

F. No: 484/50/2019-LC
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes & Customs

Room No. 49, North Block, New Delhi
Dated 21st February 2020

To,
All Principal Chief Commissioners/Chief Commissioners of Customs
Principal Directors General/Directors General of Customs
Principal Commissioners/Commissioner of Customs

Subject: Transportation of goods to and from India through a foreign Territory-reg.

Madam/ Sir,

The transportation of goods from one part of India to another through a foreign territory was hitherto covered by the Transportation of Goods (Through Foreign Territory) Regulations, 1965. Such movements were however uncommon and the regulations were not effectively used due to absence of bilateral arrangements with neighbouring countries.

2. In the recent past, India and Bangladesh have signed the Agreement for use of Chattogram and Mongla ports for movement of goods to and from India (hereinafter referred to as the ACMP) on 25.10.2018 and a Standard Operating Procedure (SoP) inter alia prescribing the documentation, procedure and time limits and extension thereof, for movement of goods under the ACMP has also been signed on 05.10.2019. Further, as per the Article VIII of the Trade Agreement between India and Bangladesh signed on 06.06.2015, the two countries have also agreed on a Protocol on Inland Water Transit and Trade between the People's Republic of Bangladesh and the Republic of India on 06.06.2015 (herein after referred to as PIWTT). The ACMP covers movement of goods from one part of India to another through Bangladesh and the PIWTT covers bilateral trade between India and Bangladesh, movement of goods from one part of India to another through Bangladesh and also export to third countries using each other's territories.

3. In view of the above developments, the Transportation of Goods (Through Foreign Territory) Regulations, 1965 have been superseded by the Transportation of Goods (Through Foreign Territory) Regulations, 2020 dated 21st February 2020. The new regulations provide for:

- (i) movement of goods from one part of India to another through Bangladesh under the ACMP,
- (ii) movement of goods from one part of India to another through Bangladesh under the PIWTT;
- (iii) movement of goods from one part of India to another through land route which lies partly over the territory of a foreign country.

3.1 It is clarified here that for the movements under PIWTT, only transit movements are covered by the new regulations i.e. movement of goods from one part of India to another

through Bangladesh. For bilateral trade and export to third countries, the extant provisions shall prevail.

3.2 For any movement under the regulations, the consignor of the goods, the carrier or their authorised agent shall file a Customs Transit Declaration (CTD) and a bond. The format of the CTD and the bond is already prescribed in the regulations.

4. For the purpose of clarity, the procedure for each movement is detailed below:

4.1 **India to India movements under the ACMP:** The movement of goods using the Chattogram and Mongla ports of Bangladesh is expected to effectively reduce the transportation distance, time as well as the cost of such movement to and from the North Eastern Region of India (NER). It is clarified that any goods produced or manufactured in India or goods which have been imported and cleared for home consumption may be transported/moved under the Agreement.

4.1.1 It may be noticed that the approved routes as per Article 6 of the ACMP mentions only the Land Customs Stations of entry/ exit in India and Bangladesh, and the Chattogram or Mongla ports in Bangladesh. This effectively means that, -

- (i) goods destined to the NER can be sent through any customs station in India via the Chattogram or Mongla ports in Bangladesh and shall have to exit Bangladesh and re-enter India through Agartala Land Customs Station, Dawki Land Customs Station, Sutarkandi Land Customs Stations or Srimantpur Land Customs Stations.
- (ii) goods departing from the NER to other parts of India, will have to enter Bangladesh through Agartala Land Customs Station, Dawki Land Customs Station, Sutarkandi Land Customs Stations or Srimantpur Land Customs Stations. The goods will then move to the Chattogram port or Mongla port in Bangladesh and will land in India at any customs station.

4.1.2 For any movement under the ACMP, the consignor of the goods, the carrier or their authorised agent shall file a CTD and a bond. It may be mentioned here that the format of the CTD has been mutually agreed with Bangladesh. The CTD will serve as a single document where the customs officials of both India as well as Bangladesh can record the controls exercised at each entry/ exit point. Thus in the CTD format, the port in India is to be taken as any Customs Station notified under the Customs Act. The procedures to be followed in Bangladesh also forms part of the SoP on PIWTT.

