



भारत सरकार GOVERNMENT OF INDIA
वित्त मंत्रालय MINISTRY OF FINANCE
राजस्व विभाग DEPARTMENT OF REVENUE

सीमाशुल्क आयुक्त का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS
सीमाशुल्क गृह, विल्लिंग्टन आईलैंड, कोचिन
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व्यापार सूचना Trade Notice NO.21 /2018

विषय: सीमाशुल्क आयुक्त, कोचीन, केरल के अधिकार क्षेत्र के अधीन कार्यरत विशेष वेयरहाउस और ड्यूटी फ्री (शुल्क मुफ्त) दुकानों से संबन्धित प्रक्रिया-संबन्धित

Sub:- Procedure regarding Special Warehouses and Duty Free Shops functioning under the jurisdiction of Commissioner of Customs, Cochin, Kerala-reg

यह व्यापार सूचना सीमाशुल्क आयुक्त, कोचीन, केरल के अधिकार क्षेत्र के अंतर्गत एयरपोर्ट और ड्यूटी फ्री (शुल्क मुफ्त) दुकानों के वेयरहाउस के संचालन के संबंध में विशेष तौर पर जारी किया जा रहा है।

This Trade Notice is specifically issued in relation to the operation of Special Warehouse at Airports and duty free shops within the jurisdiction of Commissioner of Customs, Cochin, Kerala.

इस संदर्भ में यह निदेश दिया जाता है कि इसे सीमा शुल्क अधिनियम, 1962 के अध्याय IX में निहित वेयरहाउस से संबन्धित प्रावधानों को देखें और सख्ती के साथ उसका अनुपालन करें:

In this context, it is directed to refer to and comply strictly with the provisions dealing with warehousing contained in the Chapter IX of the Customs Act, 1962 and the following:

- Notification No. 66/2016 - Customs (N.T.) dated 14th May 2016.
- Special Warehouse (Custody & Handling of Goods) Regulations, 2016 (Notification No.69 /2016- Customs (N.T.) dated 14th May, 2016).
- Special Warehouse Licensing Regulations, 2016 (Notification No. 72 /2016 - Customs (N.T.) dated 14th May, 2016).
- Warehoused Goods (Removal) Regulations,2016 (Notification No.67 /2016- Customs (N.T.) dated 14th May, 2016)
- Circular no. 20 / 2016 - Customs dated 20th May 2016
- Circular no. 21 / 2016 - Customs dated 31st May 2016
- Circular no. 23 / 2016 - Customs dated 1st June 2016
- Circular no. 31/2016 - Customs dated 6th July 2016.
- Circular no. 32/2016 - Customs dated 13th July 2016

- Circular No. 50/2017-Customs dated 18/12/2017
 - and any further circulars/instructions issued in this regard.
- I. Class of goods which shall be deposited in the Special warehouse is prescribed vide Notification No. 66/2016-Cus (N.T.) dated 14.05.2016.
 - II. The Special Warehouse (Custody & Handling of Goods) Regulations, 2016 prescribes the regulations to be adhered to at the time of custody and handling of the goods which shall be deposited in a Special warehouse. It also categorically prescribes the maintenance of a computerized system for accounting of receipt, storage, operations and removal of goods.
 - III. Accordingly, based on the above notifications and circulars and as per Regulation 3(1)(d) and Regulation 5 of Special Warehouse Licensing Regulations, 2016 the Commissioner of Customs, Cochin hereby prescribes the following system of accounting of receipt, storage, operations and removal of goods with regard to the Duty Free Shops under his jurisdiction:
 - 1) All the operation of the Special Warehouse shall be under the physical control of Bond Officers, under the supervision of A.C/D.C Airport (Administration). Warehouse shall remain under the lock of Customs. No person shall enter the warehouse or deposit or remove any goods there from, except in the presence of the bond officer.
 - 2) The Special Warehouse Licensee shall provide at the warehouse –
 - (a) such facilities, equipment and personnel as are sufficient to control access to the warehouse and provide secure storage of the goods in it, including - (i) doors, windows and other building components of sturdy construction; (ii) facility for locking the warehouse by the bond officer; (iii) signage that prominently indicates that the site or building is a customs bonded warehouse; (iv) CCTV camera coverage of the area with access for the Customs to view the footage.
 - (b) adequate personnel, equipment and space for the examination of goods by officers of customs; and
 - (c) a computerised system for accounting of receipt, storage, operations and removal of goods.
 - 3) A Duty Free Shop located in a customs area is a point of sale for the goods removed and transferred from a special warehouse for sale to eligible persons, namely, international passengers arriving or departing from India. Hence, the requirement of keeping the Duty Free Shop under lock by the Customs Officers is not being insisted upon. Special Warehouses licensed under Section 58A of the Customs Act are meant for storing goods for the purpose of: a) supply to duty free shops in the Customs area; b) supply as stores to vessels or aircrafts under Chapter XI of the Customs Act, 1962. There shall be no restrictions on the type of goods that can be stored in Special warehouse, as long as they are meant for the end use i.e. for supply to duty free shops in a customs area or as airline stores. The duty free shop shall be under CCTV camera surveillance with access for the Customs to view the footage.
 - 4) There is no restriction on the items that can be stored in the Special Warehouse (as mentioned in the ground plan) licenced

