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Electronic Sealing for Containers by exporters under self-sealing procedure

CBEC has clarified certain instructions on the Electronic Sealing of containers with RFID tags. These measure will become mandatory from November 1st 2017

PROCEDURE

(a) The exporters who were availing sealing at their factory premises under the system of supervised factory stuffing, will be automatically entitled for self-sealing procedure. All exporter AEOs will also be eligible for self-sealing. 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.

Instructions quoted

1. Customs Instruction No 36/2017 & 37/2017

(b) The permission to self-seal the export goods from a particular premise, under the revised procedure, once granted shall be valid unless withdrawn by the jurisdictional Principal Commissioner or Commissioner of Customs if non-compliance to law, rules and regulations is noticed. In case the exporter makes a request for a change in the approved premise (s), then the procedure prescribed in circular 26/20 17-Cus shall be followed, and a fresh permission granted before commencement of self-sealing at the new premises.

(c) Principal Commissioners / Commissioners would be required to communicate to Risk Management Division (RMD) of CBEC, the IEC (Importer Exporter Code) of the following class of exporters:

i. exporters newly granted permission for self-sealing;
ii. exporters who were already operating under self-sealing procedure;
iii. exporters who were permitted factory stuffing facility; and
iv. AEOs

The categories mentioned in c(ii), (iii) and (iv) may be communicated to RMD by 20-09-2017 .

(d) Under the new procedure, the exporter will be obligated 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.

(e) Exporters shall directly procure RFID seals from vendors, conforming to the standard specification mentioned below. Since the procedure seeks to enhance integrity of transportation of goods, the exporters will be required to obtain seals directly. 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 an RFlD self-sealing ecosystem.

f) In case, the RFID seals of the containers are found to be tampered with, then mandatory examination would be carried out by the Customs authorities.

STANDARD SPECIFICATION OF THE SEAL

(a) The electronic seal referred shall be an "RFID tamper proof one-time-bolt seal", each bearing a unique serial number. The exporters shall be responsible for procuring the seals at their own cost for use in self-sealing.

(b) Each seal shall be a one-time-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 a numerical digit from 0-9. (c) The RFID seal shall conform to ISO 17712:2013 (H) and ISO/IEC 18000-6 Class 1 Gen 2 which is globally accepted in industrial applications and can be read with the use of UHF (i.e. 860 MHz to 960 MHz) Reader-Scanners.

(d) 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, clauses 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.

APPLICATION, RECORD KEEPING AND DATA RETRIEVAL SYSTEM

(a) It is clarified that the information sought from the exporter shall now be read as:

- IEC (Importer Exporter Code)
- Shipping Bill Number

- Shipping Bill Date
- e-seal number
- Date of sealing
- Time of sealing
- Destination
- Customs Station for export
- Container Number
- 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 overwritten or edited.

(b) All vendors will be required to transmit the information above to RMD and the respective destination ports / 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.

(c) All vendors shall be required to make arrangements for reading / scanning of RFID one- timeBolt seals at the Customs ports/ rCDs at their own cost, whether through handheld readers or fixed readers.

(d) The integrity of the RFID seal would be verified by the Customs officer at the port /ICD by using the reader-scanners which are connected to Data Retrieval System of the vendor.

(e) Since all K'Ds / ports where containerized cargo is handled would require reader scanners, Principal Commissioners or Commissioners exercising administrative control over such ports/ ICDs shall notify the details of the nodal officers for the smooth operation ofthis system.

(f) The transaction history of the self-sealing should be visible to the exporters for their reference.

(g) 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. 5.

VENDOR REQUIREMENTS FOR RFID TAGS

To ensure uniformity in acceptance of the certificates submitted by vendors, required under ISO 17712:2013, it has been decided that all vendors proposing to offer RFID Tamper Proof One-Time-Bolt Container Seals to exporters for self-sealing, 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. 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.

Clarifications have also been sought regarding the type/specification of the web-hosted application. While each vendor may develop and design their own web-enabled application, the data elements prescribed by Customs have to be incorporated. For the purposes of consistency in process of communication with the customs stations and the RMD, each vendor shall provide information to the department by email in excel format or any other format that may be specified by any field formation or RMD. This would permit ease of consolidation of multiple feeds at the customs station and data integration.

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.

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.

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