

F.No.305/70/2004-FTT(Vol.II)
Government of India
Ministry of Finance
Department of Revenue
(Central Board of Excise and Customs)

Sub: Fast Track Clearance Procedure.

I am directed to invite your attention to para (xi) of the Circular No. 54/2004-Cus dated 13th October, 2004 regarding other provisions of the FTP relating to EOU and Gem and Jewellery Schemes. It was informed in that circular that paras 6.39.1 to 6.39.13 of the HOP relating to Fast Track clearances for EOU's, are under review and its implementation may be deferred till a final view is communicated by this Ministry.

The Scheme has been reviewed by the DGFT in consultation with the Department of Revenue and an amended Fast Track Clearance Procedure has been prescribed by the Public Notice No. 50/2004-2009 dated 24th January, 2005 of the Department of Commerce. To implement the amended Fast Track Clearance procedure and further simplify certain procedures, detailed procedures have been prescribed in the subsequent paragraphs. The Fast Track Clearance Procedure shall apply only to eligible EOUs as mentioned in the paragraph (1) unless otherwise specifically extended to all EOUs.

1. Eligibility:

EOUs having status holder certificate under the Foreign Trade Policy shall be eligible for Fast Track Clearance Procedure.

2. Fast Track Clearance Procedure:

2(A) Self Sealing of Containers:

The Board has allowed the facility of self-certification to all manufacturer exporters across the board irrespective of status vide Circular No. 736/52/2003-CX. Therefore, it is clarified that the said circular relating to self-sealing is also applicable to EOUs irrespective of the status. Further, to remove doubt, it is also clarified that circulars applicable to DTA exporters in this context i.e Self Sealing of Containers would mutatis-mutandis apply to **all** EOUs, unless provided otherwise.

2(B) Factory Stuffing:

(i) The Board through instruction dated 13-3- 1991 issued from F.No434/5/91-Cus-IV has extended facility of factory stuffing to EOU's. The Board vide Circular No 60/2001-Cus dated 1/11/2001 has further simplified the procedure relating to Factory stuffing and decided to discontinue the practice of renewal of permission for factory stuffing every six months. . In effect, the permission for factory stuffing is valid even without renewal. However, in case any thing adverse is noticed against the exporters, the customs may withdraw the permission.

(ii) The Circular 60/2001-Cus does not specifically mention EOUs. However, to facilitate exports by EOUs and simplify the procedure, it has been decided that no renewal of permission for factory stuffing shall be required in respect of **all** EOUs. However, in case any thing adverse is noticed against the exporters, the customs/central excise authority may withdraw the permission.

(iii) Further, the eligible EOUs shall be allowed factory stuffing based on their prior intimation and without any permission.

2(C). Examination of goods at the Gateway Port.

(i) The Board Vide Circular No 1/94-Cus dated 5/4/2004 has prescribed that import consignments meant for EOU need not be subjected to detail examination at the port of import/Airport/ICD etc. since these are required to be examined in full at the bonded premises of the EOU. Goods may be superficially

examined as to the marks, numbers, seal no, gross weight etc by the customs staff at the port of import for the purpose of completion of assessment. It has been brought to the notice of the Board during the Tariff Conference of Chief Commissioners held at Shillong in May 2004 that the term "superficial examination" has created some confusion in the field formations, as it did not indicate the degree or type of examination to be conducted. It was also informed that different examination norms are being followed at different ports.

(ii) Therefore it is clarified that consignments meant for EOU need not undergo detailed examination at the Port of import/airport/ICD etc since these are required to be examined in full at the bonded premises of the 100% EOU. However, examination of seal, condition of container, marks, numbers, gross weight etc may be done by the Customs for the purpose of completion of assessment.

(iii) It is further clarified that consignments meant for EOU can be examined at the Port of Import in exceptional circumstances on the basis of prior intelligence or information.

(iv) Further, consignments meant for eligible EOUs may not be examined in full at the bonded premises of the 100% EOU. Instead, the jurisdictional Commissioner of Customs/ Central Excise may prescribe the norms of examination based on risk assessment. Accordingly, the Circular No. 1/94-Cus dated 5.4.1994 stands modified to this extent.

(v) It is further clarified that examination at the premises of EOU shall be governed by Instruction/Circulars prescribing procedures or methods of examination of such goods/consignments at ports.