- under Section 58A as long as the goods are removed to the duty free shop under physical escort of the Bond officer.
- 5) Goods imported by DFS operators can be stored only in a special Bonded warehouse licensed under Section 58A. As and when required, the goods shall be removed from one special Bonded Warehouse to the Special Warehouse licenced under Section 58A of licensee. Such removal will be done following the procedure laid down in the Warehoused Goods (Removal) Regulations 2016. It will be a transfer under Section 67. The storage of goods in the special warehouse shall be limited to the area specified in the licence issued under Section 58A. It is also clarified here that the goods stored in the public warehouse cannot be removed directly to the duty free shop without re-warehousing the same in the special warehouse.
 - 6) The warehouse keeper appointed by the licensee shall obtain a digital signature from authorities licensed by the Controller of Certifying Authorities for filing electronic documents required under the Act, rules or regulations made there under. The warehouse keeper so appointed must have experience in warehousing operations and customs procedures, to discharge functions under these regulations on behalf of the DFS operator.
 - 7) A special warehouse licensee shall not receive any goods or permit unloading of any goods at the warehouse except in the presence of the bond officer. Upon the bond officer permitting the deposit of the goods in the warehouse, the licensee shall take on record the goods received in the warehouse and cause to be delivered an acknowledgement to the proper officer referred to in sub-section (1) of Section 60 for receipt of the goods at the warehouse or proper officer of the warehouse of despatch, as the case may be.
 - 8) On removal of goods from the Special Warehouse to the DFS and sale thereof to the international passengers, the licensee shall retain a digital copy of the sale invoice as such given to the customer and the same must be available for inspection at any given time by the bond officer or any other officer authorised under the Customs Act. The sale invoices shall be serially numbered and time stamped.
 - 9) Passengers shall be permitted to purchase goods at duty free shops in Indian rupees up to an amount not exceeding Rs 25,000/-. Information relating to the use of Indian currency not exceeding Rs 25,000/- at Duty Free Shops should be displayed at DFSS. Payments made through an INR credit card / debit card at Duty Free Shops located in the arrival hall shall also be subject to a limit of Rs 25,000/- for an incoming passenger. However, payments through a INR credit card or debit card at Duty Free Shops located in the departure hall shall be without limit for an outgoing passenger.
 - 10) DFS shall display the rate of exchange as published by the commercial banks for conversion of foreign currency or the rate of exchange notified by the CBEC on a fortnightly basis for

import and export of goods. Similarly, websites of DFS/Airports must be kept accurately updated with regard to the facility and limit in use of Indian currency for making purchases.

11) Maintenance of records of warehoused goods:

(a) The licensee shall maintain digital records of receipt, handling, storage and removal of the warehoused goods based upon data elements contained in Form A appended to this Standing Order. While the data elements contained in the Form A are mandatory, the licensee will be free to add or continue with any additional data fields, as per their commercial requirements. It would be necessary for the data to be maintained as per systems of "stock keeping unit" (SKU).

(b) the licensee is required to enter data accurately and immediately upon the goods being deposited in or removed from the warehouse to the DFS and also on receipt of goods in the DFS from the warehouse or sale of goods from the DFS. Such digital records should be kept updated, accurate, complete and shall be available at the warehouse at all times so as to be accessible to the Bond Officer or any other authorised officer, for verification.

(c) the licensee shall keep a record of each activity, operation or action taken in relation to the warehoused goods.

(d) the licensee shall keep copies of the bills of entry, transport documents, forms for transfer of goods from the warehouse, shipping bills or bills of export or any other documents evidencing the receipt or removal of goods into or from the warehouse and copies of the bonds executed under Section 59.

(e) the software for maintenance of electronic records must incorporate the feature of audit trail which means a secure, computer generated, time-stamped electronic record that allows for reconstruction of the course of events relating to the creation, modification, or deletion of an electronic record and includes actions at the record or system level, such as, attempts to access the system or delete or modify a record.

(f) the server used for maintenance of electronic records relating to all activities of the DFS/Special Warehouse shall be located at the location of the DFS.