4.1.3 For ease of reference, the procedure is explained below:

4.1.4 **At the port of exit in India:**

- (i) The CTD shall be filed in quintuplicate by the consignor of the goods, the carrier or their authorised agent with the Customs at the port of exit in India along with the invoice and bond.
- (ii) The customs officer will approve the CTD, accept the bond and ensure that the cargo is sealed securely with a customs one-time-lock.
- (iii) The customs officer shall endorse all copies of the CTD with the one-time-lock number, retain the quintuplicate copy and hand over the remaining copies to consignor of the goods, the carrier or their authorised agent.

4.1.5 Procedure within Bangladesh: The movement of the goods within Bangladesh will be as per the ACMP and the protocol. The goods in transit upon leaving from the port of entry in Bangladesh shall reach the port of exit in Bangladesh within 7 days, except in the circumstances as provided in the Agreement and the protocol.

(i) At the port of entry in Bangladesh:

- (a) The consignor of the goods, the carrier or their authorised agent shall submit the four copies of the CTD duly authenticated by the customs at the port of exit in India to the customs at the port of entry in Bangladesh along with the copy of Bill of lading, Invoice, Packing List and Customs Bond in non-judicial stamp paper. It may be mentioned here that the format of the Bond to be submitted to Bangladesh Customs is part of the SoP on PIWTT. Trade may be advised to submit the Bond to Bangladesh Customs in the format as per the SoP. Trade may also be advised to file the manifest and the CTD, as allowed by Bangladesh Customs, before the arrival of the goods so as to ensure expeditious evacuation of cargo from the port of entry in Bangladesh.
- (b) The customs officer at the port of entry in Bangladesh may require the goods to be scanned and sealed with an electronic lock and seal as per Bangladesh Customs regulations before allowing onward movement by road within Bangladesh.
- (c) The customs officer at the port of entry in Bangladesh shall endorse all the copies of the CTD, retain the quadruplicate copy and hand over the remaining copies to the consignor of the goods, the carrier or their authorised agent.
- (d) The consignor of the goods, the carrier or their authorised agent shall submit the triplicate copy of the CTD duly endorsed by Bangladesh Customs to the port authorities for releasing the goods for onward movement.

(ii) At the port of exit in Bangladesh:

The consignor of the goods, the carrier or their authorised agent shall submit the remaining two copies of the CTD with the customs at the port of exit in Bangladesh. The customs officer at the port of exit in Bangladesh shall satisfy himself that the seal has not been tampered with and endorse both copies of the CTD, retain the duplicate copy and hand over the original copy of the CTD to consignor of the goods, the carrier or their authorised agent.

4.1.6 At the port of re-entry into India.

- (a) The proper officer at the customs station of re-entry will check the intactness of the customs one-time-lock, affixed at the customs station of exit and if the seal is found intact, he shall endorse the CTD and allow clearance of the goods;
- (b) In case the customs one-time-lock affixed at the customs station of exit is not found intact, the proper officer shall make due verification of the goods to check whether the goods are in accordance with the CTD and upon being satisfied that there is no irregularity, he shall endorse the CTD and allow clearance of the goods.
- (c) In case the goods are not in accordance with the CTD, the proper officer at the customs station of re-entry shall inform the customs station of exit in India about the irregularity for further action.
- (d) The consignor of the goods, the carrier or their authorised agent shall submit copy of the CTD duly endorsed by the customs officer at the customs station of re-entry in India, to the customs officer at the customs station of exit in India as a proof of due arrival of the goods who shall credit or close the bond, as the case may be, unless the said endorsement indicates that the goods have not arrived into India as per the CTD.

4.1.7 At present, the CTD will be filed manually both in India and Bangladesh. However, the necessary processes for electronic filing of the CTD are being worked upon. Upon development of electronic filing facility, the manual copies shall be dispensed. It may be noted that the SoP also mentions that the Bangladesh side would dispense with the requirement of submission of manual CTD approved by Indian Customs, once the electronic filing of CTD is developed in the customs computer system of Bangladesh.

