No. CLE-HO/POL/CIRCULAR/15-16

March 9, 2016

Members of the Council

**Sub : Extending Indian Customs Single window to other locations and other participating Government Agencies - For Import Consignments**

**Ref : Customs Circular No. 03/2016**

Dear Member,

The Central Board of Excise and Customs (CBEC), Department of Revenue has issued a Customs Circular No. 03/2016 dated 3rd February 2016 (copy enclosed) on the above subject. This Customs Circular has been issued to facilitate online issue of various clearances including NOC from Animal Quarantine and Wild Life Departments and Textile Committee Certificate for import consignments. **As the industry faced several procedural issues on account of the said Customs Circular No. 03/2016, it took-up the issues with the concerned Departments. The issues and the status as of now are given below.**

1. **Wild Life Clearance Issue**

* **Issue No. 1 :** As per the aforesaid Customs Circular No. 3/2016, **all import consignments of hides, skins and leathers (including finished leather)** falling under Chapter 41 and Chapter 43 were referred to Wild Life Department for NOC. However, **CLE took up the request that as per ITS (HS) Tariff schedule, only the following types of hides/skins are subject to provisions of Wild Life (Protection) Act, 1972 and CITES.**

**Chapter 41**

|  |  |
| --- | --- |
| **Other Raw Hides and Skins** | |
| 41032000 | Of reptiles |
| 41039000 | Other |
| **Tanned or Crust Hides and Skins of Other Animals** | |
| 41064000 | Of reptiles |
| **Leather Further Prepared after tanning and Crusting** | |
| 41133000 | Of reptiles |

**Chapter 43**

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| **Raw fur skins** | |
| 43011000 | Of mink, whole, with or without head, tail or paws |
| 43013000 | Of lamb, the following : Astrakhan, Broadtail, Caracul, Persian and similar lamb, Indian, Chinese, Mongolian or Tibetian Lamb, whole, with or without head, tail and paws |
| 43016000 | Of fox, whole, with or without head, tail or paws |
| 43018000 | Other furskins, with or without head, tail or paws |
| 43019000 | Heads, tails and paws and other pieces, cuttings, suitable for furriers use |
| **Tanned or Dressed Furskins** | |
| 43021100 | Of mink |
| 43021940 | Tiger cat skins (Prohibited) |
| 43021990 | Hides and Skins of other animals, with hair on, tanned or dressed |
| 43022000 | Heads, tails, paws and other pieces or cuttings, not assembled |
| 43023000 | Whole skins and pieces of cuttings, thereof, assembled |
| **Articles of Apparel, Clothing Accessories and Other Articles of Furskin** | |
| 43031010 | Of wild animals covered under Wild Life (Protection) Act, 1972  (prohibited) |
|  |  |
|  | |
| 43031020 | Of animals covered under CITES, other than those of tariff item 43031010 |
| 43039010 | Of wild animals covered under Wild Life (Protection) Act, 1972  (prohibited) |
| 43039020 | Of animals covered under CITES, other than those of tariff item 43039010 |

**Hence, CLE sent a memorandum to Central Board of Excise and Customs (CBEC) requesting that the Customs Software may be updated to refer only the above types of hides, skins and leathers for Wild Life NOC, only wherever required.**

Besides, though the ITC (HS) Schedule states that import of the finished leather of bovine and equine animals falling under 4107 *(41071100 – whole hides and skins - full grains unsplit, 41071200 – whole hides and skins - grain – splits, 41079100 – others including sides, full grains unsplit and 41079200- grain splits and 41079900 – other)* are subject to Wild Life (Protection) Act, 1972 and CITES, CLE requested CBEC that as mostly cow leather is imported under this heading, Wild Life Reference should not be referred for all consignments and should be made only in the element of doubt.

**Industry sources have informed that Customs Software has now been updated to include the above requests of CLE. Industry sources have also informed that even finished leather falling under 4107 are not referred to Wild Life now, as requested by CLE.**

**Issue No. 2 :** As per present procedure, the importer has to physically submit all documents to Wild Life for NOC. Hence, CLE has requested that the Customs Software needs to be immediately upgraded to facilitate digital uploading of supporting documents wherever Wildlife NOC is required.

**2 Animal Quarantine Certificate**

Import of hides, skins and leathers is subject to regulations issued vide the following Notifications issued by Dept. of Animal Husbandry, Dairying & Fisheries.

* Notification No. 794 (E) dated 28th March 2008 – which notified import procedure for import of raw hides & skins and leathers **(enclosed at Annexure I)**.
* Order No. 110-3-2008-Trade dated 7th October 2008 which clarified that applications for import of **raw hides and skins** need not be sent to Dept. of Animal Husbandry, Dairying & Fisheries for Sanitary Import Permit and can be imported on the basis of NOC issued by concerned AQCS station (upon submission of Sanitary/ Veterinary Certificate issued by supplying country in prescribed format) and such NOC will be construed as Sanitary Import Permit **(enclosed at Annexure II)**
* Notification No. 1825 (E) dated 24th July 2009 which notified the format of Veterinary Certificate (to be obtained from overseas supplying country) for import of raw hides and skins (raw, salted, pickled, limed and dried skins and hides) **(enclosed at Annexure III)**
* Notification No. 2666 (E) dated 16th October 2014 which is a comprehensive notification containing all the above import regulations. **(enclosed at Annexure IV)**

CLE has made the following requests to Dept. Of Animal Husbandry, Dairying and Fisheries.

