

F.No. 455/03/2020-Cus.V
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes & Customs

Room No. 49, North Block, New Delhi
Dated the 30th June 2022

To,

All Principal Chief Commissioners/Chief Commissioners of Customs
All Principal Directors General/Directors General of Customs
All Principal Commissioners/Commissioners of Customs

Subject: Simplified regulatory framework for e-commerce exports of jewellery through Courier mode – reg.

Madam/Sir,

The Hon'ble Finance Minister in the Budget Speech of year 2022 announced the implementation of a simplified regulatory framework to facilitate export of jewellery through e-commerce. Subsequently stakeholder consultations, including those with the Express Industry Council of India (EICI), Gems and Jewellery Export Promotion Council (GJEPC), e-commerce operators, members of the trade, officers working in the Directorate General of Export Promotion, Directorate General of Systems and Customs field formations, have been made.

2. The feedback received through the aforesaid consultations showed that a simplified regulatory framework is required for e-commerce exports of jewellery through courier mode. This can be implemented through a standard operating procedure (SOP) for bringing uniformity and certainty on the process and steps to be followed to facilitate such exports via International Courier Terminals (ICTs).

Accordingly, an SOP in the following paras has been formulated. To accommodate the e-commerce business need, it incorporates a re-import process for returns of jewellery. For this, the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010 (hereafter referred as Courier Regulations) have also been suitably amended *vide* Notification No. 57/2022-Custom (N.T.) dated 30.06.2022. The SOP is applicable on e-commerce export of jewellery made of precious metals (whether or not studded or set with precious or semi-precious stones) falling

under CTH 7113 (excluding parts of jewellery falling under CTSH 71131190 and CTSH 71131960) and imitation jewellery falling under CTH 7117 of the First Schedule to the Customs Tariff Act, 1975.

3. The SOP is as follows -

I. Electronic Declaration on ECCS and Uploading of documents:

(i) The authorized courier shall electronically file the Courier Shipping Bill (CSB-V) on behalf of the exporter on the Express Cargo Clearance System (ECCS). The seller registered on the e-commerce platform shall be the exporter and the buyer on the e-commerce platform shall be the consignee declared in the Courier Shipping Bill (CSB-V).

(ii) The complete payment for such e-commerce export shall be received in advance through electronic payment and a unique payment identity electronically generated for the same.

(iii) To facilitate these e-commerce related exports, certain fields have been added in the CSB-V as markers such as website name/URL of the e-commerce operator, payment transaction ID, e-commerce Order No. and date and Jewellery item specifications (for example - stock keeping unit no. (SKU No.), precious metal content or purity and relevant specifications for studded stones i.e. dimensions, quantity, origin, cut, clarity, colour, carat for diamonds and for other precious and semi-precious stones, name/category of stones i.e. natural or synthetic etc.).

(iv) CSB-V also have a field for GSTIN of the seller-cum-exporter. Format of CSB-V is being amended for these purposes (notification no. 57/2022-Custom (N.T.) dated 30.06.2022).

(v) ECCS provides facility of document upload. For uniformity and to facilitate processing for export, a prompt is created on ECCS for uploading the following supporting documents while filing CSB-V -

- a) Invoice/invoice-cum-packing list containing product description and SKU No.;
- b) Packing list (if not included at 'a' above);
- c) Photos of the export item (not exceeding 2MB);
- d) Photos of the product package/outer covering (not exceeding 2 MB);
- e) Image of the product listing on the e-commerce platform; and
- f) Image from the Online Payment Gateway Service Providers site (OPGSP) or e-commerce website evidencing payment confirmation.

The documents at s. no. (c), (d) and (e) above are parameters related with the identification of such exports. The said documents, i.e. photo/image would aid in identifying the goods. *However, where the exporter declares in the CSB-V that the facility of re-import will not be availed, the said documents at s. no. (c), (d) and (e) need not be uploaded.