(g) the records and accounts required to be maintained shall be kept updated and accurate and preserved for a minimum period of five years from the date of removal of goods from the warehouse and shall be made available for inspection by the bond officer or any other officer authorised under the Act. The licensee shall also preserve updated digital copies of all the records at a place other than the warehouse to prevent loss of records due to natural calamities, fire, theft, skillful pilferage or computer malfunction. That means the licensee must also take daily backup of all the sales/stock data and preserve the same in some external storage device at a secure location and shall be made available for inspection by the bond officer or any other officer authorised under the Act.

(h) the licensee shall take scanned copy of the Passport and the Boarding Pass of the eligible International passenger as a digital copy and to link the same with the sale invoice which has to be preserved as record for five years.

(i) any digital record submitted by the licensee to the Department relating to the receipt, storage, removal, and sale of goods with regard to the special warehouse/DFS should invariably contain the digital signature of the warehouse keeper of the licensee.

12) Filing of returns in relation to warehoused goods:

(a) The licensee shall file with the Bond Officer a monthly return of the receipt, storage, operations and removal of goods in the warehouse, within ten days after the close of the month to which such return relates.

(b) Where the period specified in Section 61 of the Customs Act, 1962 for warehousing of goods is expiring in a particular month, the licensee shall furnish such information to the bond officer on or before the 10th day of the month immediately preceding the month in which the period of storage of goods in the warehouse is expiring.

(c) The monthly return, as per para 13(a) above, containing transactions undertaken during the month, shall be filed by the licensee in Form A appended to this Standing Order. The Return may be filed as a paper copy or in digital form, as preferred by the licensee (digital form means, such as, in a Pen drive or CD). The Return need not include details of sales to individual international passengers. These can be verified by the Bond Officer or any authorized officer, from the digital records maintained by the licensee.

(d) The monthly return to be filed by the licensee as per para 13(b) above shall be filed in Form B appended to this Standing Order. The Return shall be filed with the Bond officer as a paper copy.

(e) The Duty Free Shop Operator shall also maintain digital records of sales to international passengers as per Form C. The digital file containing these details shall be integrated with the records maintained for the warehoused goods every 24 hours and should be available for inspection as a part of the data maintained as per Form A. The software used by the licensee shall be such that the details relating to the sale shall get auto populated in Form C on performance of a sale. The Form C generated shall contain the above said details and shall be available for inspection at any time by the bond officer or any other officer authorised under the Customs Act. However, filing of returns would not be required for the record maintained as per Form C. (AC/DC Airport may formulate a methodology to conduct inspection of the Special Warehouse/DFS by designated officers, based on need basis.

(f) Every return filed by the licensee in digital form must be

in pdf format and should invariably contain the digital signature of the warehouse keeper of the licensee.

(g) Every return filed by the licensee as a paper copy must be duly signed and stamped by the warehouse keeper of the licensee.

13) Acknowledgement of the receipt of goods in the warehouse:

The Licensee shall follow the procedure contained in Regulation 6 of the Special Warehouse (Custody & Handling of Goods) Regulations 2016. Upon receipt of the goods in a warehouse, the licensee shall, send an acknowledgement of such receipt, duly signed by the Bond officer, as follows:

a) in case where goods are received from a Customs Station, to the Assistant/Deputy Commissioner in charge of the Bond Section at the Customs station of import; or

b) in case where the goods are received from another Special warehouse, to the proper officer of the warehouse from where the goods have been received.

14) Facilities:

In view of the requirement in the regulations to retain photocopies of documents such as bills of entry, transport documents and form for transfer of goods from a warehouse, send acknowledgement of receipt of goods in the warehouse etc., the licensee shall maintain facilities such as computer, photocopier, scanner and printer at the warehouse.

15) Procedure for removal of goods from the warehouse and accounting thereof:

a. Upon removal of goods from the warehouse licensed under Section 58A, the licensee shall immediately record the same in the records;

b. The removal of goods from the special warehouse, without payment of duty, is subject to the condition that the goods are removed to the customs area for sale to passengers arriving into or departing from India.

c. The records relating to removal of the goods to the duty free shops at the arrival area and departure area shall be maintained separately.

d. The Bond Officer shall escort the goods from the special warehouse to the point of sale (DFS) in the customs area, whereupon, their subsequent sales to passengers arriving into or going abroad from India shall be under the general supervision of the customs officers on duty at the passenger terminals. It is clearly instructed here as per the interpretation of the wording of the CBEC Circular 20 & 32/2016, there is no requirement of the Customs Officers physical presence at the time of sale and also the signature on the individual sale vouchers is not required and cannot be insisted upon either by the Customs Officers or by the Licensee.

e. The Duty Free Shop shall record their sales to passengers by a computer generated invoice, which shall contain the invoice number, time of generation of the invoice, the name of the passenger, flight number, passport number, nationality, product name, quantity sold, price of the product, mode of payment and type of currency paid. This data shall be stored digitally, in Form C.

f. On expiry of Warehousing period of the goods lying in the duty free shop the procedure for extension of the warehousing period should be followed as per section 61(1) of the customs Act 1962.

g. The records of the warehouse shall be updated every 24 hours with the data elements contained in Form C. The software used by the licence shall be such that the details relating to the sale such shall get auto populated in Form C on performance of a sale.

