

**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: 12th February, 2011

STANDING ORDER No. 10/2010

(Referred / amended vide S.O.No. 42/2011)

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 [S.O. No.17/2009 dated 21.04.2009](#) pertaining to procedure for drawal of samples and testing and [S.O. No.41/2007 dated 10.10.2007](#) pertaining to Customs Valuation (Determination of Value of Export Goods) Rules, 2007.

2. S.O. No.17/2009 dated 21.04.2009 governs the procedure to be followed for drawal of samples and testing. Samples of the goods are drawn either for inspection or testing in order to decide the classification of some goods or for ascertaining their value or for eligibility of exports under export promotion schemes viz., DEEC, DEPB, Drawback schemes or for any other purposes of the Customs Act 1962. Samples are drawn to verify the claims made by the exporter in the shipping bill and other related documents such as invoice / packing list, etc. at the time of export. Thus, consequent upon receipt of the test report, it will be known whether the claim of the exporter made in the shipping bill, invoice, packing list, etc. is correct or otherwise. It may be noted that in case the test report turns out to be negative i.e. the goods are found to be other than that declared by the exporter for claiming export incentive / benefit, then it tantamounts to mis-declaration and the natural course of action would be adjudication for confiscation and penalty. However, it appears that presently this is not followed by the assessing officers and the shed examination staff.

2.1 It is, therefore, directed that henceforth, in all such cases where a sample is drawn from an export consignment, the shipping bill should invariably be assessed provisionally in the EDI system. After drawal of sample, the shipping bill shall be forwarded to the Superintendent. The Superintendent shall ensure that the shipping bill is assessed provisionally while granting LEO by using the Item Modify menu in the EDI system. The purpose of assessing a shipping bill provisionally in the EDI system

is to ensure that the shipping bill is not transmitted online to DGFT or EP copy is not generated. Thus, the export incentive / benefit cannot be disbursed by DGFT unless the shipping bill is finally assessed by customs. If for any reasons, the shipping bill cannot be assessed provisionally in the EDI system, in that case a bond should be taken of an amount equal to the value of the goods. In case exports are made under any export promotion / reward schemes, the finalization of export incentives can be done only after receipt of the test report and final assessment of the shipping bill. The Bond executed for provisional assessment shall contain a clause to this effect. AC / DC incharge of the export shed cluster shall ensure that a Provisional Assessment Register on account of drawal of sample is maintained in each CFS in the following format:

S. No.	SB No. and date	Name of Exporter	Description of goods as declared in the SB	Test Memo Ref No. and date	Date of drawal of sample	Date of provisional assessment	Date of finalisation of assessment	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

2.2. The details of the shipping bill which is assessed provisionally on account of drawal of samples shall be entered in the said register. Consequent upon feeding of the test report by the officer concerned (i.e. DYCC staff in the case of tests conducted by customs labs and staff posted in the Central Sample Cell in case of test reports received from outside laboratories), the shipping bills shall be assessed finally by the AC / DC (X) incharge of the CFS concerned after verifying the test report. Wherever the test report does not conform to the declared description of the goods, it may be ensured that the shipping bill is subjected to adjudication proceedings for confiscation and penalty and denial of export incentive / benefit, as the case may be. The finalization of shipping bill shall be undertaken suo motu by the AC / DC without any request by the exporter / CHA based upon pending entries in the Provisional Assessment register.

2.3. An abstract shall be prepared at the end of each month regarding opening balance, receipt, disposal (by way of finalization) and closing balance of the total number of shipping bills assessed provisionally. This abstract shall be put up to the AC / DC (X) incharge of the CFS for his countersignature.

3. [S.O. No.41/2007](#) dated 10.10.2007 governs the procedure to be followed to determine the value of export goods in terms of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007. Para 5 of the said SO provides that No export consignment shall be detained for reasons of doubts regarding

valuation without the approval of the jurisdictional Commissioner of Customs and para 7 of the said SO provides that The decision to initiate the process of investigation into valuation aspects, if any, shall be taken at the earliest at the level of Joint /Additional Commissioner. However, it has been decided now that if any file is forwarded to SIIB (X) for investigation, it should be done with the approval of the Commissioner only.

3.1 Thus, when a decision has been taken to reject / re-determine / investigate value of the export goods pertaining to a shipping bill in terms of the said Rules after following the procedure as prescribed in the said SO and where goods have been allowed to be exported, such shipping bill should also be invariably assessed provisionally in the EDI system. After feeding of examination report by the PO / EO, the shipping bill shall be forwarded by the PO / EO to the Superintendent. The Superintendent shall ensure that the shipping bill is assessed provisionally while granting LEO by using the Item Modify menu in the EDI system. However, if for any reasons the shipping bill cannot be assessed provisionally in the EDI system, in that case a bond should be taken of an amount equal to the value of the goods. However, in cases of suspected mis-declaration, fraud, etc. suitable security would also be required to taken and such cases should be put up to the Commissioner through the Joint / Additional Commissioner incharge of the CFS for approval.

3.2 AC / DC incharge of the export shed cluster shall ensure that a Provisional Assessment Register for value purposes is maintained in each CFS in the following format:

S. No.	SB No. and date	Name of Exporter	Value of goods as declared in the SB	Date of provisional assessment	Value as determined under Export Valuation Rules	Date of finalisation of assessment	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

The details of the shipping bill which is assessed provisionally for value purposes shall be entered in the said register.

3.3 The value shall be re-determined as prescribed in the [S.O. No.41/2007](#) dated 10.10.2007. In case the exporter accepts the value as re-determined by the department, an undertaking may be taken from him to that effect on their Letter head, under the signature of their authorized signatory/proprietor/partner. The assessing Officer should incorporate the details of such letter (Reference no. and date) along with

the fact that the exporter accepted the proposed revision, as departmental comments in the EDI. Subsequently, the shipping bills shall be assessed finally by the AC / DC (X) incharge of the CFS concerned, by using the Item Modify menu in the EDI system. In the Item Modify menu, the AC / DC (X) shall change the FOB value of the items as re-determined by the department. This will change the FOB value accepted by customs (i.e. value under section 14 of the Customs Act, 1962) irrespective of the FOB value declared / realized by the exporter. It may be noted that amendment of FOB value using the Item Modify menu is required to be done instead of the present practice of amending Present Market Value (PMV).

3.4. In case the exporter does not accept the value arrived at by the department, the assessing officer shall issue a speaking order (Order-in-Assessment or Order-in-Original) consequent upon finalization of assessment of the shipping bill.

3.5. An abstract shall be prepared at the end of each month regarding opening balance, receipt, disposal (by way of finalization) and closing balance of the total number of shipping bills assessed provisionally. This abstract shall be put up to the AC / DC (X) incharge of the CFS for his countersignature.

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

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

(Sushil Solanki)
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.

