

PROCEDURE FOR SELF SEALING THE CONTAINER UNDER EXPORT

Present procedure

Container sealing at factory is allowed with self sealing permission granted by Excise department and Excise department sealing on need basis as per the request from the Assessee.

Procedure to be followed under GST

Reference of Board Circular – (1) Circular No. 26/2017-Customs dated 1.7.17, (2) Circular No. 36/2017-Customs dated 28.8.17, (3) Circular No. 37/2017-Customs dated 20.9.17, (4) Circular No. 41/2017-Customs dated 30.10.17 and (5) Circular No. 44/2017-Customs dated 18.11.17.

1. The Supervised factory stuffing by the Suptd of Excise/GST office is done away and assessee is entitled for self sealing procedure w.e.f., 1.10.17.
2. The export units, who are not having self sealing permission in the past, shall inform the details of premises from where the container stuffing to be carried out to the local Jurisdiction Custom Officer or Appraiser of Customs at least 15 days before the first planned movement of consignment from his premise.
3. The exporter should be register under GST and should be filing GSTR1 and GSTR2.
4. The Non-registered GST registrant should bring the export goods to a container freight station/inland container depot for stuffing and sealing of container.
5. The Status holder recognized by DGFT under valid status holder certificate is allowed to export goods under self sealing even though he is not registered under GST.

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6. The jurisdictional custom officer or Inspector of Customs shall visit the premises from where the export goods will be stuffed and sealed for export.
7. He will inspect the premises with regard to viability of stuffing of container in the premises and submit the report to the Jurisdictional Deputy Commissioner of customs or as the case may be the Asst. Commissioner of Customs within 48 hours.
8. The Jurisdictional Deputy Commissioner of customs or as the case may be the Asst. Commissioner of Customs shall forward the proposal, in this regard to the Principal Commissioner/Commissioner of Customs who would grant permission for self sealing at the approved premises.
9. Once the permission is granted, the exporter shall furnish only intimation to the jurisdictional Superintendent or Customs each time self sealing is carried out at approved premises, description of export goods and whether or not any incentive is being claimed.
10. If the visit report is not favourable, the exporter shall bring the goods to the container freight station/inland container depot/port for sealing purpose.
11. Self sealing permission once given by a Principal Commissioner/Commissioner of Customs shall be valid for export at all customs stations. The Custom formation granting the self sealing permission shall circulate the permission along with GSTIN of the exporter to all Custom House/Station concerned.
12. The Principal Commissioner/Commissioner of Customs would be required to communicate to RMD) of CBEC, the IEC of the following class of exporters:
 - a. Exporters newly granted permission for self sealing.
 - b. Exporter who were already operating under self sealing procedure.
 - c. Exporters who were permitted factory stuffing facility, and
 - d. AEOs.

The categories mentioned in above (b) to (d) may be communicated to RMD by 20.9.17.

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13. The above procedure from 1 to 11 shall be followed by an exporter who is not having self sealing permission.
14. It is clarified that all those exporters who are already operating under the self sealing procedure need not approach the jurisdiction Customs authorities for the self sealing permission. It is advised that exporter who is already having self sealing permission obtained from Excise department and factory stuffing permission obtained from Customs to keep informed both the local jurisdiction office of GST and Customs by submitting a letter attached with copy of above said permission and keep acknowledgement copy in their file. It will enable local jurisdiction office of both Customs and GST to make proper communication to Risk Management Division (RMD).
15. In case the exporter makes a request for a change in the approved premise (s), then the procedure prescribed in above 1 to 11 shall be followed, and a fresh permission granted before commencement of self sealing at the new premises.
16. Transport document for movement of self sealed container shall be same as the transport document prescribed under GST Laws, i.e., Export invoice with packing list and GST invoice.
17. In the case of an exporter who is not GST registrant, way bill or transport challan or lorry receipt shall be transport document.
18. Under the new procedure, the exporter will be obliged to declare the physical serial number of the e-seal at the time of filing the online integrated shipping bill or in the case of manual shipping bill before the container is dispatched for the designated port/ICD/LCS.

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19. Exporter shall directly procure RFID seal from vendors, conforming to the standard specification as prescribed below. They shall provide details such as IEC, etc., at the time of purchase for identification as well as for using the standard web application necessary to support at RFID self sealing eco system.

20. In case, the RFID seals of the container are found to be tampered with, then mandatory examination would be carried out by the Customs authorities. However, after examination, the further movement of such a container shall not be under the RFID e-seal procedure. The existing system of using the traditional bottle seals by customs shall continue for such movements.

