

**Office Memorandum**

**Subject: Facilitating imports and exports through postal channel**

This is regarding facilitating imports and exports through postal channel. Subsequent to the Posts-Customs conference on 11<sup>th</sup> May 2018 in Vigyan Bhawan, Customs has issued the following orders/notifications (copy attached) which are useful for postal channel:

- (i) **Exports by Post Regulations, 2018:** Apart from defining 'eCommerce' the regulations provided for Postal Bill of Exports which can be used by exporters while exporting through postal channel.
- (ii) **Clearance of goods through FPOs:** CBIC has issued orders for their Commissioners on various issues related to Posts including use of new CN 22/CN 23 Forms, introduction of services by Customs Brokers for IEC holders and Standard Operating Procedure.
- (iii) **Procedure for e-commerce exports through Post and clarification on personal imports:** The letter is important as it clarifies personal imports. In addition, it has provided for procedure to be followed at FPOs for postal exports and how the exporters can claim their GST refunds.
- (iv) **Gazette Notification on Foreign Post Offices:** The Gazette has listed out the cities where postal facilities can be used for exports and imports facilitation in terms of Customs presence as notified by Customs.

2. **Significance of the orders:**

As we are aware, the majority of international mail traffic is shared by private players. Since the individual mails are on decline, the commercial exports as a result of cross border eCommerce transactions or otherwise has been the main factor behind surge in the international shipments going out of India, a very small percentage of which is handled by India Post. The Customs has now enabled postal channel for use by commercial exporters conveniently in the new GST environment. To take it forward, close coordination is necessary with various important stakeholder viz. Customs, Customs Brokers and potential exporters to help them reach out to whole world through postal channel. This will significantly help in augmenting our traffic and revenue.

3. **Action to be taken by circles/field units:**

- (A) The circles will organize a meet within this month with all stakeholders viz. Customs, Customs Brokers, current and potential exporters to explore opportunity for India Post in the new enabled situation and their requirements. The information available at the website of Development Commissioner, Ministry of Micro, Small & Medium Enterprises (accessible at URL <https://www.dcmsme.gov.in/clusters/clus/smelist.htm#clus>) about high export potential area may help in identification of export potential areas/industries in the circle. Record of discussions of such meeting may be sent to this office for information.
- (B) Circles are requested to make necessary arrangements including the following for smooth functioning of the facility:
- (i) Modification in the Operational Guidelines (Annexure-I), if required may be carried out with Directorate approval to suit local conditions,
  - (ii) Identification of adequate space,
  - (iii) Arrangement of necessary office furniture and other equipments,
  - (iv) Identification and posting of adequate staff and supervisors,
  - (v) Arrangement of booking counter to book export items at such facility,
  - (vi) Mail arrangement to close and send direct bag to the mapped Foreign Post Office,
  - (vii) Training to the staff/supervisor posted,
  - (viii) Other necessary arrangements in consultation with other stakeholders.
- (C) The cities where FPO/Sub FPOs/IBCs are already available, these facilities may be made part of the existing FPOs/Sub FPOs/IBC. At other places as notified by Customs, adequate space may be identified at any HO or otherwise to house this facility. The facility may be well publicized for knowledge of exporters in consultation with local chapters of FIEO, FISME, Chambers of Commerce etc. Further, all new locations which are notified by Customs as a result of consultation between Postmaster General and Chief Commissioner concerned as envisaged in Customs Notification mentioned in para 1 (ii) above need to be publicized well. These centres will take care of the requirements to facilitate Commercial Exports through Postal Channel specially booking and customs facilitation. The incharge of this facility will work in close coordination with Exporters, local customs and concerned FPO for smooth documentation, dispatch and other necessary formalities required for GST refunds etc.

4. **Documentation and process details:**

The facilities for Export Promotion and Sub FPOs/IBCs will close direct bags for the concerned FPOs with list of items in duplicate. The FPOs concerned will check the items vis-à-vis the list. The second copy of the list will be sent back alongwith the copy of relevant CP/CN forms (as applicable) wherein the items, so listed, were dispatched. The CN 31/CN 33/CP 87 so received at the concerned export promotion facility and Sub FPOs/IBCs will be handed over to customs under receipt as proof of dispatch as required by customs vide their notification no. F.No: 476/02/2016-LC dated 04.06.2018. In case of items being booked at FPOs, the FPOs concerned will directly handover the relevant CN 31/CN 33/CP 87 to the local customs. The facilities at all cities as notified by Customs should be operationalised immediately in consultation with Customs.