* 1. **Request of CLE :** Afore-mentionedNotification No. 2666 (E) dated 16th October 2014 stipulates that Sanitary Import Permit is required for import of raw hides and skins of bovine and raw furskins. However, as already clarified vide aforementioned Order No. 110-3-2008-Trade dated 7th October 2008, raw hides and skins and raw furskins may be allowed for import on the basis of NOC issued by concerned AQCS station (upon submission of Sanitary/ Veterinary Certificate issued by supplying country in prescribed format notified vide Notification No. 1825 (E) dated 24th July 2009) by construing such NOC as Sanitary Import Permit. **Hence, amendment Notification or Order may be issued in this regard so that there are no interpretation problems.**
  2. **Import of Crust Leather and Finished Leather – Request of CLE**

Crust Leather and Finished Leather are leathers which are subjected to high saline/alkaline/acid/chemical conditions during manufacture. R**equest is that import of atleast Finished leather and Crust Leather under Chapter 41 and Tanned or Dressed Furskins under Chapter 43 (listed below) may be allowed without requirement of any Animal Quarantine Clearance /NOC from AQCS.**

**Crust Leather**

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| --- | --- |
| **4104 : Tanned or Crust Skins of Bovine (including buffalo) or Equine Animals, without hair-on, whether or not split, but for further prepared** | |
| 41044100 | In dry state (crust) : Full grains, unsplit, grain splits |
| 41044900 | In dry state (crust) : Other |
| **4105 : Tanned or Crust Skins of Sheep or Lambs, without wool on, whether or not split, but for further prepared** | |
| 41053000 | In the dry state (crust) |
| **4106 – Tanned or Crust Hides and Skins of Other Animals, without wool or hair-on, whether or not split, but not further prepared** | |
| 41062200 | Of goats or kids : In the dry state (crust) |
| 41063200 | Of swine - : In the dry state (crust) |
| 41069200 | Other : In the dry state (crust) |

**Finished Leather**

|  |  |
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| **4107 : Leather Further prepred after tanning or crusting , including parchment dressed, leather of bovine (including buffalo) or equine animals, without hair-on, whether or not split, other than leather of heading 4114** | |
|  | **Whole hides and skins** |
| 41071100 | Full grains, unsplit |
| 41071200 | Grain splits |
| 41071900 | Other |
|  | **Other, including sides** |
| 41079100 | Full grains, unsplit |
| 41079200 | Grain splits |
| 41079900 | Other |
|  |  |
| 41120000 | Leather further prepared after tanning or crusting, including parchment –dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 4114 |
| **4113 : Leather Further prepared after tanning or crusting, including parchment dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 4114** | |
| 41131000 | Of goats or kid |
| 41132000 | Of swine |
| 41133000 | Of reptiles |
| 41139000 | Other |
|  |  |
| **4114 : Chamois (including combination chamois) leather, patent leather and patent laminated leather, metallised leather** | |
| 41141000 | Chamois (including combination chamois) leather |
| 411420 | Patnent leather and patent laminated leather, metallised leather |
| 41142010 | Patnent leather and patent laminated leather |
| 41142020 | Metallised leather |

**Tanned or Crust Hides Skins under Chapter 43 (these leathers will be subject to wild life as per present policy provisions. Request is to exclude them from AQCS clearance as they come in dry state and undergo chemical treatment)**

|  |  |
| --- | --- |
| 43021100 | Of mink |
| 43021910 | Calf skins, with hair-on, tanned or dressed |
| 43021920 | Hides or skins of other bovine and equine animals, with hair-on tanned or dressed |
| 43021930 | Goat (Common) and kid skins with hair on, tanned or dressed |
| 43021990 | Hides and skins of other animals with hair on, tanned or dressed |
| 43023000 | Whole skins and pieces or cuttings thereof, assembled |

1. **Online Submission of Documents – CLE request**

As per present procedure, the importer has to physically submit all documents for AQCS NOC. This delays Customs Clearance. Hence, the request is that Customs Software needs to be immediately upgraded to facilitate digital uploading of supporting documents wherever AQCS NOC is required.

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**3 Textile Certificate - CLE Request**

* The aforesaid Customs Circular No. 3/2016 also mentions about referring of samples of **imported** textile items by Customs to concerned agencies/labs for NOC. However, in the case of textile and textile articles (which are also used by leather industry as lining materials), the following procedure is already in force.

1. As per DGFT Policy Circular No.5 dt.29.5.2003 (copy enclosed), Council for Leather Exports (CLE) has been nominated as a “**Certifying Agency**” to issue Certificates to its members for clearance of import of textile and textile articles by the manufacturer-exporters of leather products, subject to the following conditions stipulated in the aforesaid DGFT Policy Circular.

* *Council members have a valid RCMC on the date of issue*
* *Importers are registered with the Council as manufacturer exporters in terms of Exim Policy provisions.*
* *Items of imports are meant for manufacture of export products only and cannot be sold/transferred to units in DTA.*

1. Besides, as per DGFT Notification No. 19/2015-20 dated 4th September 2015 and Public Notice No. 32/2015-20 dated 4th September 2015 (copies enclosed), the Testing of Textiles and Textile Articles for presence of Azo Dyes is not required for the imports originating from countries/ regions namely European Union, Serbia, Poland, Denmark and China.

Hence, CLE has requested CBEC that the Customs Software needs to be upgraded to ensure that all textile and textile articles are not referred by Customs to labs/agencies/textile committee for NOC and that the above provisions of issue of Certificates by CLE for textile and textile articles and DGFT Public Notice No. 32/2015-20 dated 4th September 2015 on non-requirement of Textile Certificate for Azo Dyes for imports originating from countries/ regions namely European Union, Serbia, Poland, Denmark and China should also be suitably incorporated in the Customs Software.

Members may kindly note the above.

With kind regards

Yours sincerely

**R. Ramesh Kumar**

**Executive Director**

COUNCIL FOR LEATHER EXPORTS