



# WAREHOUSING UNDER CUSTOMS ACT



BY **CMA AMIT DEY, M.COM, LLB.**

# ***WAREHOUSING***

***(SEC 57 TO 73)***

**WAREHOUSING IS A STATUTORY FACILITY FOR DEPOSITING IMPORTED GOODS IN A WAREHOUSE **PENDING PAYMENT OF DUTY.** THE ADVANTAGE OF THE SCHEME IS THAT THE IMPORTED GOODS CAN BE CLEARED ON PAYMENT OF **DUTY IN INSTALLMENTS**, AS AND WHEN REQUIRED DURING THE WAREHOUSED PERIOD, UP TO **ONE YEAR.****



## ***SECTION 57. APPOINTING OF PUBLIC WAREHOUSES.***

THE **PRINCIPAL CC OR CC** MAY, SUBJECT TO SUCH  
CONDITION AS MAY BE PRESCRIBED, **LICENCE** A  
PUBLIC WAREHOUSES WHEREIN **DUTIABLE GOODS**  
MAY BE DEPOSITED.



# ***DIFFERENCE BETWEEN PRIVATE & PUBLIC WAREHOUSE***

## **PRIVATE WAREHOUSE**

- **LICENSED BY THE CBEC.**
- **OWNED BY THE OWNERSHIP OF GOODS.**
- **ONLY GOODS OF OWNERS CAN BE DEPOSITED.**
- **LICENSE CAN BE CANCELLED FOR VIOLATION OF WAREHOUSING PROVISIONS.**

## **PUBLIC WAREHOUSE**

- **APPOINTED BY THE CBEC.**
- **MANAGED BY WAREHOUSING CORPORATIONS.**
- **GOODS OF ANY PERSON CAN BE DEPOSITED.**
- **NO QUESTION OF CANCELLATION OF LICENSE.**

## ***SECTION 58. LICENSING OF PRIVATE WAREHOUSES***

THE **PRINCIPAL CC OR CC** MAY, SUBJECT TO  
SUCH CONDITION AS MAY BE PRESCRIBED,  
**LICENCE** A PRIVATE WAREHOUSES WHEREIN  
**DUTIABLE GOODS** MAY BE DEPOSITED.



## ***SECTION 58. LICENSING OF SPECIAL WAREHOUSES***

THE **PRINCIPAL CC OR CC** MAY, SUBJECT TO SUCH  
CONDITION AS MAY BE PRESCRIBED, **LICENCE** A  
SPECIAL WAREHOUSES WHEREIN **DUTIABLE GOODS**  
MAY BE DEPOSITED.

**N/N 66/2016-CUS:** LIST OF CLASS OF GOODS WHICH  
SHALL BE DEPOSITED IN A SPECIAL WAREHOUSE



# ***SECTION 58. LICENSING OF SPECIAL WAREHOUSES***

**N/N 66/2016-CUS: LIST OF CLASS OF GOODS WHICH SHALL BE  
DEPOSITED IN A SPECIAL WAREHOUSE**

**(1) GOLD, SILVER, OTHER PRECIOUS METAL AND SEMI –  
PRECIOUS METALS AND ARTICLES THEREOF (I.E. JEWELLERY).**

**(2) GOODS WAREHOUSED FOR THE PURPOSE OF –**

**a. SUPPLY TO DUTY FREE SHOP (DFS) IN A CUSTOM AREA**

**b. SUPPLY AS A STORE TO VESSEL OR AIRCRAFT UNDER CHAPTER XI OF THE  
CUSTOMS ACT, 1962 (I.E. FOREIGN GOING VESSEL / AIRCRAFT OR INDIAN NAVY  
VESSEL)**

**c. SUPPLY TO FOREIGN PRIVILEGED PERSON**



## ***SECTION 59. WAREHOUSING BOND.***

**WAREHOUSING BOND = 300% SELF ASSESSMENT  
DUTY  
(THREE TIMES)**

**SELF ASSESSMENT DUTY = CD + SWS + IGST +  
GST CESS**



***SECTION 60. PERMISSION FOR DEPOSIT OF GOODS  
IN A WAREHOUSE.  
[WAREHOUSING ORDER]***

**WHEN THE PROVISIONS OF SECTION 59 HAVE BEEN  
COMPLIED WITH IN RESPECT OF ANY GOODS, THE  
PROPER OFFICER MAY MAKE AN ORDER PERMITTING  
THE DEPOSIT OF THE GOODS IN A WAREHOUSE.**



