Customs Clearance Process for (Steel) Goods requiring BI Standards

Anupam Prakash
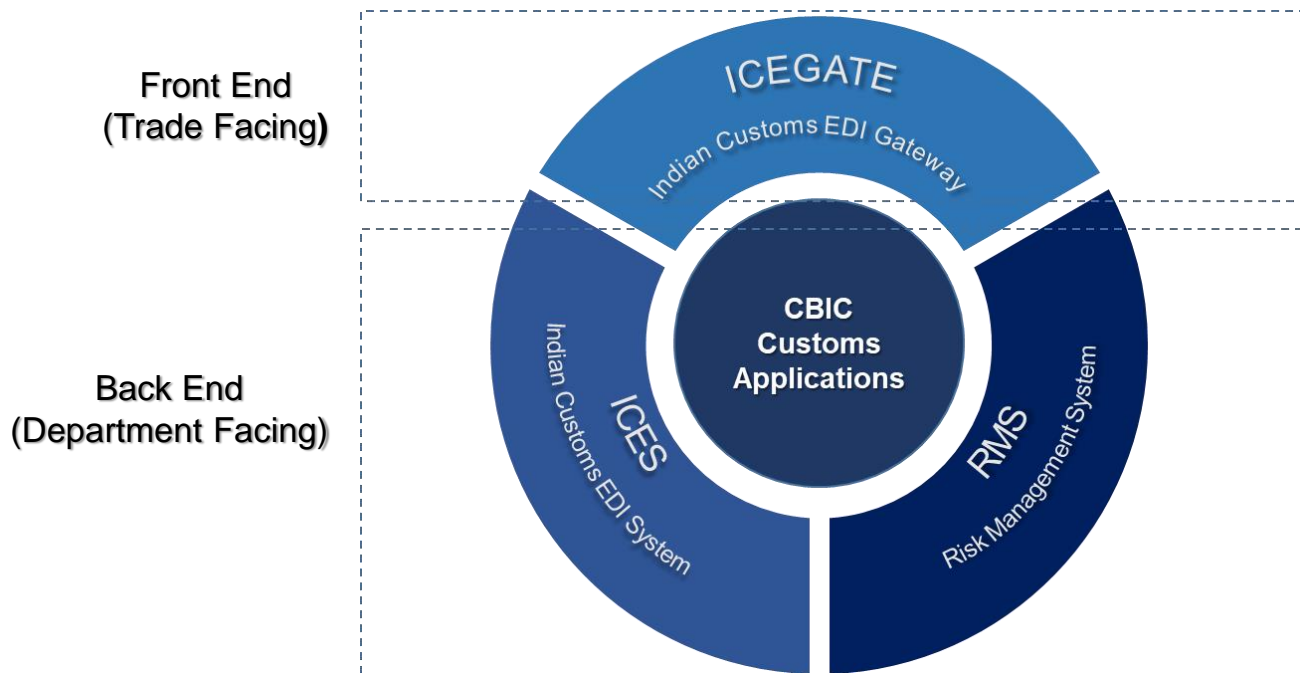
Additional Director, ICEGATE

12th July 2019

Presentation agenda

- Customs Integrated System

- ICEGATE, ICES, RMS

- Import Process Lifecycle

- Steel trade

- Details captured in Bill of Entry

- Procedure for non-complying goods

Leveraging Technology for Serving Taxpayers

Customs Integrated System (CIS)

Front End
(Trade Facing)

ICEGATE
Indian Customs EDI Gateway

CBIC
Customs
Applications

ICES
Indian Customs EDI System

RMS
Risk Management System

Back End
(Department Facing)

*ICES, ICEGATE and RMS systems interact with each other in **real time** to provide online Customs clearance to several lakh importers / exporters and Customs brokers.*
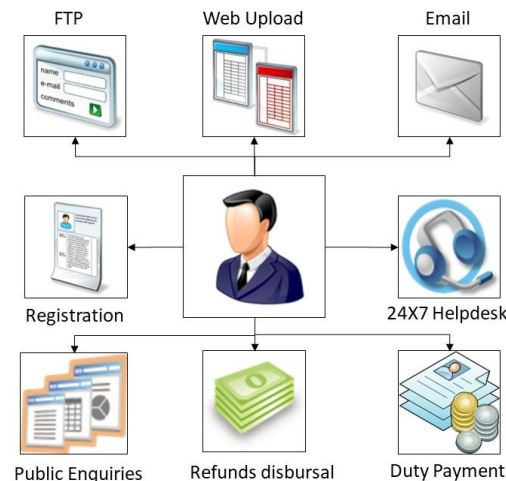
Indian Customs EDI Gateway (ICEGATE)

Indian Customs Electronic Commerce / Electronic Data interchange (EC/EDI) Gateway (ICEGATE) serves as a one stop web portal for Indian Customs that provides e-filing services to trade and cargo carriers and other clients of Customs Department

Transactional Services

- Document Filing / Processing for 231 EDI locations
- Duty payment from Nationalized Banks
- Export Incentive disbursal
- Logistics Management
  - Port / Custodians
  - Cargo Handling
  - Carrier Operations
- Licensing Control
- IPR Registration

