



सीमाशुल्क आयुक्त का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS
सीमाशुल्क गृह, पत्तन क्षेत्र, विशाखपट्टणम् — 530 035
Custom House, Port Area, Visakhapatnam - 530 035

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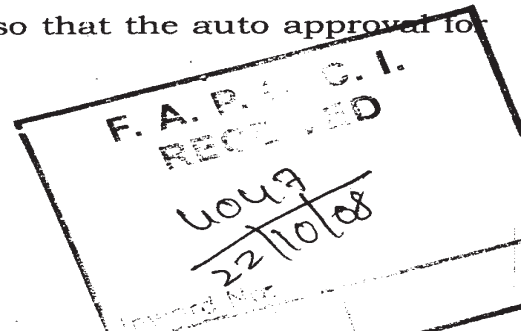
Sub: Procedure for movement of Import Cargo in Containers from Port to CFS- reg.

Attention of all Steamer Agents/Shipping Lines, Importers, Custom House Agents, CFS Operators/Custodians and Main Line Operators (MLO) is drawn to Public notice No. 70/2003 dated 17th April, 2003 regarding movement of containerized Import Cargo from the Port to CFSs.

2. In order to streamline the management and monitoring of various aspects of containerized cargo movement to CFS, certain enhancements and modifications in the ICES application have been carried out. These modifications are detailed below for the smooth functioning of container movement from Port to CFSs.

3. **Movement of containerized Import Cargo from the Port to**

CFS: It has been decided to implement the auto approval facility to move containers from Port to CFS. CFS operators/Custodians are not required to file a separate application to the Deputy/Asst. Commissioner (Imp) for movement of containers from the Port to the associated CFSs. The movement request will be part of IGM filing process. The Importers/CHAs/Steamer Agents/Shipping Lines are advised to ensure that the code of the destination CFS (as per the Annexure to this PN) at Sl. No. 26 in **Message No.1B - SACHI02**, should be clearly mentioned in the IGM, so that the auto approval to



movement of Import Containers from the Port to the CFSs is granted by ICES application itself at the time of grant of "Entry Inward" in the ICES System. Further, the CFS Operators/Custodians, Steamer Agents/Shipping lines and MLOs are advised to ensure that the following parameters are specified while submitting the IGM in ICES for auto approval to take place for container movement to CFSs.

In Message 1B - SACHI02

- (a) at Sl.No.23 Nature of Cargo should be 'C' or 'CP'
- (b) at Sl.No.25 Cargo Movement should be specified as 'LC'
- (c) at Sl.No.37 Bond Registration No. should be specified
- (d) at Sl.No.40 MLO code must be specified with the owner shipping agent code.

The Auto approval would be applicable for the 'C' (Containerised) or 'CP' (Part of the consignment is Containerised and remaining is Packaged but not containerised) nature of cargo only. Once auto approval is granted, the Shipping Agent/Port/Destination CFS will receive the messages in Message No.CHSAI26 regarding grant of permission for movement of containers to Destination CFS.

4. **Amendment of CFS Movement Approval:** The proposed CFS Movement Approval Module has provision to amend any Movement Request parameter before approval is granted. After the auto approval is given by the System, amendments, if any, are permitted by the Asst. /Deputy Commissioner (Imports) only in the following cases:

- o En Block Movement to a different CFS: For instance, there is a time limit of 72 hours for cargo-clearance at the port. Containers earmarked for a CFS but not cleared within this time are moved en block to a different CFS at the discretion of the Port.

- Change of Destination CFS: Similar to the En block movement as described above, here the Shipping Agent/ MLO/ Importer/ CHA requests for the amendment.
- Cancellation of CFS Movement Request: This requirement arises in case the party wants Direct Delivery from the Port itself and wants to cancel the approval already granted for movement to a CFS.
- Any change in the cargo/container parameters: Changes in Container No., Type, Line Particulars etc. may be requested.