4.1.8 Thus the requirement of manual copies of the CTD is subject to development of electronic filing on both countries. Once electronic filing of CTD in EDI is developed, no manual CTD shall be filed. It is also clarified that where the customs officer at the customs station of re-entry in India makes an electronic entry accessible to the customs station of exit in India regarding the due arrival of the goods, the endorsed CTD shall not be required to be submitted for crediting/ closing of bonds. The officer at the port of exit shall make the necessary crediting/ closing of the Bond, based on the entry in the EDI system.

4.2 India to India movements under the PIWTT and Movements from one part of India to another through land route which lies partly over the territory of a foreign country: The movement of goods using the inland waterways to and from the North East India is expected to effectively reduce the cost of transportation of cargo to the NER especially bulk cargo. It is clarified that any goods produced or manufactured in India or goods which has been cleared for home consumption may be transported/ moved under the PIWTT. Similarly, the movements of goods from India to India via a foreign territory exclusively by a land route would include goods which has been produced or manufactured in India or goods which have been cleared for home consumption.

4.2.1 The movement of the goods under the PIWTT shall be through the routes specified under the protocol from time to time. It may also be noted that Para 23 of the PIWTT allows goods to be transhipped from river crafts to Bangladeshi truck and/or tractor-trailers at Sherpur and Ashuganj in Bangladesh and brought to the Indian border by road. Such re-entry into India is expected through Agartala LCS.

4.2.2 For any movement of goods under the PIWTT or through land routes which lie partially in the territory of a foreign country, the consignor of the goods, the carrier or their authorised agent shall file a CTD and a bond. The format of the CTD and bond is already prescribed in the regulations for this purpose.

4.2.3 For ease of reference, the procedure is explained below:

(i) **at the port of exit in India:**

- (a) The CTD shall be filed in duplicate (two copies) by the consignor of the goods, the carrier or their authorised agent with the Customs at the port of exit in India along with the invoice and bond.
- (b) The customs officer will approve the CTD, accept the bond and ensure that the cargo is sealed securely with a customs one-time-lock and endorse the CTD with the one-time-lock number.
- (c) The customs officer at the port of exit in India shall endorse both copies of the CTD, retain one copy and hand over the other copy to the consignor of the goods, the carrier or their authorised agent.

(ii) **at the port of re-entry into India:**

- (a) The proper officer at the customs station of re-entry will check the intactness of the customs one-time-lock, affixed at the customs station of exit and if the seal is found intact, he shall endorse the CTD and allow clearance of the goods;
- (b) In case the customs one-time-lock affixed at the customs station of exit is not found intact, the proper officer shall make due verification of the goods to check whether the goods are in accordance with the CTD and upon being satisfied that there is no irregularity, he shall endorse the CTD and allow clearance of the goods.
- (c) In case the goods are not in accordance with the CTD, the proper officer at the customs station of re-entry shall inform the customs station of exit in India about the irregularity for further action.
- (d) The consignor of the goods, the carrier or their authorised agent shall submit copy of the CTD duly endorsed by the customs officer at the customs station of re-entry in India, to the customs officer at the customs station of exit in India as a proof of due arrival of the goods who shall credit or close the bond, as the case may be, unless the said endorsement indicates that the goods have not arrived into India as per the CTD.

4.2.4 Once electronic filing of CTD in EDI is developed, no manual CTD shall be filed. It is also clarified that where the customs officer at the customs station of re-entry in India makes an electronic entry accessible to the customs station of exit regarding the due arrival of the goods, the endorsed CTD shall not be required to be submitted for crediting/ closing of bonds. The officer at the port of exit shall make the necessary crediting/ closing of the Bond, based on the entry in the EDI system.

5. A Cross Border Certificate at Hemnagar LCS is required for allowing onward movement of goods through inland waterways. Since the regulations provide that the goods are sealed by the customs station of exit and due safeguards are in place for arrival of the goods at the customs station of re-entry into India, as a step towards trade facilitation, Board has decided to dispense with the requirement of Cross Border Certificate for the purposes of the subject regulations. However, extant provisions regarding Cross Border Certificate shall prevail for other movements.

6. Clarification required, if any, may be sought from the Board.

7. Hindi version follows.


21/2/20

(Tamsunaro Jamir)
Additional Commissioner (ICD)