

F.No.S/12-Gen-82/2015-16 AM(X)

Date: 27.09.2017

PUBLIC NOTICE NO. 120/2017

SUB : Implementing Electronic Sealing for containers by exporters under self-sealing procedure prescribed vide circular 37/2017-Customs dated 20.09.2017 –reg.

Attention of the Exporters, Custom Brokers and all concerned are invited to the **Board Circular No. 26/2017-Customs dated 1st July, 2017, 36/2017-Customs dated 28 August, 2017 and 37/2017-Customs dated 20th September, 2017** on the above mentioned subject prescribing norms for grant of Self Sealing Permission to the exporters intending for factory/warehouse stuffing of export goods.

2. For the sake of uniformity and ease of doing business, Board has decided to simplify the procedure relating to factory stuffing and lay down a simplified procedure for stuffing and sealing of export goods in containers.

3. It has been decided to do away with the sealing of containers with export goods by CBEC officials. Instead, self-sealing procedure has been adopted subject to the following conditions in respect of factory/warehouse premises falling under jurisdiction of JNCH:-

4. <u>Procedure:-</u>

- (a) The exporters, who are availing sealing at their factory premises under the system of supervised factory stuffing, will be automatically entitled for selfsealing procedure. All exporters AEOs will also be eligible for self-sealing. It is clarified that all those exporters who are already operating under the selfsealing procedure need not approach the jurisdiction Customs authorities for the self-sealing permission.
- (b) The permission to self-seal the export goods from a particular premise, under the revised procedure, once granted shall be valid unless withdrawn by the jurisdictional Principal Commissioner or Commissioner of Customs if non-compliance to law, rules and regulations is noticed. In case the exporter makes a request for a change in the approved premise (s), then the procedure prescribed in circular 26/2017-Cus shall be followed, and a fresh permission granted before commencement of self-sealing at the new premises.

- (c) Under the new procedure, the exporter will be obligated to declare the physical serial number of the e-seal at the time of filing the online integrated shipping bill or in the case of manual shipping bill before the container is dispatched for the designated port/ICD/LCS.
- (d) Exporters shall directly procure RFID seals from vendors, conforming to the standard specification mentioned in **para** below. Since the procedure seeks to enhance integrity of transportation of goods, the exporters will be required to obtain seals directly. They shall provide details such as IEC etc., at the time of purchase for identification as well as for using the standard web application necessary to support an RFID self-sealing ecosystem.
- (e) In case, the RFID seals of the containers are found to be tampered with, then mandatory examination would be carried out by the Customs Authorities.

5. <u>Standard Specification of the Seal:-</u>

(a) The electronic seal referred to in Para 9 (vii) of the Circular No. 26/2016-17 Customs dated 01.07.2017 shall be an "RFID tamper proof one time bolt seal", each bearing a unique serial number. The exporters shall be responsible for procuring the seals at their own cost for use in self-sealing.

(b) Each seal shall be a one-time bolt seal bearing a unique serial number and brand of the vendor in the format ABCD XXXX XXXX, where ABCD stands for the brand of the vendor and X (8 digit) is a numerical digit form 0-9.

(c) The RFID seal shall conform to ISO 17712:2013 (H) and ISO/IEC 18000-6 Class 1 Gen 2 which is globally accepted in industrial applications and can be read with the use of UHF (i.e. 860 MHz to 960 MHz) Reader-Scanners.

(d) The manufacturers or vendor, as the case may be shall be in possession of certifications required for conformance of ISO standard ISO 17712:2013(H) namely, clauses 4, 5 and 6. Before commencement of sales, the vendor shall submit self-certified copies of the above certification to the Risk Management Division (RMD) and all the ICs/ Ports where he intends to operate along with the unique series of the seals proposed to be offered for sale.

6. Application Record Keeping and Data Retrieval System:-

(a) It is clarified that the information sought from the exporter in para 9 (vii) of the circular 26/2017- Customs shall be read as

IEC (Importer-Exporter code) Shipping Bill Number e-seal number Date of sealing Time of sealing Destination Customs Station for export Container Number Trailer-Truck Number

