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FREQUENTLY ASKED QUESTIONS (FAQs)

***on***

**ELECTRONIC SEALING FOR CONTAINERS UNDER SELF-SEALING PROCEDURE**

***Disclaimer:***

*This FAQ on electronic sealing for containers under self-sealing procedure is for training and academic purposes only.*

*The information is intended only to provide a general overview and is not intended to be treated as legal advice or opinion.*

**Self-Sealing Procedure for Exporters**

*Implementation of electronic sealing for containers by exporters under self- sealing procedure has been prescribed by circular 26/2017-Cus dated 1.01.2017, 36/2017-Cus, dated 28.08.2017 and 37/2017-Cus dated 20.09.2017.*

*The revised procedure of the CBEC vide Circular No. 41/2017-Customs dated 30 October 2017 has been notified and the said procedure is to be finally implemented from 8th November 2017. Some highlights of the said circulars are extracted here under for the benefit of Exporters.*

*1. In pre-GST regime, there were three ways through which sealing of containers could take place, namely:*

*a) Containers stuffed at factory premises or warehouses under self- sealing procedure.*

*b) Containers stuffed/sealed at factory premises or warehouse under supervision of Central Excise officer.*

*c) Containers stuffed and sealed at Container Freight Stations/Inland Container Depots.*

*2. For ease of business, the provision of sealing of containers under supervision of central excise officers being done away with. Thus, all exporters registered under GST law and filing returns can follow the procedure of self-sealing of containers. With implementation of GST, the existing procedures in relation to exports were realigned viz., claim of refund, stuffing of container, etc.*

*3. One of the key aspects relating to simplified sealing procedure for export of goods is use of tamper proof electronic seals of standard specifications.*

*4. Existing exporters availing sealing at factory premises will be automatically entitled for self-sealing procedure and existing operators need not approach the authorities for the self-sealing permission.*

*5. The list of stations where vendors would provide RFID e-seals are annexed in circular no 41/2017- Customs dated 30th October, 2017. Vendors have to share their data at the port of export including to Risk Management Division and make available scanners/ readers for reading the data including integrating such data with ICEGATE. At the Ports under the jurisdiction of Pune Customs Commissionerate have been familiarized regarding use of RFID container seals – fixed readers and handheld readers.*

*6. Following classes of exporters are obligated to adopt RFID e-sealing:*

*a) Exporters already enjoying the facility of self-sealing after having been approved by jurisdictional formations under the erstwhile procedures;*

*b) Exporters who have hitherto been availing of supervised sealing and have been automatically entitled to avail of self-sealing using RFID e-seals, without having to expressly seek any permission/approval of the jurisdictional commissioner for this purpose;*

*c) AEOs, regardless of whether they were self-sealing or undertaking supervised sealing, have also been entitled to avail of the new procedure;*

*d) Lastly, all exporters have been extended this facility subject to their filing GST returns but after seeking permission for self-sealing from the jurisdictional Commissioner as per procedure prescribed under para 9 (iii) of circular 26/2017-Cus dated 1st July 2017.*

The above procedure applies only to cargo in full container load, sealed at an approved premise by an entitled exporter. In case of partly filled containers or in case of full containers brought to ports without RFID e-seals shall be taken to a CFS or allowed direct port entry and will be subject to RMS treatment.

**Some of the FAQs are as follows-**

# What is the new procedure introduced by the Central Board of Excise and Customs (CBEC) for sealing of export goods in containers?

Ans. Central Board of Excise and Customs (herein CBEC) has done away with stuffing/sealing of containers with export goods at factory premises or warehouse (hitherto also known as factory stuffing) under the physical supervision of an officer of department with effect from 01.10.2017. Henceforth, eligible exporters are entitled to self-seal their export containers by using an electronic seal.

# Who can avail self-sealing procedures of export consignments?

Ans. i. All exporter AEOs will be eligible for self-sealing.

* + 1. *The exporters who were availing sealing at their factory premises under the system of supervised factory stuffing will be automatically entitled for self-sealing procedure.*
    2. *Any exporter desirous of availing this procedure shall inform the jurisdictional Custom Officer of the rank of Superintendent or Appraiser of Customs, at least 15 days before the first planned movement of a consignment from his/her factory/ premises, about the intention to follow self- sealing procedure to export goods from the factory premises or warehouse. The jurisdictional Superintendent or an Appraiser or an Inspector of Customs shall visit the premises from where the export goods will be stuffed & sealed for export. The jurisdictional Superintendent or Inspector of Customs shall inspect the premises with regard to viability of stuffing of container in the premises and submit a report to the jurisdictional Deputy Commissioner of Customs or as the case may be the Assistant Commissioner of Customs within 48 hours. The jurisdictional Deputy Commissioner of Customs or as the case may be the Assistant Commissioner of Customs shall forward the proposal, in this regard to the Principal Commissioner/ Commissioner of Customs who would grant permission for self- sealing at the approved premises. Once the permission is granted, the exporter shall furnish only intimation to the jurisdictional Superintendent or Customs each time self-sealing is carried out at approved premises. The intimation, in this regard shall clearly mention the place and address of the approved premises, description of export goods and whether or not any incentive is being claimed. Self-Sealing permission once given by a Principal Commissioner/ Commissioner of Customs shall be valid for export at all the customs stations.*

# What is RFID e-seal to be used for self sealing of containers by the eligible exporters?

Ans. An e-seal is a sealing device with RFID chip inside it which can be read by enabled devices viz fixed reader, handheld reader or any other mode. Each e-seal has a unique RFID tag which contains electronically stored information. The custom officer at the gateway port would verify the integrity of the seals by using reader-scanners which are connected to the Data Retrieval System of the Vendor.