To facilitate the above amendments, the following procedures are required to be followed:

- a. The request for post-approval changes should be filed with the Asst. /Deputy Commissioner (Imports). Applicant shall mention the CFS Movement No. and Date while requesting any amendment.
- b. On verification of all relevant details/records, the Asst. /Deputy Commissioner (Imports) may approve the amendment. System will also internally run its own validation checks and will reject any invalid/inconsistent request.
- c. **After amendment request is approved, System carries out the following tasks:-**
 - i. Cancels the previous approval order. Issues the cancellation message in format CHSAI26.
 - ii. Re-credits the bond already debited for original approval.
 - iii. Debits new bond if applicable.
 - iv. Generates new approval order.
 - v. Amends the CFS code mentioned in the IGM.
- d. For minor amendments like changing cargo/ container particulars, dropping a container from an approved list etc. – which do not require alteration of the bond value or any other major change, System will not cancel the existing approval

order, but will make necessary changes and send amendment message CHSAI26. This facility does not include cases like change of destination CFS, including additional containers etc.

These amendments would be permitted only if the containers have not moved out of the Port/CFS area. The container exit information would be available from the gate module.

5. **Bond in respect of container movement from Port to CFSs:**

Existing Bond Module and authorisation forms in ICES (Imports) will be used. Bond Type is 'TR' (Transit Bond – which is a continuity Bond) for movement of container with cargo from Port to CFSs. Bond Type 'General Bond (GB)' is also allowed. BG rate, if applicable, is governed. There will be 2 kinds of Bonds for container movement to CFSs.

(1) 1st Party Bond: Given by the applicant (MLO)

(2) 3rd Party Bond: Given by destination CFS/Custodians.

In case of 3rd Party Bond, necessary one-time authority has to be given by the CFS to the applicant (MLO).

6. **The Bond value is** calculated on the basis of the size of the container. The Bond amount of Rs. 3,00,000 for 20 feet container and of Rs.5,00,000/- for 40 feet container would be calculated by the System, which is picked up with reference to the ISO codes declared in the IGM. The option to calculate the Bond amount on the basis of invoice value of cargo will not be available under this procedure as the invoice value is not available in the IGM. The bond amount will be debited in ICES System for movement of containers to CFSs. In order to avail this facility, MLOs and Custodians are required to register their Bonds in ICES Bond Module with the Asst. /Deputy Commissioner (Imports) and obtain the TR/GB Bond No. Auto

approval will not take place, if the Bond registration No. is not mentioned in the IGM.

7. **Recrediting of Bonds:** The recredit facility (wherever transit Bond is applicable) is integrated in the Gate Module. After movement approval is given in the System and when the containers pass through the Custodian (Port) gate, the Preventive Officer of Customs posted at the Port Gate shall verify/enter the container particulars in the ICES System. When the container physically arrives at the CFS gate, the Preventive Officer of Customs posted at CFS Gate will enter the details in the ICES System. Thereafter, the System automatically recredits the transit bond (TR Bond), which had earlier been debited.

8. For Direct Delivery containers, for which the CFS code is mentioned during IGM filing, the bond will be automatically debited at the time of auto approval of container movement. Like wise, in case the CFS code is wrongly mentioned i.e., in case CFS code of one CFS is wrongly mentioned instead of CFS code of another CFS, the bond will be debited against the CFS mentioned in the IGM. In these cases, the Asst. /Deputy Commissioner (Imports) should be approached with proof for recrediting the bond amount already debited at the time of auto approval. **The procedure mentioned at Para 4 shall be followed** in these cases.

11. **Empty Container Movement:** Till now, Empty Containers imported by Shipping Agents are manually cleared. Following procedure is laid down to handle the movement of empty Containers through ICES:

- a. Empty Containers Movement shall be processed in the same way as the cargo containers moving to CFSs. These containers are to be compulsorily declared in the IGM.
- b. All the Empty containers shall be cleared through the Empty Container Yards (ECY). Shipping Agent/MLO shall apply for

such movement in the IGM itself, just like CFS cargo. The only difference is that, instead of CFS Code, the ECY Code (Empty Container Yard Code) shall be specified in the IGM.

