



भारत सरकार GOVERNMENT OF INDIA  
वित्त मंत्रालय MINISTRY OF FINANCE  
राजस्व विभाग DEPARTMENT OF REVENUE  
केन्द्रीय अप्रत्यक्ष कर एवं सीमा शुल्क बोर्ड  
CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS  
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OFFICE OF THE COMMISSIONER OF CUSTOMS  
सीमा शुल्क गृह, विल्लिंगडन आईलैंड, कोचिन  
CUSTOM HOUSE, WILLINGDON ISLAND, COCHIN-682009

Website: [www.cochincustoms.gov.in](http://www.cochincustoms.gov.in)  
E-mail: [cochincustoms@nic.in](mailto:cochincustoms@nic.in)

Control Room: 0484-2666422  
Fax: 0484-2668468

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**PUBLIC NOTICE NO. - 02/2024**

**Subject: Procedure for clearance of remnant Aviation Turbine Fuel (ATF) - reg.**

Attention of all concerned is hereby invited to the procedure for clearance and payment of duty on the remnant Aviation Turbine Fuel (ATF).

2. Some airlines operate their aircraft after arrival from a foreign airport for further run in the domestic sector in India. In such cases, they are required to pay Customs Duty on remnant quantity of the unconsumed Aviation Turbine Fuel (ATF) as determined on completion of the international leg of the journey by the aircraft. The duty on remnant ATF needs to be paid through Bill Of Entry filed under Section 46 of the Customs Act, 1962 and clearance of the remnant ATF has to be given under Section 47 of Customs Act, 1962.

3. Considering the practical difficulties involved in as much as the Bill of Entry cannot be filed prior to landing of the aircrafts as the quantity of remnant ATF is not known at that point of time: the IGM number essential for filling Bill of Entry is not allotted immediately on landing of the aircraft; the aircraft needs to take off as a domestic flight within a short time, the following procedure of duty payment is prescribed to be followed.

It may be noted that the airlines for availing this procedure would be required to maintain an initial advance deposit for this purpose from which the Customs Duty may be debited as described in the subsequent paragraphs -

**A. Filing of Prior Bill of Entry (PBE)**

Prior Bill of Entry (PBE) shall be filed under section 46(3) of the Customs Act, 1962 in the noting section of the ATF assessment group at Aircargo Complex, Cochin international airport, Nedumbassery during normal office hour in day time before arrival of the Aircraft. As the exact quantity of the remnant ATF is not known at the time of filing the PBE, the quantity as per best estimation made by the airline shall be mentioned in the PBE along with other statutory requirements as per Section 46 of the Customs Act, 1962. The assessable value should be arrived at by including cost of transportation, insurance charges, landing charges and charges towards other cost and services if any as provided under section 14 of the Customs Act, 1962 read with Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. It is further clarified that wherever cost of transportation, insurance and landing charges are not ascertainable they should be taken as provided under rule 10(2) of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

## **B. Provisional Assessment of PBE**

The PBE will have to be assessed provisionally on account of the fact that the exact quantity of the remnant ATF is not available at the time of filing of the PBE. The airlines are required to execute a Provisional Duty Bond. This Bond can be an individual Bond or a continuity Bond without security/surety as they are accompanied by an initial advance deposit as determined by the Assistant Commissioner/ Deputy Commissioner of the Airport Cargo Section on the basis of the quantum of duty payable on the approximate quantity for a month.

The PBE shall be assessed provisionally as per the Declaration made by the airline regarding the quantity and value of the remnant ATF. Superintendent/Appraiser (Assessment Group) shall give an instruction to the designated Oil Officer on the reverse of the Original and Duplicate copy of the Bill Of Entry to ascertain the quantity of the remnant ATF after landing of the aircraft. After assessment by the Superintendent/Appraiser (Assessment Group), the Provisional Duty so determined shall be paid by the airline by debiting the duty amount from the initial advance deposit and an endorsement showing the duty payment shall be made on all copies of the Bill of Entry. The payment of duty shall be done by debiting advance duty deposit in the manner as mentioned in detail in the paragraphs below.

The airlines shall make an Initial Advance Duty Deposit to cover the duty on the quantity of the remnant ATF which normally would be imported by them in a month. The amount of initial advance duty deposit shall be estimated and finalized by the Assistant / Deputy Commissioner (Cargo) of Cochin International Airport, Nedumbassery on the basis of the past one year flight data or estimated number of flights per month as provided by the airlines. This amount shall be reviewed after every three months or earlier if required.

The Customs Duty payment would be done through debit entry in the Register maintained for this purpose. The duty payment endorsement made on the Bill of Entry shall contain the Amount, Serial number of the entry in the register wherein the same was debited and the Date of Debit.

Since the facility of clearance through PBE is being granted against an Advance Duty Deposit, it shall be ensured by the airlines that a minimum balance equivalent to 50% of the initial Advance Duty Deposit is always maintained. If the balance of the Duty Deposit falls below 50% of the initial deposit, the facility could be discontinued and the airlines would be required to file the regular Bill Of Entry and pay duty assessed on it before the aircraft takes off for the domestic leg. Superintendent/Appraiser (Assessment Group) shall monitor the balance of the advance duty deposit of the concerned airlines and ensure that the minimum balance as above is always maintained.

