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7/6/13

Govt. of India Ministry of Finance Department of Revenue		Phone: 044-25254453,52 Fax: 044-25249543
OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT) CUSTOM HOUSE, CHENNAI – 600 001 www.chennaicustoms.gov.in		

F.No.S.Misc. 66/2013 - Docks

Dated: 22.5.2013

FACILITY CIRCULAR 5/2013

Sub : Implementation of system with support of CLRI to improve inspection of export of finished leather consignments – Reg.

Attention is invited to all trade and other stakeholders esp. leather exporters with regard to change in examination procedure for export of leather consignments. Presently all the leather consignments are examined by in-house leather experts to ensure that only finished leather is exported. It is brought to the notice of Board that some unscrupulous exporters are exporting semi- processed leather in the guise of finished leather for evading applicable export duty. Hence, Ministry of Commerce and Industry have recommended putting in place a robust inspection system with presence of officials from CLRI(Central Leather Research Institute) at identified customs stations to check this unauthorized export.

2. The matter was discussed with the officials of CLE(Council for Leather Exports) and CLRI. Accordingly, the following procedure for examination of consignments declared as “finished leather” is prescribed:

2.1 LOCATION AND TIMING:

For the convenience of trade and the CLRI officials, as proposed by Council for leather Exports(CLE), it is decided to confine examination of finished leather export consignments only to two locations namely **CONCOR ICD and Triway CFS**. It is also been decided that CLRI officials will be available for examination and drawal of samples in these locations from 2 PM to 6 PM on all working days of Docks examination.

2.2. PROCEDURE OF ASSESSMENT & EXAMINATION:

- I. The product shall conform to finished leather norms prescribed under DGFT public notice 21/2009-14 dated 01-12-2009, failing which will be subjected to export cess as defined in Sl.26 of Schedule 2 of Customs Tariff Act, 1974 as amended.
- II. The officials of CLRI shall assist Customs officers in examination of export consignments of leather. Where required, samples shall be drawn by Customs in presence of officials of CLRI. Samples so drawn by Customs shall be sent to CLRI or approved labs for testing and till such receipt of test report such shipping bills shall be provisionally assessed.
- III. The Exporters on filing shipping bill, shall execute a provisional bond as per Customs (Provisional Duty Assessment) Regulations, 1963 with EDC section to be assessed provisionally. The exporters registered with CLE may execute a simple bond for this purpose. For other exporters, the department may invoke additional security if warrants so.
- IV. The Exporter shall also pay necessary charges for testing to CLRI in the mode as agreed between CLRI and CLE.
- V. On goods Registration, the goods shall be presented in the presence of customs to CLRI officials for examination.

- VI. CLRI officials shall take samples of such consignment and as a token of such drawal, shall endorse with their stamp in Test memo in triplicate as given in the annexure. The details of shipping bill shall also be written at the back of each sample and endorsed by customs and CLRI along with their stamp. First copy of test memo shall be retained with CLRI along with the samples. Second copy to be handed over to exporter/Representative.
 - VII. After due examination, the examining officer shall make entry in department comments of the following "This S/B assessed provisionally subject to outcome of test result from CLRI on sample NO..... The provisional bond numbered is submitted to export dept. in this regard".
 - VIII. After due examination, "Let export order" may be given in EDI system by proper officer if everything found in order.
 - IX. Third copy of the test memo is to be placed in Docket retained in docks and fourth copy to be forwarded to Docks sampling cell. The Docks sampling cell shall maintain the register of test memo issued to CLRI as per *STANDING ORDER..31/A.012 dt. 16.05.12.*
 - X. CLRI will forward the test results to "Deputy Commissioner (Docks- Admn), 60, Rajaji Salai, Chennai -1 ". On such receipt, the results along with the Fourth copy of the test memo will be forwarded to Export Department for further action.
 - XI. If the test report confirms it to be "Finished leather" as per the declaration of the exporter, the shipping bill will be finalized and the bond will be closed. Otherwise, the goods would be subjected to Export Duty and further necessary action will be taken in accordance with law by EDC section to collect the differential duty
6. The CLRI shall devise an appropriate procedure for registration, charges, systematic drawal, dispatch and testing of the samples, dispatch of test report, proper maintenance of data for the activities carried out in this regard. The CLRI shall also prescribe the format of register to be maintained and give instructions to their officials in this regard.
 7. This will be effective from 23.5.2013. In case of any difficulties in the implementation of this facility circular, DC/AC docks may be contacted.

Sd/-

22.05.2013

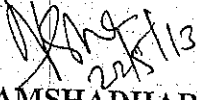
(C.RAJENDIRAN)

COMMISSIONER OF CUSTOMS(EXPORTS)


To

All Concerned

ATTESTED


(V.K. VAMSHADHARA)
ASSTT. COMMISSIONER(DOCKS)
CUSTOM HOUSE
CHENNAI.

ANNEXURE -1

Govt. of India Ministry of Finance Department of Revenue		Phone: 044-25254453,52 Fax: 044-25249543
OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT) CUSTOM HOUSE, CHENNAI - 600 001 www.chennaicustoms.gov.in		

File No

TEST MEMO .../MM/YY/CFS

(In quadruplicate)

Date & Time		CFS	
S/B No		IEC	
S/B Date		Exporter Name	
CLE Regn No.		CHA Name	
SAMPLE DETAILS			
Sno.	DESCRIPTION	QUANTITY	

1. Charges to CLRI paid
2. Samples drawn and endorsed
3. Other Remarks:

: Yes/No
: Yes/No