Informational Services

- Real Time Tracking of filed documents
- 54 Tracking modules
- Daily Reports
- Customs Duty Calculator
- Help Desk
  - Toll Free No.: 1800-3010-1000
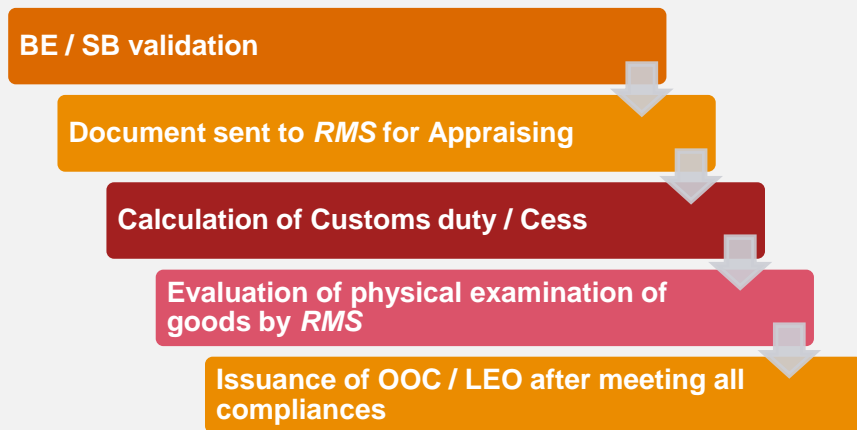 - Email: icegatehelpdesk@icegate.gov.in
- Connecting standards

FTP
Web Upload
Email
Registration
24X7 Helpdesk
Public Enquiries
Refunds disbursal
Duty Payment

On a day in the icegate

- DUTY COLLECTED — 1136 Cr.
- HITS RECEIVED AT ICEGATE WEBSITE — 58 Lac
- DRAWBACK DISBURSED — 46 Cr.
- NO. OF CHALLANS HANDLED — 12004
- EMAILS SERVED BY HELPDESK — 590
- CALLS SERVED BY HELPDESK — 1057
- ROSL DISBURSED — 6 Cr.
- BILLS OF ENTRY FILED — 11800
- IGST DISBURSED — 153 Cr.
- SHIPPING BILLS FILED — 20954

ICES and RMS

Electronic Data Interchange (EDI) based **Indian Customs EDI System (ICES)** makes it possible for all the documents to be processed electronically.
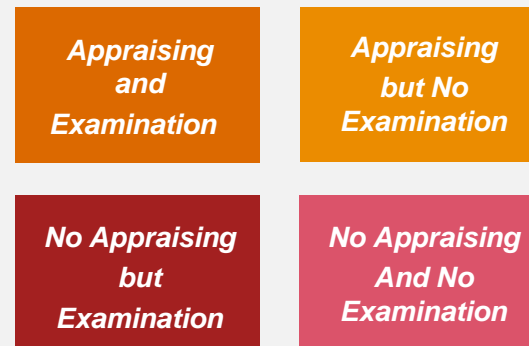
Operational at 231 major custom locations, it extends real-time electronic interface with trade, transport, banks and regulatory agencies to exchange customs clearance related information. Steps involved during document processing includes:

- BE / SB validation
- Document sent to *RMS* for Appraising
- Calculation of Customs duty / Cess
- Evaluation of physical examination of goods by *RMS*
- Issuance of OOC / LEO after meeting all compliances

RMS (Risk Management System) facilitates assessment of compliance, segregating the transactions requiring deeper scrutiny by Customs officers

Filed declarations and calculated duty are sent to RMS for appraising and examination purposes. Examining Officer carries out examination of goods to be imported based on the risk alert by RMS.

Four possible outcomes are expected for goods under consideration from the evaluation process:
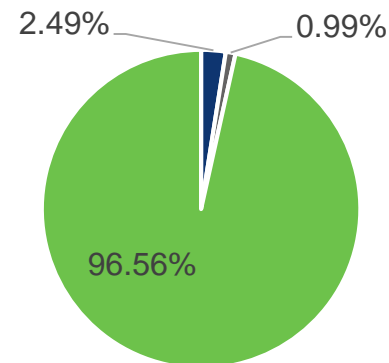
Appraising and Examination	*Appraising but No Examination*
No Appraising but Examination	*No Appraising And No Examination*

Leveraging Technology for Serving Taxpayers

Import of Steel for FY 2018-19

Quantity : Import of Steel and Articles of Steel for FY 2018-19

Goods	Quantity of Import (In Thousands)	% Growth
Iron and Steel	1,59,28,002.00	11.80%
Articles of Iron and Steel	20,38,381.5	37.06%

Value : Import of Steel and Articles of Steel for FY 2018-19

Goods	Value of Import (In INR Lacs)	% Growth
Iron and Steel	87,98,380.36	30.86%
Articles of Iron and Steel	35,65,762.12	31.58%
All Imports	**35,94,37,299.64**	

Value of Imports

2.49%   0.99%

96.56%

- Iron and Steel
- Articles of Iron and Steel
- Remaining Import

Imports Process Lifecycle

Vessel arrives at the Destination Port in India

Indian Customs EDI System (ICES) calculates corresponding Customs Duty, and generates a Challan

If deemed necessary, Customs Officer raises a query on the import consignment

Importer pays the Duty applicable electronically through one of the nationalized banks.

