

F.No. 96/108/2014-CX.I
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs

New Delhi, the 30th October, 2015

To,

Principal Chief Commissioners / Chief Commissioners of Central Excise (All),
Principal Commissioner of Central Excise (holding charge of Chief Commissioner) (All),
Web-master, CBEC

Madam/Sir,

Subject: - Clarification regarding Self-sealing and self-Examination of Bulk cargo -reg

References have been received from trade as well as from field formations regarding problems faced by trade in sealing of Bulk Cargo for export under bond under Notification No. 42/2001-Central Excise (N.T.), dated 26.06.2001. It has been pointed out that bulk cargo for e.g. coal, iron-ore, alumina Concentrate, heavy machinery etc. are difficult to seal in packages or container and hence a suggestion has been made that there is a need to prescribe procedure for export of such goods.

2. The matter has been examined. Notification No.42/2001-Central Excise (N.T.), dated 26.06.2001, has been amended vide Notification No. 23/2015, dated 30.10.2015 thereby exempting bulk cargo from sealing in packages or container. The Principal Chief Commissioner/ Chief Commissioner of Central Excise has been empowered to grant exemption from self-sealing of bulk cargo for export on case to case basis.

3. In the said Notification, in paragraph 2, in sub-paragraphs (ii) and (iii), after clause (a) occurring in both sub-paragraph , following proviso shall respectively be inserted, namely:-

“ Provided that where the nature of goods is such that the goods cannot be sealed in a package or a container such as coal or ore, etc., exemption from sealing of package or container may be granted by the Principal Chief Commissioner or Chief Commissioner of Central Excise subject to safeguard as may be specified by him in the permission.

The safeguards shall, inter-alia, include the following:-

- i. method of verification of quantity and quality of goods including testing of goods where necessary at the place of removal or despatch and at the port of export or SEZ, where the goods are received;
- ii. no remission of duty shall be allowed for loss of goods within transit;
- iii. permission shall be given on case to case basis for a specified period not exceeding one year at a time and may be withdrawn in case of misuse; and
- iv. any additional safeguards as may be specified ” .

4. In this regard, following procedures is prescribed while allowing export without sealing in packages or container:-

- i. The assessee who desires to avail facility of export of bulk cargo without sealing shall write to the Principal Chief Commissioner/ Chief Commissioner of Central Excise with a copy to jurisdictional Assistant/ Deputy Commissioner of Central Excise, giving details of bulk cargo to be exported with proper justification regarding difficulties faced by him in sealing of the cargo.
- ii. The Jurisdictional Assistant/ Deputy Commissioner after receipt of such application from the exporter shall forward it to the Principal Commissioner/ Commissioner with his comments within fifteen days of receipt of such application with due verification as needed.
- iii. The Jurisdictional Principal Commissioner/ Commissioner of Central Excise forward all such application to the Principal Chief Commissioner/ Chief Commissioner of Central Excise with his recommendation within three weeks of receipt of the application with report from the Assistant/ Deputy Commissioner. The jurisdictional Principal Commissioner/ Commissioner of Central Excise shall also consult the Principal Commissioner/ Commissioner having jurisdiction over the port of export or Development Commissioner of SEZ where the goods are received and incorporate the inputs appropriately in his recommendation.

- iv. Principal Chief Commissioner/ Chief Commissioner of Central Excise shall grant or reject the request for waiver of sealing of bulk cargo with in fifteen days of receipt of the application from the Principal Commissioner/ Commissioner of Central Excise.
5. The final decision taken on the application shall be communicated to the applicant in writing and in cases where the permission is granted, conditions and safeguards prescribed shall be clearly mentioned.
6. Difficulty experienced, if any, in implementing the circular should be brought to the notice of the Board. Hindi version will follow.

(Santosh Kumar Mishra)
Under Secretary to the Government of India