- c. All Empty Container yards will have a common code <Port_Code>A0. In the case of Vishakapatnam Seaport the code for Empty container Yard is INVTZ1A0. In due course of time, however, separate codes for different ECY (like A0, A1, A2.... Z7, Z8, Z9) may be allotted to identify individual yard.
- d. The Empty Container Bond shall be debited before the approval of movement order for the empty containers is granted by ICES at the time of grant of entry inwards.
- e. The approval order shall be similar to the approval of Container Movement to CFS. Same message in message format CHSAI26 which is in existence for movement of containers to CFS shall be sent for Empty Containers approval to the Port/Shipping Agents. Further, the CFS Gate Module at the exit gate of the Port shall also track these containers.

The Bond value debited for Empty container will be re-credited to the bond once the container is re-exported and the proof for same is submitted by MLO to the Asst. /Deputy Commissioner (Imports).

12. **Empty Container Bond:** It has been decided that ICES will incorporate the processing of Empty Container Bond for all imported containers through Vishakapatnam Seaport. It may be noted that processing for this Container Bond is a prerequisite for other processing linked to the time of grant of entry inwards i.e., unless this bond is debited, approvals like Transshipment approvals, approvals for movement to CFSs and regularization of prior Bill of Entries will not take place. The following are the salient features of this bond:

- a. MLOs of the Shipping Lines should furnish a bond for all imported containers – which would be in force till they are re-exported. The Containers must be re-exported within a period of 6 months and for further extension permission has to be obtained separately.

- b. A new type of bond exclusively for this purpose would be introduced. This bond would be called Container Bond type 'CO'. It will be a Continuous bond – that can be used for multiple debits and re-credit till the value is exhausted.
- c. MLOs of the Shipping lines are required to register only one Container Bond of large value so that it can be used for multiple debits. The existing bond module of ICES will be used for registration and management of the bond. There is provision of enhancing the value of an existing bond through additional credit.
- d. Rate of bond value for containers is specified on the basis of type of container – like 20', 40', Plain, Reefer and tanker etc. and would be debited. System would maintain a directory of bond rates based on ISO code of the container. The Bond rates for various type of containers are given in the following table:

Type of Container	Bond Rate (in Rupees)
20 Feet Plain	30,000/-
40 Feet Plain	60,000/-
20 Feet Reefer	2,00,000/-
40 Feet Reefer	3,50,000/-
20 Feet Tanker	3,00,000/-
40 Feet Tanker	4,00,000/-

- e. For loaded containers, this bond will be in addition to the TP (for Transshipment) or TR (for CFS Movement) bonds.
- f. For empty containers, the information should compulsorily be filed as part of IGM for debiting of bond and approval of movement of empty containers. The MLO code may be specified mandatorily for all containerized lines in the IGM.
- g. Processing of bond-debit is implicit in the System and no separate request is required. On grant of Entry Inwards, System will automatically carry out the required processing - which involves finding out valid registered bond, calculation of Bond amount and debiting the same.

h. The debited value for a container will be re-credited to the bond once the container is re-exported. Shipping Agents will have to apply for re-credit along with proof of export. The Asst. /Deputy Commissioner (Imports) will approve the same on verification of proof of export within approved time limit.

13. But for the modifications in the procedure for container movement to CFS as detailed above, other existing procedures will continue to be followed.

14. If any, difficulties/problems faced in the implementation of auto approval of container movement to CFS may be brought to the notice of the Addl./Joint Commissioner (Systems).

15. This Public Notice will come into effect from 20th October, 2008.

Sd/08-10-2008

(M.PONNUSWAMY)
COMMISSIONER

ATTACHED BY


V. Vasudha Prasad Rao.

(Asst Commissioner of Customs) 23/10/08