

F. No. 484/03/2015-part1
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
International Customs Division

New Delhi, the 30th of September, 2024

Subject: Digitization of Customs Bonded Warehouse procedures relating to obtaining Warehouse License, Bond to Bond Movement of warehoused goods, and uploading of Monthly Returns - reg.

To facilitate ease of doing business in respect of the Customs Bonded Warehouses, CBIC has introduced a Warehouse Module on ICEGATE to enable –

- (i) online filing of application for obtaining a Warehouse License;
- (ii) online submission and processing of requests for transfer of warehoused goods to another person and/or another warehouse; and
- (iii) uploading Monthly returns for the Customs Bonded Warehouse.

2. The Directorate General of Systems (DG Systems) has issued detailed User Manuals for providing necessary guidance to the members of the trade as well as the Departmental officers, that can be accessed on <https://www.icegate.gov.in/guidelines/warehouse-licensing> and <https://www.icegate.gov.in/guidelines/warehousewarehouse-transfer> and <https://www.icegate.gov.in/guidelines/warehouse-monthlyreturns> respectively. An overview of the processes enabled is explained in following paragraphs.

2.1. Warehouse Licensing Procedure:

Reference is invited to the Public Warehouse Licensing Regulations, 2016, the Private Warehouse Licensing Regulations, 2016 and the Special Warehouse Licensing Regulations, 2016 that provide for licensing of Public, Private and Special Warehouses under Section 57, 58 and

58A of the Customs Act, 1962, respectively. The Circular 26/2016-Customs dated 09.06.2016, as amended, prescribes an application Form for obtaining a license for a Customs Bonded Warehouse.

2.1.1. This process has now been digitized wherein the authorised signatory of an applicant can log in to the ICEGATE portal and submit the application online along with accompanying documents. The application once submitted would be received by the proper officer linked to the Customs jurisdiction filed by the applicant. The application will then be processed by Customs in the back-end.

2.1.2. A functionality for raising any query by the proper officer on this online application has also been built in the module. Further, the applicant/authorised signatory can respond to such queries received from the officer on the module itself. The final decision to accept or reject the application for licensing shall be processed at the back-end. Once the application for license is accepted, the officer can generate a warehouse code online, and the license would be forwarded to the applicant.

2.1.3. It is noted that in some Customs Zones, the work of Customs warehouse licensing is handled only at the Commissionerates specifically designated by the Zone. Therefore, all Customs Zones shall issue Public Notice, clearly specifying the port code(s) of the jurisdiction(s) for receiving and processing warehouse license applications filed on ICEGATE. For example, Delhi Customs Zone may specify INDEL4 as the appropriate port code. The applicant will, accordingly, fill-in the port code specified by the jurisdictional Zone in the application for Warehouse license. Further, ICES shall create a separate role for Customs officers for handling warehousing license related work that would be linked to the port code specified by the Zone. Once an application for obtaining a license is filed using the port code specified by the Zone, the application would move to the officer of that port having the role created referred above.

2.1.4. For further details of the Warehouse licensing module, the users are advised to refer the User Manual available at <https://www.icegate.gov.in/guidelines/warehouse-licensing>.

2.2. Transfer of Warehoused Goods to another person and/or another warehouse:

Broadly, the Warehouse Module caters to online filing of request and its processing for the following three scenarios -

Case 1: Change in ownership without change in the Warehouse;

Case 2: Change in Warehouse with no change in ownership, and

Case 3: Change in the Warehouse as well as ownership of goods.

The designed workflow takes care of aspects related to recording relevant particulars of Seller and Buyer, validation and reconciliation of quantity and value of goods under transfer, furnishing warehousing (triple duty) bond by the buyer, acceptance of request by the proper officer etc. Detailed step-by-step workflow in each of these scenarios is enclosed at Annex-A.

2.2.1. Once operational, the module will track and keep record of any material imported under an Into-Bond Bill of Entry, including its current location and ownership details through the successive transfers to different warehouses and/or owners. It will also monitor goods flowing into and out of a warehouse in precise terms, thus facilitating filing and processing of monthly returns.

2.2.2. Regulation 3 of the Warehouse Goods (Removal) Regulations, 2016 prescribes a physical Form for transfer of goods from one warehouse to another warehouse. The Form provides for *inter alia* recording of physical despatch of goods from the originating warehouse and recording of physical receipt of goods at the destination warehouse. The said recordings are required to be signed by the licensee or the bond officer, as the case may be. While the module on ICEGATE will capture all relevant transaction details in the ICES database, the aforesaid physical Form will also be used to monitor and close physical movement of goods. The said physical Form will be integrated with module in due course. Till such time, it shall continue to be in force and is required to be filled manually in addition to the online modality provided by the module.