## ***SECTION 61. PERIOD FOR WHICH GOODS MAY REMAIN WAREHOUSED***

	<b>100% EOU / EHTP UNIT/ STP UNIT/ UNITS availing manufacture in Bond Facility</b> <b>[Private Warehouse]</b>	<b>Others</b>
<b>W/H PERIOD</b>	<b>Till Clearance or Consumed</b>	<b>1 year (From W/H Order)</b>
<b>INTEREST FREE PERIOD</b>	<b>No Interest Payable</b>	<b>90 Days (From W/H Order)</b>



## ***SECTION 62. CONTROL OVER WAREHOUSED GOODS***

- OMITTED BY FA 2016



## ***SECTION 63. PAYMENT OF RENT AND WAREHOUSE CHARGES***

- OMITTED BY FA 2016



## ***SECTION 64. OWNER'S RIGHT TO DEAL WITH WAREHOUSED GOODS***

OWNER OF ANY GOODS MAY AFTER WAREHOUSING THE SAME -

- (A) **INSPECT** THE GOODS;
- (B) DEALING WITH THE CONTAINER (TO PREVENT LOSS, DETERIORATED OF DAMAGES);
- (C) **SORT** THE GOODS;
- (D) SHOW THE GOODS FOR **SALE**;

**WHETHER IMPORTER CAN TAKE SAMPLES FROM WAREHOUSE FOR THE PURPOSE OF MARKETING THEREOF ?**

CUSTOMS ACT DOESN'T PROVIDE ANY SPECIAL PROVISION AS TO CLEARANCE OF GOODS AS SAMPLE BY THE IMPORTER. IMPORTER CAN CLEAR SAMPLES OF GOODS FOR HOME CONSUMPTION UPON PAYMENT OF IMPORT DUTY



## ***SECTION 65. MANUFACTURE AND OTHER OPERATIONS IN RELATION TO GOODS IN A WAREHOUSE***

WITH THE PERMISSION OF **PRINCIPAL CC OR CC** AND  
SUBJECT TO SUCH CONDITIONS,

- THE OWNER OF ANY WAREHOUSED GOODS **MAY CARRY ON  
ANY MANUFACTURING PROCESS** OR OTHER OPERATIONS IN  
THE WAREHOUSE IN RELATION TO SUCH GOODS.



## ***SECTION 66. POWER TO EXEMPT IMPORTED MATERIALS USED IN THE MANUFACTURE OF GOODS IN WAREHOUSE***

IF ANY IMPORTED MATERIALS ARE USED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 65 FOR THE MANUFACTURE OF ANY GOODS AND THE RATE OF DUTY LEVIABLE ON THE IMPORTED MATERIALS EXCEEDS THE RATE OF DUTY LEVIABLE ON SUCH GOODS, **THE CENTRAL GOVERNMENT, IF SATISFIED THAT IN THE INTERESTS OF THE ESTABLISHMENT OR DEVELOPMENT OF ANY DOMESTIC INDUSTRY IT IS NECESSARY SO TO DO, MAY, BY NOTIFICATION IN THE OFFICIAL GAZETTE, EXEMPT THE IMPORTED MATERIALS FROM THE WHOLE OR PART OF THE EXCESS RATE OF DUTY.**



**NOT RELEVANT**

# ***REMOVAL OF GOODS FROM WAREHOUSE***

<b>Section</b>	<b>Event</b>	<b>Consequence</b>
<b>Sec 67</b>	<b>Transfer to Another Warehouse</b>	<b>Without payment of Duty</b> <b>(Bond Retained)</b>
<b>Sec 68</b>	<b>Take Home Clearance for H/C</b>	<b>Upon Payment of Duty</b>
<b>Sec 69</b>	<b>Direct Export From Warehouse</b> <b>[Commercial Export + Postal Export]</b>	<b>Without payment of Duty</b> <b>[Bond Cancelled &amp; Returned]</b>