- (b) All vendors will be required to transmit information in para (a) above to RMD and the respective destination ports/ICDs of export declared by the exporter. The arrangements for transmission of data may be worked out in consultation with the RMD and nodal Customs officer at each ICD/Port.
- (c) All vendors shall be required to make arrangements for reading/scanning of RFID one-time-Bolt-seals at the Customs ports/ICSs at their own cost, whether through handheld readers or fixed readers.
- (d) The integrity of RFID seal would be verified by the Customs Officer at the port/ICD by using reader-scanners which are connected to Data Retrieval System of the vendor.
- (e) Since all ICDs/ports where containerized cargo is handheld would require readers-scanners, ADC/JC incharge of Nhava Sheva-General Commissionerate has been designated as the nodal officers of smooth operation of this system.
- (f) The transaction history of the self-sealing should be visible to the exporters for their reference.
- (g) The vendor shall also undertake to integrate the information stored on the date retrieval server with ICEGATE at his own cost on a date and manner to be specified by the Directorate General of Systems, New Delhi.
- The above said procedure is further clarified by the Board Circular No. 37/2017-Customs dated 20th September, 2017 and it has been provided that
 - a) Consequent upon the several potential vendors communication with the Board & field formations regarding availability of seals and their intention to provide reader devices (for reading the seals) at select or all ports/ICDs and in order to ensure that electronic seals deployed are of a reliable quality, the Board has adopted international standards laid down under ISO 17712:2013 for high security seals and prescribed that vendors intending to offer RFID seals should furnish certifications required under the ISO standard (para 3 of circular No.36/2017 dated 28.8.2017 refers).
 - b) To ensure uniformity in acceptance of the certificates submitted by vendors, required under ISO 17712:2013, it has been decided that all vendors proposing to offer RFID Tamper Proof One-Time-Bolt Container Seals to exporters for self-sealing, must submit self-attested certificates from seal manufacturers to the Director (Customs), CBEC, North Block, New Delhi

before commencing sales. Where the certification is found to comply with the requirements of the ISO standard, the names of such vendors shall be put up on the Board's website (www.cbec.gov.in) for ease of reference of the trade and field formations, as soon as they are received.

- c) The vendors shall also produce a contract or communication between the vendor and manufacturer, to serve as a link document and undertake that the seals for which ISO certifications are submitted are the same seals pressed into service.
- d) Any time a vendor changes his manufacturer-supplier, he shall provide the documentation referred in para 3 of circular 36/2017-Customs to the CBEC, before offering the seals for sale.
- e) Clarifications have also been sought regarding the type/specification of the web-hosted application. While each vendor may develop and design their own web-enabled application, the data elements prescribed under para 4 (a) of circular 36/2017-Customs have to be incorporated. For the purposes of consistency in process of communication with the customs stations and the RMD, each vendor shall provide information as specified in para 4 (b) of circular 36/2017-Customs to the department by email in excel format or any other format that may be specified by any field formation or RMD. This would permit ease of consolidation of multiple feeds at the customs station and data integration. All field formations are advised to communicate the designation based email addresses to the vendors, once the list is placed on the website as mentioned at para 7(b) above.
- f) As a measure of data integrity and security of sealing, vendors are also required to ensure that the Tag Identification (TID) number is captured in their data base and the IEC code of the exporter is linked to the same at the time of sale of the seals. Upon reading at the Port /ICD, the software application shall ensure that the seal's identity is checked with its TID. Beyond this prescribed minimum feature, vendors will remain free to build upon any other features of RFID system for enhancing security / functionalities.
- 8. For the ease of reference of the exporters, vendors are advised to publicise on their website, name of each port / ICD where they have provided readers. Custodians and Customs brokers are also advised to proactively engage with vendors regarding availability of reading facilities at container terminals and ICDs so that there is no dislocation to logistics operations.
- 9. Considering the difficulties expressed by trade associations in locating vendors of RFID seals, the Board has decided that the date for mandatory self-sealing and use of RFID container seals is deferred to **1st November**, **2017.** The existing practice may continue till such time. It is also provided that exporters are free to voluntarily adopt the new self-sealing procedure

based upon RFID sealing, if readers are in place at the customs station of export from 1.10.2017.

10. Apprehensions have been expressed by some associations and trade bodies regarding the availability of reading facilities in interland ICDs. In view thereof, custodians of ICDs have been requested to facilitate the process of receiving handheld readers or installation of fixed readers at the ICDs and to approach the Board in case readers are not made available by vendors at any ICD by 10th October, 2017.

11. Difficulty, if any may also be brought to the notice of Deputy / Assistant Commissioner in charge of Appraising Main (Export) through email / phones (email address: apmainexp@jawaharcustoms.gov.in, Phone No : 022-27244959,).

Sd/-(SUBHASH AGRAWAL) COMMISSIONER OF CUSTOMS NS-IV, JNCH

Copy to:

- 1. The Chief Commissioner of Customs, Mumbai Zone- II.
- 2. All the Commissioner of Customs, Mumbai Zone- II.
- 3. All Addl./Joint Commissioners of Customs, Mumbai Zone- II.
- 4. All Deputy/Asstt. Commissioners of Customs, Mumbai Zone- II.
- 5. The DC/EDI for uploading on the JNCH website.
- 6. Bombay Custom Broker's Association.
- 7. All Other Trade Associations.