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Ref.No.MAIT/PY/2723

April 26, 2023

Shri M. Srinivas
Chief Commissioner of Customs
Bengaluru Zone

Subject: Submission of necessary documents reg. implementation of ERSO Pilot

Respected Sir,

Greetings from MAIT, the apex industry association for ICT in India!

We once again take the opportunity to thank you on behalf of the industry for chairing the meeting to discuss implementation of ERSO Pilot and thereafter sharing the Minutes of the meeting by your good office. We are grateful for your assurance that the Department of Customs will adopt all measures for fast-track/expeditious/green channel clearance of the cargo for the purpose of ERSO Pilot to be conducted in Bengaluru. The aim of clearance within 12 Hours and automation of RE bond process is a welcoming initiative by the Department in regard to Ease of Doing Business (EoDB) and opening of a new sunrise sector in the country starting with Bengaluru.

As directed by you in the meeting, we are hereby enclosing the following for your kind perusal and use:

1. Indicative List of Products to be imported by industry in the near future for the purpose of Repairs along with HSN Code and their indicative life span.
2. Draft Standard Format for Chartered Engineers Certification

We have also requested for a Meeting with the Empaneled Chartered Engineers with MAIT and Industry as referred to in the Minutes circulated by the Department. Sir, we are continuously in touch with the industry and there are a few suggestions/queries given by the industry which are referred as below for your kind consideration and support.

Suggestions & Queries:

A) Filing of advance BOE and its identification for Pilot project

- As per point 3 (e) of MoM dated 20.04.23, Importers are required to coordinate with the nodal officers who will be authorized to pull the relevant BE from FAG location to the PAG. Assessment by FAGs at selected locations would be necessitated once the subject ERSO imports are mandated at other/all locations pan-India.
- Coordinating with Nodal officer to get every BOE pulled from FAG to PAG would be time consuming. **We suggest that in the SOP, a systematic solution may be put to automatically assign Pilot project BOEs directly to Nodal officer.**

B) Request for Clarity on CE certification for shipments cleared under notification 134/94-Customs dated 22.06.1994.

- Condition (b) of notification 134/94 - Customs dated 22.06.94 stipulates *that the goods repaired, reconditioned, reengineered, tested, calibrated, or maintained*

(including service) as the case may be, are exported and are not cleared outside the unit. Further this notification neither refers to establishing identity of goods to the satisfaction of Customs Officers nor does it refer to execution of RE Bonds. Hence, in industry's view, **CE certification may not be required to clear defective goods under notification 134/94-Customs dated 22.06.1994. We seek clarity in this regard from your good office.**

C) Suggestions on CE certification for shipments cleared under notification 153/94-Customs dated 13.07.1994 on repeated basis

- For goods imported under notification 153/94-Customs dated 13.07.94, CE valuation may be done when the goods are imported first time/initially. CE certified value may be uploaded in ICEGATE and used as reference value for subsequent consignments. For repeat shipments, if unit price is unchanged or higher than initial CE valuation, CE certification need not be repeated.

D) Clarity regarding the Customs clearance TAT improvisation

- Industry has requested for detailed clarity on achievement of reduction in TAT to 12 Hours through the new SOP that is to be made and shared by Department so as there is no ambiguity in understanding on either side.

E) Request for Format of Running RE Bond and duty credit procedure to RE Bond after export

Industry request for the following to be included in the SOP:

- Format of running RE bond to be shared with Importers
- How duty will be credited to RE bond after export

Thanking you once again for your continuous support & we look forward to hearing from you.

Warm regards,



Col. AA Jafri, Retd.
Director General

Encl:

- (i) Updated indicative List of Products - ERSO
- (ii) Proposed Chartered Engineer Certificate