16) The Deputy/Assistant Commissioner in charge of the Airport Administration shall oversee the entire operations of the Special Warehouse and DFS and is designated as the proper officer for permitting removal of goods for deposit of goods in Special Warehouse and Duty Free Shops. All the works relating to Chapter IX warehousing has to be dealt by the office of the DC/AC Airport Admin only. The Superintendent in charge of Airport Administration shall be the bond officer.

17) The Deputy/Assistant Commissioner in charge of the Airport passenger terminals during each shift shall oversee the entire operations of the DFS during their shift posting.

18) For the purpose of passenger clearance, the working hours are declared as twenty-four hours on all days as the Airport is operational for twenty-four hours, for which officers are posted for shift-duty. As the operations of DFSs are entirely concerned with passenger facilitation and subsequent customs clearance within the Customs Area, no charges can be imposed on passenger's clearance directly or indirectly. The provisions also state that the sales to passengers arriving into or going abroad from India shall be under the general supervision of the customs officers on duty at the passenger terminals.

19) There is no need or requirement of posting the officers on cost recovery basis or on MOT basis for DFSs in the Customs area. Operations of the Special Warehouse will be governed by the provisions of Customs (Fees for rendering services by Customs Officers) Regulations, 1998 and guidelines issued in this regard as per para 11 of CBEC Circular No. 32/2016 dated 13.07.2016.

20) The DFS operator shall maintain required documents / records for the Audit as per the Customs Audit Regulations, 2018 notified vide Notification 45/2018 Cus (NT) dated 24.05.2018 and rules, / instructions/ orders there under. The DFS operator shall maintain the documents for the period and duration as mentioned in the above

regulations and submit the same for the purpose of Audit as and when required by the proper officers.

- 21) The DFS operator shall comply with the GST requirements as per GST Act / Rules / orders and instructions etc as amended time to time.
- 22) The DFS operator shall comply with the provisions of allied Acts and Rules, such as FSSAI, PQ, AQ, LM rules, packaged commodities rules etc, as amended time to time as applicable.
- 23) The DFS operator shall prepare and maintain documents of the goods in the standard UQC as mentioned in the Customs Tariff.
- 24) The owner or the authorized representative of Duty Free Shop shall make an application in writing to the Assistant/Deputy Commissioner of Customs, Airport, stating therein his intention to procure indigenous goods. The Assistant/Deputy Commissioner of Customs shall grant the permission after causing such enquiries as he may deem fit. The DFS operator should keep separate accounts for such items. They also required to comply with the GST Rules and Regulations wherever applicable.

इसके कार्यान्वयन में किसी भी विचलन या कठिनाई को तुरंत सीमा शुल्क आयुक्त की सूचना में लिखित रूप में लाएँ।

Any deviation or difficulty in implementation should be brought to the notice of the Commissioner of Customs immediately in writing.

Sd/-

(सुमित कुमार SUMIT KUMAR)

सीमाशुल्क आयुक्त

COMMISSIONER OF CUSTOMS

F.No.C1/05/2016 TU. Cus.

दिनांक Dated: 11.07.2018

अनुलग्नक Encl:

परिपत्र 32/2016-कस (एन टी) दिनांक: 13.07.2016 के साथ लगे फार्म ए, बी तथा सी Form A, B & C appended with Circular 32/2016-Cus (N.T.) dated 13.07.2016.

प्रतिलिपि समर्पित/ Copy submitted to:

मुख्य आयुक्त, केंद्रीय कर, केंद्रीय उत्पाद व सीमाशुल्क, तिरुवनंतपुरम क्षेत्र।

The Chief Commissioner, Central Tax, Central Excise and Customs, Thiruvananthapuram Zone.

प्रतिलिपि Copy to:

उप/ सहायक सीमाशुल्क आयुक्त (सभी बैंच/ प्रशासन), कोचीन अंतर्राष्ट्रीय एयरपोर्ट लिमिटेड, कोचीन।

The Deputy/ Assistant Commissioner of Customs (All Batches/
Administration) Cochin International Airport Ltd, Cochin.
सभी इयूटी फ्री शॉप संचालक/ विशेष वेयर हाउस लाईसेंसधारी।
All Duty Free Shop Operators/Special Warehouse Licensees

//अनुप्रमाणित / ATTESTED//



//जी.अनिलकुमार / G.ANILKUMAR//

मूल्यांकक (टैरिफ यूनिट) APPRAISER (TARIFF UNIT)