Import General Manifest (IGM) → **Vessel Arrival** → **Bill of Entry** → **ICES** → **RMS** → **Query Reply** → **Appraising** → **Duty Payment** → **OOC**

IGM is filed on ICEGATE portal by respective Carrier of the goods

Bill of Entry (BE) filed by Importer / CHA on ICEGATE portal, along with digital copies of supporting documents

Filed BE undergoes appraisal and examination in the Risk Management System (RMS)

BE is sent to Appraiser. If indicated by the system, manual verification of the goods is carried out

Importer is permitted to take the goods after issuance of Out Of Charge (OOC) by the system

Details captured in Bill of Entry

BILL OF ENTRY

Name of the importer	**Mandatory**
Address of importer	**Mandatory**
IEC Code	**Mandatory**
Package Code	Optional
Gross Weight	Optional

INVOICE

Invoice Serial Number	Mandatory
Invoice Date	Optional
Purchase Order Number	Optional
Purchase Order Date	Optional
Contract Number	Optional
Contract Date	Optional
License Number	Optional
License Date	Optional

CERT

Certificate Number	Mandatory
Certificate Date	Mandatory
Certificate Type	Mandatory

LICENSE

Item Sr. no. in Invoice	Mandatory
Item Sr. No. in License	Optional

SUPPORTING DOCS

Item Sr. No	Mandatory
CHA License Number	Optional
Image Reference No.	**Mandatory**
Document Type Code	Mandatory
Document Issuing Party Code	Optional
Document Issuing Party Name	Mandatory
Document Issuing Party Address1	Optional
Document Issuing Party Address2	Optional

Leveraging Technology for Serving Taxpayers

Details captured in Bill of Entry

ITEMS

Item Sr. no.	Mandatory
Quantity	**Mandatory**
Unit quantity code	Mandatory
RITC Code	Mandatory
Item description 1	**Mandatory**
Item description 2	Optional
Item category (Scheme Code)	Optional
Generic description of the item	Optional
Accessories for the item	Optional
Manufacturer/Grower/ Producer Name	Optional
Brand Name	Mandatory
Model	Mandatory
End use of the item	Mandatory
Country of Origin	**Mandatory**
CTH	**Mandatory**
Anti-dumping Duty notification	Optional
Anti-dumping Duty Serial Number	Optional

ITEMS

Unit price invoiced	Mandatory
Discount rate	Optional
Discount amount	Optional
Quantity as per CTH	Optional
Item Manufacturer/ Producer Code Type	Optional
Item Manufacturer/ Producer/ Grower code	Optional
Item Manufacturer/ Producer/ Grower Address1	Optional
Item Manufacturer/ Producer/ Grower Address2	Optional
Item Manufacturer/ Producer/ Grower city	Optional
Manufacturer/ Producer/ Grower country Subdivision	Optional
Item Manufacturer/ Producer/ Grower pin	Optional

Leveraging Technology for Serving Taxpayers

Procedure for Non-Complying Goods

Adjudication

- **As per Section 122 of Chapter XIV of Customs Act 1962,** any good liable to confiscation or any person liable to a penalty, such confiscation or penalty may be adjudged, by a Commissioner/Joint Commissioner of Customs without limit, Assistant Commissioner/Deputy Commissioner if value of goods < 2lakh rupees and by a Gazetted officer of Customs lower in rank than an Assistant Commissioner of Customs if value of goods < Rs 10000

Fine & Penalty

- **As per Section 112 of Chapter XIV of Customs Act 1962**, any person, in relation to any goods, does/ omits to do any act which would render such goods liable to confiscation, or anyone who acquires possession of or is in any way concerned with dealing with any goods liable to confiscation, shall be liable to penalty and fine.

Re-Export or destruction

Leveraging Technology for Serving Taxpayers

Cases for Non Complying Goods

1

Importer Name: xxxxxxxxxx

Product: Pre coated Steel Sheets and Stainless Steel Sheets

Bill of Entry date: April 2018

Value: Rs 12.65 lakh

Penalty: Rs 1.25 lakh

Action taken: Absolute confiscation. No fine since absolutely confiscated.

2

Importer Name: xxxxxxxxxx

Product: Stainless Steel

Bill of Entry date: March 2018

Value: Rs 3.33 lakh

Penalty: Rs 50,000
Action taken: Allowed re export. No fine applied since re-export was allowed.
Show cause Notice waived off on importer's request

Central Board of Indirect Taxes & Customs – ICEGATE | Department of Revenue | Ministry of Finance

Contact us: Toll Free- 180030101000 | e-Mail us- icegatehelpdesk@icegate.gov.in