether to subject the second consignment for examination or not. In case the buyer in both or more consignments happens to be the same person, subsequent consignments should be examined.

2.4 It may also be noted that after the goods have been presented for registration to Customs and determination has been made whether or not to examine the goods, no amendments in the normal

course are expected. However, in case an exporter wishes to change any of the critical parameters resulting in change of value, DBK, DEPB credit, port etc. such consignment should be subjected to examination.

2.5 Notwithstanding anything contained above, any export consignment can be examined by the Customs (even upto 100% examination), if there is any specific intelligence in respect of the said consignment. Further, to test the compliance by trade, once in three months a higher percentage of consignments (say for example, all the first 50 consignments or a batch of consecutive 100 consignments presented for examination in a particular day) would be taken up for examination. Out of the consignments selected for examination a minimum of two packages with a maximum of 5% of packages (subject to a maximum of 20 packages from a consignment) would be taken up for checking/examination.

3. In the case of export goods which are stuffed and sealed in the presence of Customs/Central Excise officers at the factory of manufacture, ICD/CFS, warehouses and other places where the Commissioner has, by a special order, permitted, it may be ensured that the containers are bottle sealed or lead sealed. In case of export through bonded trucks, the truck should be similarly bottle sealed or lead sealed. In case of export by ordinary truck/other means, all the packages are required to be lead sealed. In the case of goods examined by central excise/Custom officers and sealed and stuffed under their supervision at a factory or in an approved warehouse, the consignments shall be accompanied by an examination report in the form annexed (Annexure).

4. The Circular No.90/98-Cus., dated the 8<sup>th</sup> December, 1998 stands rescinded. Likewise, the Green Channel facility being allowed in some Custom Houses shall be discontinued.

5. These instructions may be brought to the notice of all concerned by way of issuance of suitable Public Notice/Standing Orders.

6. Difficulties, if any in implementation of these instructions, may be brought to the notice of the Board. Kindly acknowledge receipt of this Circular.

### **ANNEXURE C1**

#### **OFFICE OF THE SUPERINTENDENT OF CENTRAL EXCISE**

RANGE

DIVISION

COMMISSIONERATE

C.No.

Date

Shipping Bill No.\*

Date

#### **EXAMINATION REPORT FOR FACTORY SEALED PACKAGES/CONTAINER**

1. Name of Exporter :
2. a) IEC No. :
- b) Branch Code :

- c) BIN (PAN based Business Identification Number of the exporter) :
- 3. Name of the manufacturer (if different from the exporter) :
- 4. Factory address :
- 5. Date of examination :
- 6. Name & designation of the examining officer-Inspector/EO/PO :
- 7. Name & designation of the supervising officer-Appraiser/Superintendent :
- 8. (a) Name of Commissionerate/Division/Range :
- (b) Location Code\*\* :
- 9. Particulars of export Invoice
  - (a) Export Invoice No. :
  - (b) Total No. of packages :
  - (c) Name and address of the consignee abroad :
- 10. (a) Is the description of the goods, the quantity and their value as per particulars furnished in the export invoice? : Yes/No  
:
- (b) Whether sample is drawn for being forwarded to Port of export? : Yes/No
- (c) If yes, the number of the seal of the package containing the sample :
- 11. Central Excise/Customs Seal Nos.
  - (a) For Non-containerised cargo Seal Nos. :  
No. of packages
  - (b) For Containerised Cargo

<u>Container Number</u>	<u>Size</u>	<u>Seal No.</u>	<u>No. of Packages stuffed in container</u>
(1)	(2)	(3)	(4)

SIGNATURE OF EXPORTER	SIGNATURE OF INSPECTOR/EXAMINER	SIGNATURE OF APPRAISER/SUPERINTENDENT
NAME _____	NAME _____	NAME _____
DESIGNATION _____	DESIGNATION _____	DESIGNATION _____

STAMP



STAMP



STAMP



Note:

1. Invoice(s) and any other document accompanying this document should be attested by the officer supervising the examination.
2. \*To be filled in by the exporter before filing of this document at the time goods registration" in the export shed.
3. \*\*Revised 6 digit code as assigned by the Directorate of S&I, XXYYZZ

XX Commissionerate  
YY Division  
ZZ Range