Public Notice No. 21/2015

Sub.: First time merchant Exporters Verification of document regarding:

It has been observed that some unscrupulous/ fly-by-night merchant exporters are exporting /attempting to export various goods using the IEC No. of other persons, who, on verification, have been found in many cases to be fictitious in the sense that they do not exist at the given address or do not have any knowledge about the consignment under export and in fact they are dummies. Such exports are affected/ attempted to be effected with an intention to avail ineligible benefit under various export promotion/ duty exemption/ remission schemes. The said unscrupulous/ fly-by-night exporters set a chain of customs offences, besides hawala and money laundering.

2. As a preventive measure, it has been decided to look into the aspect of the genuineness of the merchant exporters, who are exporting various goods for the FIRST TIME through ACC (Export), Sahar. This will be done from the scrutiny of following documents, at least three of which will have to be submitted by the exporter or his Customs Broker (CHA) to the concerned Assessing Officer. The documents may include:

(I) Copy of VAT/Sales Tax Registration/Exemption certificate of the merchant exporter.

(II) A certificate from the Bank with whom the Bank Account is being maintained for the purpose of remittance of foreign exchange to the effect that account is being maintained satisfactorily.

(III) Where the bank account is less than 03 month old, details of other bank accounts held by the exporter.

(IV) Details of past exports made from other ports if any.

(V) Balance sheet of the previous year.

(VI) Copy of the last Income Tax Return/ VAT or Sales Tax Return filed.

3. Since the initiative is to prevent the offence at the initial stage of export itself, CHAs are expected to play a positive role in this regard in terms of Regulation 13 of Customs House Agents Licensing Regulation, 2013. Once any three of the documents mentioned at para 2 (i) to (vi) above are filed, export will be allowed as per normal procedure.

4. This practice/ requirement shall come into force with effect from 21.12.2015.

Sd/-

(ANIL KUMAR GUPTA)
COMMISSIONER OF CUSTOMS(IV)
AIR CARGO COMPLEX, MUMBAI-III

Copy to:-

1. All the Trade Association.
2. The Chief Commissioner of Customs, Mumbai, Zone-III.
3. All the Concerned Officers.
4. DC/EDI, for uploading on website.