21. The procedure under the subject circulars does not apply to export of non-containerized cargo or Air cargo or for movement of cargo from CFSs to ICDs/Ports or cargo exported through Land Customs Stations. Extant practices in respect of such cargo shall continue.

Standard specification of the seal:

1. The electronic seal shall be an “RFID tamper proof one time bolt seal”, each bearing a unique serial number. The exporter shall be responsible for procuring the seal at their own cost for use in self sealing.

2. Each seal shall be a onetime bolt seal bearing a unique serial number and brand of the vendor in the format ABCD xxxx xxxx, where ABCD stands for the brand of the vendor and x (8 digit) is numerical digit from 0 to 9.

3. The RFD seal shall conform to ISO 17712:2013 (H) and ISO/IEC 18000-6 class 1 Gen 2 which is globally accepted in industrial application and can be read with the use of UHF (i.e., 860 MHz to 960 MHz) Reader –Scanners.

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4. The manufacturer or vendor, as the case may be, shall be in possession of certifications required for conformance of the ISO standard ISO 17712:2013 (H) namely, clause 4, 5 and 6. Before commencement of sales, the vendor shall submit self certified copies of the above certifications to the Risk Management Division (RMD) and all the ICDs/Ports where he intends to operate along with the unique series of the seals proposed to be offered for sale. He also, must submit self-attested certificates from seal manufacturers to the Director (Customs), CBEC, North Block, New Delhi before commencing sales. Where the certification is found to comply with the requirements of the ISO standard, the names of such vendors shall be put up on the Board's website (www.cbec.gov.in) for ease of reference of the trade and field formations, as soon as they are received.
5. The vendors shall also produce a contract or communication between the vendor and manufacturer, to serve as a link document and undertake that the seals for which ISO certifications are submitted are the same seals pressed into service.
6. Any time a vendor changes his manufacturer-supplier, he shall provide the documentation referred in (1) to (4) above to the CBEC, before offering the seals for sale.

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Application, Record keeping and Data Retrieval System:

1. The exporter shall seal the container with the tamper proof electronic seal of standard specification as explained above. The electronic seal should have a unique number which should be declared in the Shipping bill. Before sealing the container, the exporter shall feed the data such as:
 1. IEC (Importer Exporter Code),
 2. Shipping bill number,
 3. Shipping bill date,
 4. E-seal number,
 5. Date of sealing,
 6. Time of sealing,
 7. Destination Customs Station for export,
 8. Container number,
 9. Trailer Truck number.

It is further clarified that the information need not be mounted “in the electronic seal” but tagged to the seal using a ‘web/mobile application’ to be provided by the vendor of the RFID seals. Data once uploaded by the exporter should not be capable of being over written or edited.

2. All vendors required to transmit information as above to RMD and the respective destination port/ICDs of export declared by the exporter. The arrangements for transmission of data may be worked out in consultation with the RMD and nodal Customs officer at each ICD/Port. For the purpose of consistency in process of communication with the Customs station and the RMD, each vendor shall provide informations as specified in para (1) above, to the department **by email in excel format or any other format that may be specified by any field formation or RMD.**

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3. As a measure of data integrity and security of sealing, vendors are also required to ensure that the Tag Identification (TID) number is captured in their data base and the IEC code of the exporter is linked to the same at the time of sale of the seals. Upon reading at the Port /ICD, the software application shall ensure that the seal's identity is checked with its TID. Beyond this prescribed minimum feature, vendors will remain free to build upon any other features of RFID system for enhancing security / functionalities. All vendors shall be required to make arrangements for reading/scanning of RFID one time bolt seals at the Customs ports/ICDs at their own cost, whether through handheld readers or fixed readers. Vendors are advised that when they provide fixed readers, services must be supported with handheld readers so that officers can carry out additional checks at any point within the Port/ICD. Accordingly, the readers to be provided shall be:
 - (a) Rugged and capable of withstanding shocks and vibrations and be generally adapted to outdoor/industrial environment.
 - (b) Integrated devices with a large display screen for viewing of data fields specified in para 1 above.
 - (c) The aforesaid data elements shall be displayed on the Reader display, on scanning of the e-seal by Customs.
4. For the ease of reference of the exporters, vendors are advised to publicise on their website, name of each port / ICD where they have provided readers. Custodians and Customs brokers are also advised to proactively engage with vendors regarding availability of reading facilities at container terminals and ICDs so that there is no dislocation to logistics operations.
5. The integrity of RFID seal would be verified by the Custom officer at the port/ICD by using the reader scanners which are connected to Data Retrieval System of the vendor.
6. Since all ICDs/ports where containerized cargo is handled would require reader scanners, Principal Commissioner or Commissioners exercising administrative control over such ports/ICDs shall notify the details of nodal officers for the smooth operation of this system.