# How to use the seal to lock the container?

Ans. E-Seals are designed like the conventional bolt seal (bottle seal) so as to give the same experience and ease of sealing a container, which the exporter has been accustomed to. Just push the bolt into the cap and you are done. Typically, an e-seal is sold with two separate parts (male and female) packed together and care must be taken that parts which are packed together only are used with each other.

# How data/information will be retrieved from e-seal?

Ans. The reader would be provided at Ports and ICDs for reading the RFID tag in the e-seal and to ascertain whether it is TAMPERED or NOT TAMPERED. Arrangement have also been made to send alerts on registered mobile no. or e-mail id to keep informed about the scanning of the e-seal by customs officer.

# Is there any distributers appointed for the purchase of e-seal for local exporters?

Ans. Due to security considerations and concerns that the identity of the seal should not be compromised, vendors are not allowed to appoint any distributors; all orders will be received online.

# Is there any minimum or maximum order prescribed for the purchase of e-seal?

Ans. Although there is no minimum or maximum quantity has been prescribed for the purchase of e-seals, but e-seals are generally sold in a box containing 20/30 e-seals. They are not sold in loose condition.

# What are the standard specifications of the e-seal?

Ans. In terms of Board Circular No. 36/2017-Customs dated 28.08.2017 vide F.No. 450/08/2015-Cus.IV, RFID seals should conform to ISO 17712:2013(H) and ISO/IEC 18000-6 Class 1 Gen 2. This has been prescribed to ensure that RFID seals are compliant with securing requirements and tamper proof.

# Is IEC compulsory for purchase of e-seal?

Ans. Yes, IEC and Factory stuffing/Self Sealing permission is compulsory for purchasing of e-seal from the vendors.

# What are the data to be fed in the e-seal and how?

Ans. Following data are to be fed mandatorily in the e-seal through web based module/application provided by the respective vendor to the exporters.

* *IEC (Importer Exporter Code)*
* *Shipping Bill Number*
* *Shipping Bill Date*
* *E-seal number*
* *Date of sealing*
* *Time of sealing*
* *Destinations Customs station for export*
* *Container Number*
* *Trailer-Truck Number*

It is further clarified that the information need not be mounted in the e-seal but tagged to the seal using web/Mobile application to be provided by the vendors of RFID seal. Data once uploaded by the exporters cannot be deleted or edited. Thereafter, container shall be sealed with the same electronic seal before it leaves the premises of the exporter.

# Is feeding of Shipping Bill number mandatory for submission of details in respects of e-seal?

Ans. Yes, feeding of Shipping Bill Number is mandatory.

# What are the transport documents required for the movement of the self sealed container by an exporter from factory or warehouse to port?

Ans. Transport document for movement of self-sealed container by an exporter from factory or warehouse shall be same as the transport document prescribed under the GST Laws. In the case of an exporter who is not a GST registrant, way bill or transport challan or lorry receipt shall be the transport document.

# What will happen when the container reaches the Port gate / ICD?

Ans. On reaching of export container which has been self sealed with an e- seal at gateway port, the jurisdictional Customs Officer shall verify the e- seal with the help of handheld reader or fixed reader or through any other

mode as prescribed, whether e-seal is intact or not. If e-seal has been read as ‘NOT TAMPERED’, the export consignment would be processed for the purpose of registration and grant of ‘LET EXPORT ORDER’ as per established procedures. However, if e-seal has been read as ‘TAMPERED’, the consignment would be taken up for physical examination as per the procedure.

# Are vendor/s providing e-seal reader to the exporter to verify the details to counter check?

Ans. Some vendor/s are providing e-seal readers to the exporter for cross check the information corresponding to the e-seal.

# Can an exporter block the e-seal?

Ans. Yes, exporter can block the e-seal allotted to him, if he does not want to use it.

# Can an exporter edit the data in case of wrong entry or unwanted circumstances like vehicle breakdown?

Ans. The data once confirmed with e-seal can’t be deleted or edited. It is strongly advised that before confirming the data, due precaution should be taken to check the accuracy of the information linked with e-seal.

# How to enter multiple Shipping Bill or Invoice in the e-seal information?

Ans. As of now single Shipping Bill information can be assigned to the e-seal. But, in the case of multiple shipping bills the dockets can be provided in physical form for all the Shipping Bills for processing the consignment at customs stations/parking plazas.

# How the information of Customs clearance/rejection will be communicated?

Ans. Information will be seamlessly transmitted to the registered email id of the exporter from the vendor’s server.