

**Instruction no. 31/2016 - Customs**

**F. No. 20000/4/2011- IC (ICD)**

Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

North Block, New Delhi  
Dated 12<sup>th</sup> September, 2016

To

All Chief Commissioners of Customs/ Customs (Prev.),  
All Chief Commissioners of Central Excise,  
All Chief Commissioners of Central Excise & Customs,  
All Director Generals under CBEC.

Sir/Madam,

**Subject: Instructions regarding implementation of Rules of Origin under Free/Preferential Trade Agreements and the verification of preferential Certificates of Origin- reg.**

India has signed Free/Preferential Trade Agreements / Comprehensive Economic Partnership/ Cooperation Agreement (FTA/CEPA/CECA) with a number of countries and trading blocks.

2. Rules of Origin are notified under each of the Agreements which require the importer to, inter alia, make a claim for preferential tariff at the time of importation, and submit a Certificate of Origin (COO) in the prescribed form. The Rules of Origin under the FTAs, as notified under Section 5 (1) of the Customs Tariff Act, 1975, provide for verifying the authenticity of the Certificates of Origin and also the information contained therein. The grounds provided for verification are:

- a. In case of a doubt regarding the genuineness of the Certificate of Origin such as any deficiency in the format of the certificate or mismatch of signatures or seal when compared with specimens on record;
- b. In case of a doubt on the accuracy of information regarding origin, i.e. where a doubt arises on whether the product qualifies as an originating good under the relevant Rules of Origin. In other words, these are cases where there is a reasonable belief that a product

is not grown or not produced/manufactured in a particular country or required value addition/change in CTH/PSR, etc. as the case may be, has not been achieved for the goods to qualify as originating;

- c. Verification could also be undertaken on random basis as a measure of due diligence; For this purpose, factors such as the quantum of duty being foregone, the nature of goods vis-à-vis the country of origin, commodities that are prone to mis-declaration of country of origin, compliance record of the importer etc., may be given regard while selecting Certificates of Origin for random verification.

### **Verification of Specimen Seals and Signatures:**

3. The Rules of Origin and the Operational Certification Procedures (OCP) are spelt out in the customs non-tariff notifications, which inter-alia, lay down the format of the certificate of origin, the period of validity, manner of obtaining the certificate and the procedure for verification of origin. One of the usual conditions for accepting the certificate is that it should be signed by the authorized signatories whose name, signature and seal have been communicated by the FTA partner country through agreed channels. At present, the signatures and seals are received by the Board, either directly from the government of the FTA partner country or through the Department of Commerce. These specimen seals and signatures are circulated to all Chief Commissioners by the Customs V Section of the Board by email. The specimen seals and signatures are also forwarded to DRI, which circulates the paper copies to all Chief Commissioners.

4. In this connection, Board has tasked the Directorate General of Systems to build an online repository on ICES for storing the signatures/seals to facilitate comparison by the assessing officers. DRI has been tasked with uploading the data in the database.

5. In the interim, it is proposed to continue with the existing system of circulation of the signatures and seals. The Board has desired that in each Custom House/Commissionerate, an officer of the rank of JC/ADC may be designated to act as the custodian of the specimen signatures/seals. Should a doubt regarding genuineness or authenticity of a signature/seal/format of certificate arise in the course of assessment by the proper officer, he shall verify the with specimens held by the designated JC/ADC.

6. In case the specimen seal/signature is not available with the designated officer of the Custom House, the issue may be referred to Director (ICD), CBEC for verification.

### **Verification in other cases:**

7. Requests for verification in all other types of cases must be sent to the Board with the approval of the jurisdictional Principal Commissioner/ Commissioner. The reference for verification must contain legible copies of the Certificate of Origin, invoice and the Bill of Lading/Airway Bill. The request should also contain the information listed in the Annex.

### **Procedure for assessment where goods are being released provisionally:**

8. When, based upon a request being made for verification, the goods are being released provisionally, Circular no. 38/2016-Cus dated 22<sup>nd</sup> August, 2016 may be followed with regard to the quantum of security to be obtained under section 18 of the Customs Act, 1962.

### **Nodal Points in the Board**

9. All requests for verification under Free/ Preferential Trade agreements/ CECA/CEPA should be addressed in the Board to:

**Director (International Customs Division)**

Central Board of Excise & Customs,  
Department of Revenue,  
Ministry of Finance,  
Room No. 49,  
North Block, New Delhi -110001.  
011- 2309 3380 (off); 011-2309 3760 (fax.)  
Email: diricd-cbec@nic.in

10. Difficulties, if any, faced in the implementation of this instruction, may be immediately brought to the notice of the Board.

11. Hindi version follows.

Yours faithfully,

(S.Kumar)  
Commissioner (Cus & EP)

**Annex to Instruction No. 31/2016-Customs dated 12th September, 2016**

- 1) Name of the Commissionerate:
- 2) Name of the Free/ Preferential Trade Agreement:
- 3) Relevant Customs Notifications (Both Tariff and Non-Tariff notifications):
- 4) Reference No. of the Certificate of Origin:
- 5) Issuing Authority:
- 6) Name of the Consignee:
- 7) Name of the Consignor:
- 8) Description of goods:
- 9) Origin criteria as mentioned in the certificate:
- 10) Revenue involved (forgone):
- 11) Reason for requesting verification along with supporting documents, if any:

NOTE: A legible copy of the subject Certificate of Origin, invoice and Bill of Lading/Airway Bill should be enclosed.