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7. The transaction history of the self sealing should be visible to the exporters for their reference.
8. The vendor shall also undertake to integrate the information stored on the data retrieval server with ICEGATE at his own cost on a date and manner to be specified by the Directorate General of Systems, New Delhi.
9. The vendors shall transmit the IEC details of such exporters who have purchased the RFID e-seals to RMD on a daily basis. The IEC number and the name of exporter shall be provided only when the vendor makes the first sale to the exporter; there is no need transmit the details of the exporter each time a sale is made.
10. The vendors shall make all efforts to serve the requirements of maximum number of exporters by providing the RFID e-seals. They shall also provide Readers to all the customs stations from where the client exporters are exporting their cargo. The department reserves its right to direct vendors to provide Readers at any particular port/ICD.
11. The list of stations where Readers have been provided by Vendors is annexed at the end of this file. As and when coverage is extended by vendors to more customs stations, they shall be included in the list of Ports/ICDs where e-sealing would be mandatory. While for the benefit of the trade, Board shall update the list of Customs stations from time to time, field formations are advised to issue trade notices regarding availability of Readers as soon as these are available at their Port/ICD.
- 12. While the progress made in the coverage of reader network across ports and ICDs is well recognised, but factoring that it may take some time for the field formations to fully set up systems and procedures for handling RFID e-sealed containers as well as receipt of data, the Board has decided that mandatory e-sealing for different classes of exporters shall be brought in a phased manner as indicated below:**

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- a. All entitled Exporters who have acquired RFID e-seals and are stuffing containers at approved premises for export through Ports/ICDs where facilities for readers are available shall be free to continue/adopt the new sealing procedure and need not seek presence of officers of the department for supervising stuffing. Essentially, this implies that the procedure is voluntary for entitled exporters till 15th December, 2017.
- b. In respect of all exporters who have been permitted self-sealing facilities under erstwhile procedures and exporters who are AEOs, it would be mandatory to seal their export containers with prescribed RFID e-seal w.e.f. 15th December. 2017. Any non-compliance will subject the containers to usual RMS parameters.
- c. In respect of the category of exporters who are availing supervised stuffing at their premises, extant practice of supervised stuffing may continue till 14th December, 2017. With effect from 15th of December, 2017, they shall have to switch to RFID e-sealing procedures.
- d. Further, with effect from 15th December, 2017 e-sealing shall become mandatory in respect of the exporters, who have been permitted self-sealing facilities under the erstwhile excise procedure or GST regime, AEO exporters and exporters availing supervised stuffing at their premises for the following locations:
 1. JNCH, Nhava Sheva (INNSA1)
 2. Chennai Port (INMAA1)
 3. Mundra Port (INMUN1)
 4. Hazira Port (INHZA1)
 5. Cochin Port (INCOK1)
 6. 6. Kattupalli, Port (INKAT1)
 7. 7. Kolkata Port (INCCU1)
 8. 8. ICD Tughlakabad (INTKD6)
 9. 9. Tuticorin Port (INTUT1)
 10. 10. Pipavav Port (INPAV1)
 11. 11. Vishakhapatnam Port (INVTZ1)

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12. 12. Krishnapatnam Port (INKRII)
 13. 13. ICD Bangalore (INWFD6)
 14. 14. ICD Tirupur (INTUP6)
 15. 15. ICD Ludhiana (INLDH6)
- e. Regarding the exporters who have newly applied to the jurisdictional customs authority for self-sealing permission under circular 26/2017-Cus dated 1st July 2017, they shall commence use of the facility subject to grant of permission and upon adoption of RFID e-sealing.
- f. Finally, e-sealing procedure for Full Container Load stuffed at approved premises would be mandatory with effect from 1st January, 2018 for all Ports/ICDs.
13. The applicable date for RFID e-sealing implies that exporters are required to use this procedure from the prescribed date. Any container sealed at the exporters premises before the prescribed date, shall not be required to be brought with RFID e-seal.
14. It is also clarified that those exporters who are in possession of RFID e-seals are at liberty to commence availing the facilitative procedures forthwith. It may be recalled that vide circular 37/2017-Cus, the e-sealing procedure had been made voluntary subject to availability of reader facilities.
15. The procedures in respect of customs stations where readers have not been provided by any vendor so far shall continue till 31st December 2017, as per existing practice. Board shall take necessary steps to make sure that the readers are made available at such customs stations by 1st January 2018.

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