### **C. Determination of Quantity and Out of Charge**

After landing of the aircraft, the airline shall present the Original and Duplicate copy of the PBE to the designated Oil Officer of the Airport Batch who would determine the quantity of the remnant ATF on the basis Of the Log record sheet/Declaration given by the Pilot/ Flight Engineer. The Oil Officer shall thereafter endorse the Aircraft Number, Flight Number, Flight Date and Quantity of the remnant ATF on the Original and duplicate Bill of Entry and mark the same to the designated Superintendent (Airport Batch) for Out of Charge.

The Oil Officer and the Out Of Charge giving Superintendent shall also affix their respective signatures on the Log Record sheet/ Declaration given by the Pilot/Flight Engineer and attach it with the Original copy of Bill of Entry for further reference by the Superintendent/Appraiser (Assessment Group). The Original and Duplicate Bill Of Entry along with Log Record sheet/ Declaration given by the Pilot/ Flight Engineer shall be handed over to the Airlines for presenting it to the Superintendent/Appraiser (Assessment Group) for final assessment. It shall be ensured that the flight takes off for the domestic leg only after Out of Charge is granted in the manner prescribed as above.

### **D. Final Assessment**

The airline shall obtain the IGM number of the flight and endorse it on the PBE and within seven days of the provisional assessment shall produce the duly endorsed Original and Duplicate PBE along with the duly signed log record sheet/ Declaration given by the Pilot/ Flight Engineer for its Final Assessment by Superintendent/Appraiser (Assessment Group). The Superintendent/Appraiser (Assessment Group) will finally assess the Bill Of Entry and if any extra duty is payable after the said assessment, the same shall be paid in the same manner as mentioned above and the endorsement for the extra duty so paid shall be made on all copies Of the Bills of Entry. In the same way if any duty is refundable, the credit for the same may be carried over. After final assessment, the PBE gets converted into a regular Bill of Entry.

### **E. Audit of PBE**

Audit of finally assessed PBE's shall be carried out by the designated officer in the ATF Assessment Group. It must be ensured that all Bills of entry audited within 3 days of final assessment. All the relevant details

shall be entered in the Audit Register specially created for this purpose.

#### **F. Manifest Closure**

After completion of the audit, the Bill of Entry shall be presented to the IGM number issuing section for making an entry regarding duty payment on remaining ATF against the respective IGM number of the Aircraft. An endorsement on the Bill of Entry "IGM closed" shall be put after which the original copy of the Bill of Entry will be sent to the Records section. If the IGM is not closed within fifteen days of arrival of Aircraft it shall be assumed that the Airline has not discharged the duty liability on the remaining quantity of ATF in the concerned Aircraft and necessary action for recovery of duty with interest and penalty would be initiated.

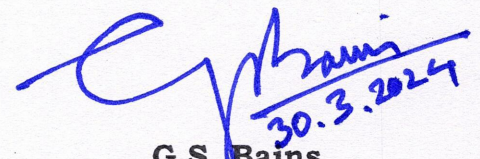
Every month the IGM section shall send to the assessing group a list of IGMs pertaining to Aircraft arriving from foreign port and converted to domestic flights which have not been closed in the manner as above.

#### **G. Alternate procedure**

The Airlines not willing to follow this procedure should file regular bill of entry after the Aircraft lands. In such cases the quantity of the remnant ATF is determined by the Oil Officer and IGM number is allotted. For the purpose of filing regular Bill of Entry the log sheet/pilot's declaration regarding the quantity of remaining ATF would be cross checked and countersigned by the Oil Officer and designated Superintendent in the Airport Batch. The quantity in the regular Bill of Entry would be declared as per this document. The assessable value would be determined in the same way as mentioned in Para (A) above.

The regular Bill of Entry would be normally be assessed finally by Superintendent/Appraiser (Assessment Group) and duty would be paid vide Duty Deposit Receipt (DDR). The duty payment endorsement would be made on all the copies of Bill of Entry. The duly endorsed Bill of Entry would be presented to designated superintendent in Airport Batch for out of charge. The flight would be allowed to take off only after out of charge is given. The manifest closures should be done in the same manner as mentioned in para "F" above.

4. Difficulties, if any, in implementation of the above procedure may be brought to the notice.

  
30.3.2024  
**G.S. Bains**  
**Commissioner**

Copy to:

1. The Chief Commissioner of Customs, Central GST and Central

Excise, I S Press Road, Cochin for information please.

2. The Assistant/Deputy Commissioner of Customs (Airport Admn.)
3. The Assistant/Deputy Commissioner of Customs, (Air Cargo Complex, Cochin)
4. The Airport Director, Cochin International Airport
5. All airlines working at Cochin International Airport
6. The Assistant/Deputy Commissioner, Appraising section, Custom House, Cochin-09.
7. The Assistant/Deputy Commissioner, PRD, Custom House, Cochin-09
8. Superintendent of Customs, EDI section, Custom House Cochin-09 for uploading on Cochin Customs official website