



ಭಾರತಸರ್ಕಾರ, ಹಣಕಾಸುವಿಭಾಗ, ಕಂದಾಯಇಲಾಖೆ

भारतसरकार, वित्तमंत्रालय, राजस्वविभाग

Government of India, Ministry of Finance, Department of Revenue,

ಆಯುಕ್ತಕಛೇರಿ, ನಗರಸೀಮಾಸಂಕ,

ಅಂಚೆಸಂ.5400, ಕೇಂದ್ರೀಯರಾಜಸ್ವಭವನ, ಕ್ವೀನ್ಸ್‌ರಸ್ತೆ. ಬೆಂಗಳೂರು

सीमाशुल्कआयुक्तकाकार्यालय, सीमाशुल्कआयुक्तालय, पी.बी.सं 5400, बेंगलूर

Office of the Commissioner of Customs, City Customs Commissionerate, P.B. No. 5400, C.R. Building, Queen's Road, Bangalore – 560 001

Email:[commr-citycusblr@gov.in](mailto:commr-citycusblr@gov.in)

Tel: 080-22864739

Date: 16/11/2020

**STANDING ORDER NO. 08/2020**

Sub:-Difficulties being faced by the trade with respect to implementation of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020) -Reg.

Attention is invited to the Board's Circular No.38/2020-Cus dated 21.08.2020 on the above subject, read with newly legislated Section 28DA of the Customs Act, 1962 and the rules made thereunder viz., the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR for short) notified vide Notification No.81/2020-Cus(N.T.) dated 21.08.2020 and this officer Standing Order No.07/2020 dated 03.09.2020.

2. Further to the above instructions Board vide letter F.No.15021/18/2020-(ICD) dated 13.11.2020, which is attached herewith, has issued instructions, which emphasizes that:

a) CAROTAR does not require importers to submit Form-I while filing B/E with preferential duty claim.

b) CAROTAR does not ask officers to initiate rule 5 enquiry in each and every B/E filed with preferential duty claim. Unless a B/E is interdicted by RMS for

CAROTAR related checks, such an enquiry may be initiated only where proper officer has a reason to believe that origin criteria have not been met.

c) Queries should be minimized and should not be raised in a piecemeal manner.

d) Where an importer is unable to produce requisite information for any reason (e.g. information being business confidential costing details), the same should be sought through verification with foreign authorities.

e) Pr.Commissioner/Commissioner is empowered to reject a preferential duty claim without further verification on the basis of information available with him.

f) Timelines, wherever prescribed in CAROTAR and circular 38/2020-Cus, must be duly adhered.

3. All the Officers in assessment, examination and Post Clearance Audit are directed to follow these instructions scrupulously and ensure that the consignments are not held for frivolous reasons.

4. Difficulties if any, in following the instructions may be brought to the notice of Joint Commissioner (ICD).

Encl: As above.

(BASWARAJ NALEGAVE)  
COMMISSIONER

Copy to:-

1. The Joint Commissioner of Customs, HQRS/ICD, Bengaluru,

**F.No. 15021/18/2020-(ICD)**

Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes & Customs  
International Customs Division

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Room No. 227A, North Block, New Delhi- 110 001

Dated the 13<sup>th</sup> November, 2020

To,

All Principal Chief Commissioners/ Chief Commissioners of Customs/ Customs (Preventive),  
All Principal Chief Commissioners/ Chief Commissioners of Customs & Central Tax,  
All Principal Commissioners/ Commissioners of Customs/ Customs (Preventive),  
All Principal Commissioners/ Commissioners of Customs & Central Tax,  
All Principal Director Generals/ Director Generals under CBIC.

Madam/Sir,

**Subject: Difficulties being faced by the trade with respect to implementation of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020- regarding.**

Board is in receipt of numerous representations from importers, trading partner countries and Trade Bodies about difficulties being faced on account of implementation of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 [CAROTAR, 2020] leading to disruption of genuine trade. These difficulties relate *inter alia* to raising of repeat queries on bills of entry; and asking for Form I against each and every bill of entry filed with preferential duty claim.

2. In this regard, attention is invited to rule 4 of CAROTAR, 2020, which requires an importer to possess origin related information and supporting documents, and produce the same to customs when asked by the proper officer. Likewise, rule 5 stipulates situations in which proper officer may call for origin related information/documents. Rule 4 does not require the importers to submit Form I while filing bills of entry, and rule 5 does not require the proper officer to ask for Form I in each and every case of preferential duty claim.

3. A bill of entry, unless already interdicted by National Risk Management Systems for origin related checks in terms of CAROTAR, 2020, may be taken up for enquiry under rule 5 only where the proper officer has reason to believe that origin criteria prescribed in the respective Rules of Origin have not been met. In other words, 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. Factors such as sudden change in import trend of a commodity, suspicious profile of exporter/importer, amendments to duty rates, specific intelligence/alerts etc., may also be considered while initiating enquiry under rule 5 for possible violation of rules

of origin. It is reiterated that an enquiry under rule 5 should not be initiated as a matter of routine in each and every case.

4. Attention is also invited to sub-section (4) of section 28DA which stipulates a situation where the importer fails to produce the requisite information for any reason. Hence, in case the requisite information or document is not produced by the importer for any reason, such as information being business confidential costing details or proprietary production process, whereas the same is considered critical for ascertaining origin of goods by the proper officer, the same should be sought through verification with the foreign authorities in terms of rule 6. This would be done in cases where proper officer is not satisfied with the information produced. Further, rule 5 empowers the Principal Commissioner / Commissioner to disallow the claim on the basis of information available with him without further verification.

5. It may be further noted that CAROTAR, 2020 stipulates strict timelines for responding to queries by importer [sub-rule (2) of rule 5] and finalizing preferential claim by proper officer [sub-rule (3) of rule 5 and sub-rule (6) of rule 6]. Further, Para 4(iv) of Circular 38/2020-Customs requires the proper officer to forward verification proposal to the Board within specified timeline. Please ensure that these timelines are strictly followed by all concerned.

6. It is advised that the assessing officers may be suitably guided to not raise unnecessary queries or raise multiple queries on account of goods' origin. As stated at Para 2.2 of Circular No. 45/2020-Customs, queries should be minimized to the extent absolutely necessary and should be raised in one go and not in a piecemeal manner.

7. Any difficulties faced or doubts arising in the implementation of this CAROTAR, 2020 may please be brought to the notice of Board.

*Abhishek*  
13.11.2020

Abhishek Kumar Sharma  
(STO ICD)