

**OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT),
MUMBAI-II, JAWAHARLAL NEHRU CUSTOM HOUSE, SHEVA, TAL-
URAN, DISTRICT- RAIGAD, MAHARASHTRA 400 707**

F. No. JC/GGP-Misc-03/2010

Dated: 13th May, 2011

STANDING ORDER No. 42/2011

(Referred / amended vide S.O.No. 12/2014)

Subject: Provisional assessment of shipping bills where samples are drawn or where value is required to be determined under the Customs Valuation (Determination of Value of Export Goods) Rules, 2007 Regarding.

Reference of all officers working in the export sheds / CFS under the jurisdiction of JNCH is invited to [Board's Circular No.1/2011-Customs](#), dated 04.01.2011 which is reproduced below:

◆ Attention is invited to the [Board Circular No. 33/2005-Customs](#) dated 2-8-2005 [2005 (186) E.L.T. T33] which contains the instructions regarding provisional release of goods entered for exportation and is seized on the ground of mis-declaration in terms of quantity and value.

2. Instances have come to the notice of the Board that export consignments continue to be detained and not allowed clearance on provisional basis on account of pending test reports/investigations for alleged mis-declaration in terms of quantity, value and description of the goods. In one case it was reported that the detained goods were not allowed to be exported provisionally on the ground that Board's Circular referred above provides for provisional release of only the seized goods.

3. In this regard it is observed that inordinate detention of the seized goods entered for exportation results in delays in fulfillment of export order and at times cancellation of such orders. Detention of goods also adds to congestion in ports besides resulting in payment of demurrage charges to the Custodians. Accordingly, the matter has been re-examined by the Board with the view to ameliorate the aforementioned difficulties faced by exporters and to streamline the procedure of provisional release/exportation of seized goods/goods under investigation on account of mis-declaration in terms of quantity and value etc.

4. Seizure should be resorted to only when the Customs officers have a reason to believe that the goods in question are liable to confiscation under the Customs Act, 1962 and thereafter the provisions of Section 110A of the Customs Act,

1962 would come into play. However, there may be situations when the goods are to be detained for purpose of tests etc. to confirm the declaration. In such cases the endeavour should be to quickly undertake the necessary action (test/enquiry etc.) and take appropriate legal action thereafter so that the period of detention is kept to the minimum. Thus, the following course of action is prescribed in respect of goods entered for exportation.

(a) In case the export goods are found to be mis-declared in terms of quantity, value and description and are seized for being liable to confiscation under the Customs Act, 1962, the same may be ordered to be released provisionally on execution of a Bond of an amount equivalent to the value of goods along with furnishing an appropriate security in order to cover the redemption fine and penalty.

(b) In case the export goods are either suspected to be prohibited or found to be prohibited in terms of the Customs Act, 1962 or ITC (HS), the same should be seized and appropriate action for confiscation and penalty initiated.

(c) In case the export goods are suspected of mis-declaration or where declaration is to be confirmed and further enquiry/confirmatory test or expert opinion is required (as in case of chemicals or textiles materials), the goods should be allowed exportation provisionally. The exporters in these cases are required to execute a Bond of an amount equal to the value of goods and furnish appropriate security in order to cover the redemption fine and penalty in case goods are found to be liable to confiscation. In case exports are made under any Export Promotion/Reward Schemes, the finalization of export incentives should be done only after receipt of the test report/finalisation of enquiry and final decision in the matter. The Bond executed for provisional release shall contain a clause to this effect.

(d) Export goods detained for purpose of tests etc. must be dealt with on priority and the export allowed expeditiously unless the prohibited nature of goods is confirmed. Continued detention of any export goods in excess of 3 days must be brought to the notice of the Commissioner of Customs, who will safeguard the interest of the genuine exporters as well as the revenue.

2. Reference is also invited to Para 2.1 of [S.O. No.10/2011](#) dated 12.02.2011 on the subject matter. In terms of the above Board's Circular, it is directed that henceforth, in all cases where a sample is drawn from an export consignment on account of suspected mis-declaration or where declaration is to be confirmed and further enquiry/confirmatory test or expert opinion is required (as in case of chemicals or textiles materials), the goods should be allowed exportation provisionally. The exporters in these cases are required to execute a Bond of an amount equal to the value

of goods and furnish appropriate security in order to cover the redemption fine and penalty in case goods are found to be liable to confiscation. In case exports are made under any Export Promotion/Reward Schemes, the finalization of export incentives should be done only after receipt of the test report/finalisation of enquiry and final decision in the matter. The Bond executed for provisional release shall contain a clause to this effect.

3. The above guidelines come into force with immediate effect and shall be strictly followed by the concerned officers and staff.

4. Any difficulty noticed in the implementation of this Standing Order may be brought to the notice of the undersigned.

(C.S. Prasad)
Commissioner of Customs (Export)

To,

All officers / staff concerned

Copy to:

- i) Member (Customs), CBEC;
- ii) Chief Commissioner of Customs, JNCH;
- iii) J.S. (Customs), CBEC;
- iv) J.S. (Drawback), CBEC;
- v) Commissioner of Customs (Import), JNCH;
- vi) Joint Commissioner of Customs (Export), Docks-I, II;
- vii) Website of JNCH.