

No.C2.66386/04/CT

Office of the Commissioner
Commercial Taxes
Thiruvananthapuram
Dated. 30-07-2007

CIRCULAR No.31/2007

Sub:- Commercial Taxes Department- KVAT Act, 2003-Checking of goods in transit- Customs sealed export bound containers – further Instructions-reg

Read:- Circular No 6/2005 Dated 14-5-2005 of CCT

As per Circular read above certain instructions were issued with regard to opening of Customs-sealed export-bound containers at Commercial Tax Check Posts and by the Intelligence Wing during enroute checking.

The issue has been subjected to review and recently it has come to notice that sizable movement of cargo into the State is taking place. The Department has usually spared such containers on the basis of the said Circular, resulting in free movement of inbound cargo to travel to undeclared godowns within the State. Instances of transporting even contraband goods in containers with seals have been brought to notice. So a reasonable check on the movement of sealed containers is found to be imperative in the interest of revenue.

In the circumstances in partial modification of the Circular read above, the following further instructions are issued.

There are several categories of container movement, and they need to be handled differently.

- (i) Type 1:- Export cargo in containers sealed by Customs, accompanied by certificate in a sealed envelope containing the unique member of the One Time Lock (OTL) seal sealed by Customs. Since these containers have been checked and sealed by the Customs, they should generally not be opened and examined in detail. Breaking the seal in these cases if found necessary should be decided at the level of Inspecting Asst. Commissioner of the Check Post or Inspecting Asst. Commissioner having jurisdiction over the Check Post or Inspecting Asst. Commissioner (Intelligence) in the case of Intelligence Wing. In such cases endorsement of the checking should be done on the Customs document regarding the seal details.
- (ii) Type-2:- Would be export cargo in containers sealed by the exporter, and not by the Customs. They need not be accorded the same level of trust as Type 1 detailed above. Decision to break this seal and inspect should be taken at the level of the Int. Officer in the case of Intelligence Squads or Commercial Tax Officer in charge of the Check Post or the Inspector-in-charge of the Check Posts, as the case may be.

- (iii) Type-3:- Would be import containers bearing seal by Customs traveling from port to a Container Depot (at Bangalore, Tripunithura or Coimbatore) and SEZ and EOUs in Kerala. They too may be accorded the same treatment as in Type 1.
- (iv) Type-4:- Would be containers containing imports addressed to dealers in Kerala and
- (v) Type 5:- Would be containers from coastal shipping (usually from Kandla Port, Gujarat).

Containers of Type 4 and 5 *ibid* shall be inspected and verified like any ordinary goods vehicle carrying consignments.

All officers shall follow these instructions strictly. Supervisory officers shall ensure that the said instructions are carried out strictly.

Commissioner

To
All Officers