2(D). Clearance of rejects:

The request for permission for DTA clearance of rejects by eligible EOUs shall be considered on priority and the decision on the request for permission shall be communicated within 7 working days.

2(E) Export of Samples:

(i) It has been decided by the Board that the **all** EOUs (including eligible EOUs) shall be allowed export of samples on the basis of prior intimation to the jurisdictional Assistant/Deputy Commissioners.

2(F) Temporary removal of Capital Goods and parts:

(i) The eligible EOUs may take out their capital goods or parts thereof for repair after intimating the jurisdictional Assistant/Deputy Commissioner of Customs or Central Excise. The intimation shall contain the description such as marks, serial number, model no. etc. of the capital goods or parts, detailed and complete address of the place where these capital goods or parts are to be sent for repair and the estimated period for which these goods would be outside the EOU.

(ii) The jurisdictional Assistant/Deputy Commissioner may cause verification of the particulars mentioned in the intimation randomly or in case of suspicion.

2(G) Installation of Fax Machine / two computers at the approved premises:

(i) The Board vide circular No.41/99-Cus. dated 30.6.99 has allowed EOU to install computers not exceeding two in numbers obtained duty free in their administrative/registered office outside the bonded premises. It has been decided that EOU units may also install one fax machine in their administrative office/registered office outside the bonded premises subject to procedure and conditions as specified in the Board's circular No.41/99-Cus dated 30.6.99. Further, it has also been decided that no permission of Assistant Commissioner/Deputy Commissioner of Customs and Central Excise is required in respect of such clearance of computer/fax machine by the eligible EOUs provided prior intimation is made. However, the conditions and procedures as prescribed in the above-mentioned circular is required to be followed. The Circular No.41/99-Cus. dated 30.6.99 stands modified to that extent.

2(H). DTA Sale of Finished Goods:

(i) The para 6.39.9 of the HOP as amended by the Public Notice no. 50/2004-2009 dated 24th January of the Department of Commerce prescribes DTA Sale of finished products as per para 6.8(a) by eligible EOUs shall not require permission of Development Commissioner or Jurisdictional Deputy/Assistant

Commissioner of Customs/Central Excise and instead unit shall be required to send prior intimation.

(ii) In this respect your attention is invited to Circular No. 88/98-Cus Dated 2.12.98 whereby it has been decided that sale into DTA can be made by the manufacture himself subject to his recording of each transaction in the records prescribed by the Board/Commissioners or their private records approved by the commissioners. Further, Rule 17 of the Central Excise Rules, 2002 provides that EOU can clear the goods on payment of duty. Therefore EOUs are not required to take permission from the jurisdictional customs/central excise authority for DTA sale of goods. The units may sell the goods on payment of duty as per the conditions and entitlements as specified in Foreign Trade Policy.

(iii) As eligible EOUs are not required to take permission for DTA sale of finished goods upto their entitlement and subject to fulfilment of conditions as mentioned in para 6.8(a) of the Foreign Trade Policy from Development Commissioner, permission of the Development Commissioner for DTA sale shall not be insisted, instead the copy of intimation to the Development Commissioner may be scrutinised, wherever required.

2(I). Personal Carriage of Gems and Jewellery for Export Promotion Tours:

(i) The paragraph 6.24 of the Foreign Trade Policy,2004-2009, provides for personal carriage of gold/silver/platinum jewellery, cut and polished diamonds, precious stones, beads and articles by the exporter. The exporter shall declare the carriage of such sample to the customs while leaving the country and obtain necessary on the Export Certificate issued by the Jewellery Appraiser of the Customs. It is clarified that procedure prescribed for personal carriage of jewellery exists and the same may be followed in such cases also. However, formalities of G.R may not be insisted upon. In case of cut and polished diamonds, it may be ensured that the specifications such as size, shape, circumference, caratage(weight), colour, cut and height etc of the of the cut and polished diamonds would be declared by the exporters at the time of export so that the same could be matched at the time of re import of goods in the country. It has been decided that for personal carriage of such sample by eligible EOUs, no permission from Development Commissioner or the jurisdictional customs/ central excise authority would be required. Such units would however, be required to give prior intimation to the jurisdictional customs/ central excise authority.

6. Wide publicity may be given by issue of a Public Notice in this regard.

7. Difficulties, if any, faced in the implementation of the above instructions, may be brought to the notice of the Board at an early date.

8. Hindi Version follows.

Ranjit Kumar
Senior Technical Officer (FTT)
011-23093859