## ***SECTION 67. REMOVAL OF GOODS FROM ONE WAREHOUSE TO ANOTHER***

**THE OWNER OF ANY WAREHOUSED GOODS MAY, WITH THE PERMISSION OF THE PROPER OFFICER, REMOVE THEM FROM ONE WAREHOUSE TO ANOTHER, SUBJECT TO SUCH CONDITIONS AS MAY BE PRESCRIBED FOR THE DUE ARRIVAL OF THE WAREHOUSED GOODS AT THE WAREHOUSE TO WHICH REMOVAL IS PERMITTED.**



## ***SECTION 68. CLEARANCE OF WAREHOUSED GOODS FOR HOME CONSUMPTION***

**THE IMPORTER OF ANY WAREHOUSED GOODS MAY CLEAR THEM FOR HOME CONSUMPTION,**

**IF**

**(A) A BILL OF ENTRY FOR HOME CONSUMPTION IN RESPECT OF SUCH GOODS HAS BEEN PRESENTED IN THE PRESCRIBED FORM;**

**(B) THE IMPORT DUTY LEVIABLE ON SUCH GOODS AND ALL PENALTIES, RENT, INTEREST AND OTHER CHARGES PAYABLE IN RESPECT OF SUCH GOODS HAVE BEEN PAID; AND**

**(C) AN ORDER FOR CLEARANCE OF SUCH GOODS FOR HOME CONSUMPTION HAS BEEN MADE BY THE PROPER OFFICER.**



## ***SECTION 69. CLEARANCE OF WAREHOUSED GOODS FOR EXPORTATION. –***

**(1) ANY WAREHOUSED GOODS MAY BE EXPORTED TO A PLACE OUTSIDE INDIA WITHOUT PAYMENT OF IMPORT DUTY IF –**

**(A) A SHIPPING BILL OR A BILL OF EXPORT HAS BEEN PRESENTED IN RESPECT OF SUCH GOODS IN THE PRESCRIBED FORM;**

**(B) THE EXPORT DUTY, PENALTIES, RENT, INTEREST AND OTHER CHARGES PAYABLE IN RESPECT OF SUCH GOODS HAVE BEEN PAID; AND**

**(C) AN ORDER FOR CLEARANCE OF SUCH GOODS FOR EXPORTATION HAS BEEN MADE BY THE PROPER OFFICER.**



## ***SECTION 70. ALLOWANCE IN CASE OF VOLATILE GOODS. –***

**(1) WHEN ANY WAREHOUSED GOODS TO WHICH THIS SECTION APPLIES  
ARE AT THE TIME OF DELIVERY FROM A WAREHOUSE **FOUND TO BE  
DEFICIENT IN QUANTITY** ON ACCOUNT OF NATURAL LOSS,**

**.....THE AC / DC MAY REMIT THE DUTY ON SUCH DEFICIENCY.**

**LIST OF NOTIFIED GOODS : (LATEST NOTIFICATION – N/N 3/2016)**

- AVIATION FUEL, MOTOR SPIRIT ETC.**
- WINE, SPIRIT, BEER ETC.**
- LIQUID HELIUM GAS**
- CRUDE**

**(2) THIS SECTION APPLIES  **ONLY** TO SPECIFIED VOLATILE GOODS AS THE  
CG SPECIFY.**

## ***SECTION 71. PROPER REMOVAL***

- **CLEARANCE FOR HOME CONSUMPTION [SEC 68], OR**
- **RE-EXPORTATION [SEC 69], OR**
- **FOR REMOVAL TO ANOTHER WAREHOUSE [SEC 67], OR  
AS OTHERWISE PROVIDED BY THIS ACT.**



## ***SECTION 72. GOODS IMPROPERLY REMOVED FROM WAREHOUSE, ETC***

**(1) IN ANY OF THE FOLLOWING CASES, THAT IS TO SAY, -**

**(A) WHERE ANY WAREHOUSED GOODS ARE REMOVED FROM A WAREHOUSE IN **CONTRAVENTION OF SECTION 71**;**

**(B) WHERE ANY WAREHOUSED GOODS HAVE NOT BEEN REMOVED FROM A WAREHOUSE AT THE **EXPIRATION OF THE PERIOD** DURING WHICH SUCH GOODS ARE PERMITTED UNDER SECTION 61 TO REMAIN IN A WAREHOUSE;**