2.3. Monthly Returns:

Regulation 11 of the Warehouse (Custody and Handling of Goods) Regulations, 2016 requires a licensee to file monthly returns. Board *vide* Circular No. 25/2016-Customs dated 08.06.2016, as amended by Circular No. 04/2023-Customs dated 21.02.2023, has prescribed filing of two monthly returns by licensees as per Form A and Form B:

(i) Form-A: a return with information on the receipt, storage, operations and removal of goods in the month.

(ii) Form-B: a return with information on the warehoused goods for which the specified warehousing period is expiring in the month.

2.3.1. The Warehouse module shall enable uploading scanned copies (in PDF format) of these

Monthly Returns on ICEGATE. Also, corresponding officers would be able to download these scanned documents for necessary action at their end. The Warehouse owner/authorized representatives should carefully file the details in their monthly return so as to enable proper reconciliation of warehoused goods.

2.3.2. The filing of these Monthly Returns using Webforms would be made available on ICEGATE in Phase 2.

2.4. Attention is invited to Section 59(3) of the Customs Act, 1962 which requires furnishing of such security, as may be prescribed, in addition to execution of the warehousing bond. Accordingly, the requirement of security has been prescribed under Circular 21/2016-Customs dated 31.06.2016, as amended. Para 5 of the said Circular mandates that the security to be furnished by the importer or owner of goods shall be furnished at the Port of Import where the bill of entry for warehousing was filed. Accordingly, it is reiterated that the proper officer at the Port of Import must ensure submission of the triple duty bond and security in terms of Section 59 of the Customs Act read with Circular 21/2016-Customs dated 31.05.2016 (as amended).

3. The users of the Warehouse Module i.e. trade and officers alike, are requested to go through the User Manuals issued in this regard to familiarize themselves with the necessary steps to be followed. The User Manuals serve as a guide that depicts all stages in an easy-to-understand manner aided by screenshots/pictures of the module interface. This is meant to handhold the users through the different stages of the processes.

3.1. Applicants/Authorized Signatories/Licensees facing any difficulties in the access or use of the Warehouse Module can email their grievance to icegatehelpdesk@icegate.gov.in for suitable redressal. Customs officers facing similar issues may email it to saksham.seva@icegate.gov.in for expeditious resolution.

4. Chief Commissioners of Customs are directed to issue necessary Public Notices to specify the port code(s) as envisaged at Para 2.1.3 above as well as assist in on boarding members of the trade and other users onto the Warehouse Module on ICEGATE.

5. Hindi version follows.



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Transfer of warehoused goods to another person and/or another warehouse

(Step-by-step process flow on ICEGATE)

In reference to transfer of warehoused good to another owner and/or another warehouse, different scenarios need separate workflows and case-specific checks and validations. Following are the different scenarios for Inter/Intra Warehouse movement of Goods:

- Intra warehouse - Change of Ownership without change in warehouse
- Inter warehouse -
 - Change in Ownership of goods or
 - No change in Ownership of goods.

Case 1: Change in Ownership without change in warehouse

2. Supplier, who owns the warehoused goods, shall initiate an application in a Form available on ICEGATE, for intent of the proposed sale/transfer of goods, and mark/send it to the buyer. Supplier as well as buyer both are required to be registered on ICEGATE. The following details have to be entered by the supplier at the time of filing the said Form:

- Details of the goods (intended to be sold/transferred) and the details of corresponding into-bond Bill of Entry (Item-wise).
- Details of buyer including its IEC. It may be noted that IEC shall be mandatory, as the buyer will eventually have to file ex-bond Bill of Entry or ex-bond Shipping Bill. ICEGATE registration shall be mandatory for buyer. IEC validation will be done with ICEGATE.

3. The aforementioned application of supplier shall be displayed on the dashboard of the buyer with an option to accept/reject. This would be treated as "Transfer of Ownership of warehoused goods" for the purpose of customs ledger of warehoused goods. Once the buyer accepts the said request, screen will be made available to the buyer on ICEGATE for submitting the Triple Duty Bond Number and Date as generated by ICES.

For the purpose of generation of Triple Duty Bond details at ICES, the Buyer needs to submit the Triple Duty Bond physically for acceptance to the officer at the Port of Import

as is being done presently. Once the bond is accepted, the officer makes the entry of Bond details in ICES to generate a Bond number in ICES. The same Bond number and date needs to be entered by the Buyer at the time of accepting the aforesaid application of the supplier.

4. Once submitted after acceptance of the buyer, the Bond details submitted by the Buyer on ICEGATE portal would be validated by ICES and the Form will move for approval to the officer in-charge of the warehouse. The officer may approve, and thus allow the change in ownership. At this stage, the triple duty bond of the seller would be re-credited and the bond for the buyer would be debited and the Buyer's acceptance would be intimated to the Seller. Details of the transaction along with details of the credit and debit of triple-duty bonds will also be intimated to the officer at the Port of import in real time.