(vi) A provision is made for additional support to the Customs clearance process by way of uploading other documents that aid identification/valuation of the jewellery item under export. To illustrate, a corresponding certification, say, Hallmark (recognized by Bureau of Indian Standards), if available, may be chosen to be uploaded.

II. Producing the goods at the ICT for exports:

(i) The authorized courier shall produce the export goods to the proper officer of Customs as required under Regulation 6 of the Courier Regulations.

(ii) Prior to (i) above, on conclusion of an e-commerce sale, the exporter will hand over the export goods to the authorized courier for export through an ICT, with declaration on export package of contents and value as required under Regulation 4(2) of the Courier Regulations.

III. Customs Assessment and Examination:

(i) Assessment and/or examination will be risk based as processed by the Risk Management System (RMS). However, specific intelligence-based interdiction may be carried out by the Customs.

(ii) In the course of such assessment/examination/interdiction, the jewellery under export/package shall also be subjected to X-ray scanning. Notwithstanding this, the goods shall be subjected X-ray scanning at the ICT prior to export.

(iii) Examination of the goods/package under export shall be conducted by Customs, under CCTV and preferably in a designated secure area. The packages opened shall be securely sealed by the Customs officer. A self-adhesive sticker, '*Opened and sealed by Indian Customs*', shall be pasted on such package. The Customs officer conducting such examination will record the examination report on ECCS.

IV. Clearance for export:

(i) Let Export Order (LEO) will be granted after completion of the Customs/regulatory requirements. The auto LEO facility would be applied on eligible consignments in terms of Circular 41/2020-Customs dated 07.09.2020.

*Inserted *vide* Circular No.17/2023-Customs dated 15 June, 2023

V. Procedure for re-import of returned Jewellery items:

(i) Re-imports of jewellery exported using the courier mode on ECCS through an e-commerce platform and returned through the same platform, on ECCS, is being enabled in certain situations subject to certain conditions or restrictions -

(a) the authorized courier files the Courier Bill of Entry for re-import for the same Importer-Exporter Code (IEC) holder and at the same international courier terminal, for whom and where the corresponding Courier Shipping Bill (CSB-V) for export for that jewellery item was filed;

b) return e-commerce transaction for the jewellery item is initiated by the same consignee to whom the said Jewellery was exported under the corresponding Courier Shipping Bill (CSB-V) and on the same e-commerce platform:

Provided that a courier agent or logistics service provider in the country of consignee may also initiate return e-commerce transaction if the product could not be customs cleared for import in that country;

(c) image of the return confirmation page on the e-commerce platform is uploaded on ECCS while filing Courier Bill of Entry for such re-import. The image of the said e-commerce platform page is required so as to record the return request raised and the reason for re-import;

(d) the reason of re-import is provided in the Courier Bill of Entry and the returned jewellery item is re-imported along with the original packing, that is, the returned jewellery is to be accompanied by its original packing even if it is not contained in it. However, in case of return if the product could not be customs cleared for import in that country, the returned package must be intact.

(e) exporter, who is re-importing, continues to have a valid IEC and Registration-cum-Membership Certificate (issued by the GJEPC);

(f) FOB value of the jewellery item under re-import was not more than Rs. 25,000 when exported;

(g) the Courier Bill of Entry for such re-import is filed no later than 45 days from the date of corresponding Let Export Order (LEO) of the Courier Shipping Bill for export;

(h) the corresponding export stands reconciled by proper filing of Export General Manifest (EGM);

(i) each Courier Bill of Entry filed for such re-import includes item-wise details corresponding to the concerned Courier Shipping Bill number(s) (CSB.V) filed for export;

(j) the jewellery item under re-import conforms to and correlates with the description filed, and other specifications given, in the corresponding Courier Shipping Bill (CSB.V);

(k) total CIF value of such reimports for an IEC holder in a financial year does not exceed 2% of the total FOB value (in INR) of jewellery classified under CTH 7113 (excluding CTSH 71131190 and CTSH 71131960) and imitation jewellery classified under 7117, of the First Schedule of the Customs Tariff Act, exported by that IEC holder in the previous financial year under the courier mode on ECCS or Rupees 1 Lakh, whichever is greater;