**(C) WHERE ANY WAREHOUSED GOODS HAVE BEEN TAKEN UNDER SECTION 64 AS **SAMPLES WITHOUT PAYMENT OF DUTY****



**(D) WHERE ANY GOODS IN RESPECT OF WHICH A BOND HAS BEEN EXECUTED UNDER SECTION 59**

- HAVE NOT BEEN CLEARED FOR HOME CONSUMPTION, OR**
- HAVE NOT BEEN CLEARED FOR EXPORTATION, OR**
- HAVE NOT BEEN DULY ACCOUNTED FOR TO THE SATISFACTION OF THE PROPER OFFICER, (EXAMPLE : GOODS MISSING)**

**THE PROPER OFFICER MAY DEMAND, AND THE OWNER OF SUCH GOODS SHALL FORTHWITH PAY, THE FULL AMOUNT OF DUTY CHARGEABLE ON ACCOUNT OF SUCH GOODS TOGETHER WITH ALL PENALTIES, RENT, INTEREST AND OTHER CHARGES PAYABLE IN RESPECT OF SUCH GOODS**

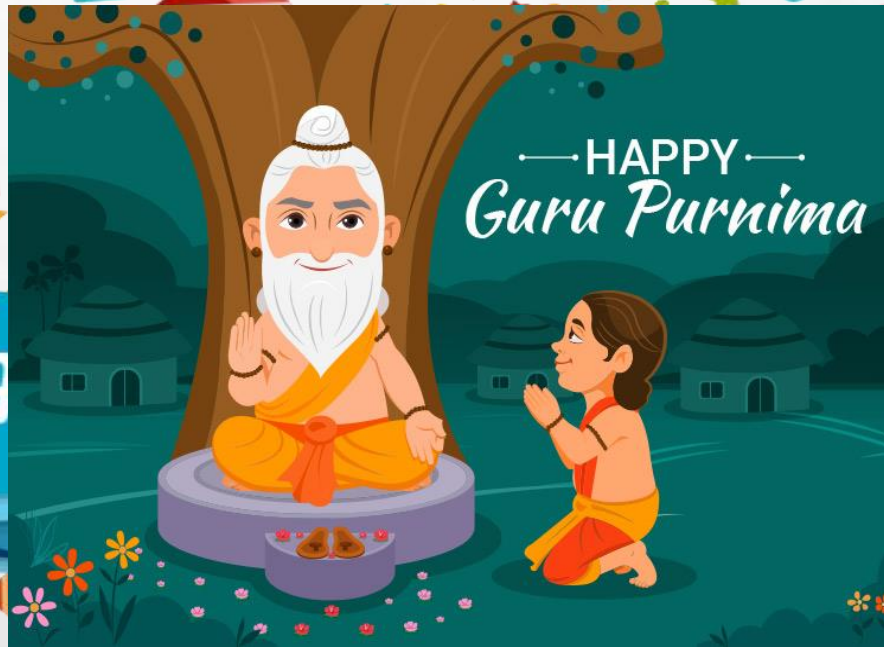
**(2) IF ANY OWNER FAILS TO PAY ANY AMOUNT DEMANDED UNDER SUB-SECTION (1), THE PROPER OFFICER MAY, WITHOUT PREJUDICE TO ANY OTHER REMEDY, CAUSE TO BE DETAINED AND SOLD, AFTER NOTICE TO THE OWNER (ANY TRANSFER OF THE GOODS NOTWITHSTANDING) SUCH SUFFICIENT PORTION OF HIS GOODS, IF ANY, IN THE WAREHOUSE, AS THE SAID OFFICER MAY SELECT.**



## ***SECTION 73. CANCELLATION AND RETURN OF WAREHOUSING BOND***

WHEN THE **WHOLE OF THE GOODS** COVERED BY ANY BOND EXECUTED UNDER SECTION 59 HAVE BEEN **CLEARED FOR HOME CONSUMPTION** OR **EXPORTED** OR ARE OTHERWISE DULY ACCOUNTED FOR, AND WHEN ALL AMOUNTS DUE ON ACCOUNT OF SUCH GOODS HAVE BEEN PAID, **THE PROPER OFFICER SHALL CANCEL THE BOND AS DISCHARGED IN FULL**, AND SHALL ON DEMAND DELIVER IT, SO CANCELLED, TO THE PERSON WHO HAS EXECUTED OR IS ENTITLED TO RECEIVE IT.





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