Case 2: Change in warehouse with no change in ownership

5. Supplier shall initiate an application in the Form available on ICEGATE, with the intent of the physical transportation of warehoused goods. The following details need to be entered by the supplier at the time of filing the said Form:

- Details of the goods (intended to be transferred), details of corresponding into-bond Bill of Entry (Item-wise), destination warehouse details, and space certificate of destination warehouse.
- In this case, the details of buyer would be the same as that of supplier.
- Soft Copy of Transshipment Bond and transit risk insurance policy covering the duty involved.
- Transshipment Bond details available in ICES.

For generation of Transshipment Bond details in ICES, the supplier needs to submit the said bond physically for acceptance to customs officer of source warehouse. Once the bond is accepted, the officer makes the entry of Bond details in ICES to generate a bond number in ICES.

6. The aforementioned Form filed by the supplier shall be displayed on the dashboard of the buyer (which in this case is the same as the seller) with an option to accept/reject. Since in this case, the seller and buyer are the same, no new triple duty bond

is to be submitted, however the user would need to upload the copy of the space certificate issued by the *destination warehouse* where the goods are to be transferred.

7. Once submitted after acceptance by the buyer (same as seller), the Form shall move to the officer-in-charge of the source warehouse where the goods are lying, who may approve or reject the Form after reviewing the necessary documents. Further, once this Form is approved, the transshipment bond of the seller would be debited electronically. The goods may be transferred physically to the destination warehouse. Role of the Officer shall remain the same.

8. Subsequent to the acceptance of the Form by officer-in-charge of the *source warehouse*, the same would move to the concerned officer-in-charge of the destination warehouse who would be required to update the receipt of goods by providing confirmation of the goods received, on ICEGATE, thereby completing the transfer. Since this is updated by the officer, the transshipment bond would be re-credited at the same time. The officer in-charge of the destination warehouse would provide confirmation of the receipt of goods based on the information received from the warehouse licensee as well as based upon physical inspection, in case of sensitive goods, as may be required. Bond will be re-credited once officer confirms at the destination warehouse. Details of the transaction will also be intimated to the officer at the Port of import in real time.

Case 3: Change in warehouse as well as change in ownership of goods

9. Supplier shall initiate an application in the Form available on ICEGATE for intent of the proposed sale on its dashboard. The following details need to be entered by the supplier at the time of raising the said request:

- Details of the goods (intended to be sold/transferred), details of corresponding into-bond Bill of Entry (Item-wise), and destination warehouse details.
- Details of buyer, including its IEC.
- Soft copy of transshipment bond and transit risk insurance policy covering the duty involved in the Warehouse Goods being moved; if the seller does not provide this, the same would be required to be provided by the buyer.
- Transshipment Bond details available in ICES; if the seller does not provide this, the same would be required to be provided by the buyer.

10. The aforementioned Form of the supplier shall be displayed on the dashboard of the Buyer (recipient) with an option to accept or reject. As part of the process of accepting the form, the buyer shall provide the following:

- Soft copy of transshipment bond and transit risk insurance policy covering the duty involved in the Warehouse Goods being moved, where the supplier has not provided these documents.
- Transshipment Bond details available in ICES, where the supplier has not provided these details.
- Triple Duty Bond details available in ICES.
- Space certificate obtained from destination warehouse.

After submission of the details by buyer and supplier as above, ICES would validate the Triple Duty Bond details submitted by the buyer and Transshipment Bond details submitted by the Buyer or supplier, as the case may be, on ICEGATE portal.

For the purpose of generation of Triple Duty Bond details in ICES, the buyer needs to submit the bond physically at the port of import for acceptance. Once it is accepted and port officer makes entry of bond details in ICES, a bond number is generated in ICES. Likewise, for generation of Transshipment Bond details in ICES, the buyer or the seller, as the case may be, needs to submit the Transshipment Bond physically for acceptance to the customs officer at the source warehouse. Once the bond is accepted, the officer makes the entry of Bond details in ICES to generate a Bond number at ICES. The same Bond number and date needs to be entered by the Buyer or Seller at the time of filing or accepting the transfer application, as the case may be.

11. Once submitted by the supplier and accepted by the buyer, the Form will move to the officer-in-charge at the source warehouse for verification of concerned documents such as soft copy of space certificate uploaded by the buyer, soft copy of the transshipment bond along with transit risk insurance policy submitted by the buyer/seller whoever undertakes the transshipment. The officer may accept or reject the application. Once verified and accepted, the officer may approve the transaction allowing the change in ownership.

12. Consequent to approval of the application at this stage, the triple duty bond of the seller would be re-credited and the bond for the buyer would be debited.

13. Lastly, the application would move into the queue of the officer in-charge of the destination warehouse, where he would be required to provide confirmation of the receipt of goods, hence completing the transaction. Further, at this stage, the transshipment bond given by the buyer or seller would be re-credited.

14. Details of the transaction along with details of the credit and debit of triple-duty bonds will also be intimated to the officer at the Port of import in real time.