(l) total number of Courier Bills of Entry filed for such re-imports on account of returns, in a financial year, does not exceed 5% of the total number of Courier Shipping Bills (CSB-V) filed by that IEC holder in the previous financial year under Courier mode on ECCS for jewellery classified under CTH 7113 (excluding CTSH 71131190 and CTSH 71131960) and Imitation jewellery classified under CTH 7117, of the First Schedule of the Customs Tariff Act or ten, whichever is greater;

(m) notwithstanding paras (k) and (l) above, for the financial year 2022-2023, the total CIF value of such re-import for any IEC holder shall not exceed Rs.50,000 and the total number of Courier Bills of Entry of such re-import shall not exceed five;

(n) any tax benefit arisen at the time of corresponding export is neutralized;

(o) identity of the jewellery under re-import is established to be the same as the one exported and it has not been altered or enhanced.

(ii) The monitoring of such re-imports of returns including the extent of the value limit, the number of such Courier Bills of Entry for re-import of returns filed and adherence to prescribed timelines, IEC holder wise, will be done by the field formations as per CCR instructions and reports or information that will be made available in ECCS.

(iii) For ease of matching the returned jewellery item with the exported jewellery, suitable changes are being made in the ECCS. The form of Courier Bill of Entry has been enabled to capture the details of the corresponding Courier Shipping Bill of export. Further, ECCS will prompt the importer to upload image of 'return confirmation page' of the e-commerce platform, which can be compared with the image of 'product listing page' of the same platform uploaded while filing the Courier Shipping Bill. These details and matching will facilitate the identification process.

(iv) Such re-imports of returns will undergo 100% examination. Amongst other necessary checks, details mentioned in the corresponding Courier Shipping Bill and supporting documents uploaded on ECCS at the time of export will be matched.

(v) Duty exemption may be claimed on re-import of return in accordance with corresponding exemption notification, e.g. Notification No. 45/2017-Customs, if the requirements under the Courier Regulations/this SOP are also met.

(vi) Suitable amendments have been made to the Courier Regulations (notification no. 57/2022 –Customs (N.T.) dated 30.06.2022) to enable such re-imports.

VI. Provision of infrastructure at an ICT for secure handling and movement of jewellery consignments:

In terms of the Handling of Cargo in Customs Area Regulations, 2009, including its sub-regulations 5(1)(i)(o), 5(1)(ii), 6(1)(d) and 6(1)(e), to facilitate, the Custodian shall provide the following infrastructure at the ICT to ensure secure handling, movement and storage of jewellery exports, and re-imports,:

- (a) Strong room for safe keeping and separately earmarked secure area for examination;
- (b) Appropriate equipment such as karat meter, lenses, weighing scale, microscope, bulbs and other such equipment as may be required for aiding the examination and assessment; and
- (c) CCTV cameras covering the secure areas, strong rooms and other areas utilized for the movement and handling of the jewellery consignments.

VII. Provision of enabling environment by Customs Field Formations:

While the field formations shall ensure appropriate compliance with the extant law, regulations, circulars and instructions, it would be done keeping in view their role as facilitators in the export process. Wherever necessary, suitable empaneling of expert valuers should be made, or necessary training, when required, should be arranged to be imparted to the Customs officers and their adequate deployment ensured. Issues arising in the implementation are to be addressed expeditiously by the Commissioner of Customs. The further Standing Orders and Public Notices by field formations should endeavor to provide an effective enabling environment at the respective locations for such exports.

4. In the initial phase, the SOP will apply on ECCS at ICT Mumbai, ICT Delhi and ICT Bengaluru. The implementation shall begin from date of issue of SOP with transition into this process / preparatory time for industry and other stakeholders, such that the SOP begins to apply for transactions on ECCS beginning on the 31st day after said date of issue.

5. Difficulties, if any, should be resolved proactively by Chief Commissioners who are also requested to closely oversee and ensure seamless implementation. Aspects requiring attention of the Board may be brought to notice.

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