

	<p>ಭಾರತಸರ್ಕಾರ, ಹಣಕಾಸುವಿಭಾಗ, ಕಂದಾಯಇಲಾಖೆ भारत सरकार, वित्त मंत्रालय, राजस्व विभाग GOVERNMENT OF INDIA, MINISTRY OF FINANCE, DEPARTMENT OF REVENUE, ಆಯುಕ್ತರಕಛೇರಿ, ನಗರಸೀಮಾಸುಂಕ, ಅಂಚೆಸಂ5400., ಕೇಂದ್ರೀಯರಾಜಸ್ವಭವನ, ಕ್ವೀನ್ಸ್‌ರಸ್ತೆ, ಬೆಂಗಳೂರು सीमा शुल्क आयुक्त का कार्यालय, सीमा शुल्क आयुक्तालय, पी.बी.सं 5400, बेंगलूर OFFICE OF THE COMMISSIONER OF CUSTOMS, CITY CUSTOMS COMMISSIONERATE, BANGALORE P.B. NO. 5400, C.R. BUILDING, QUEEN'S ROAD, BANGALORE – 560 001 Email: commr-citycusblr@gov.in Fax: 080-2866 4753</p>	 
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Date:17.05.2021

(DIN - 20210572MR000022552B)

PUBLIC NOTICE NO.....23/2021 DATED 17.05.2021

**Sub: Warehouse Licence - issues - reg**

Kind attention from all taxpayers, stakeholders, Custom Brokers, Exporters and Importers is invited to Chapter IX of the Customs Act 1962 and Notification Nos. 67/2016 Cus(NT), 68/2016 Cus (NT), 69/2016 Cus(NT), 70/2016 Cus(NT), 71/2016 Cus (NT) and 72/2016 Cus (NT) all dated 14.5.2016, relating to Licensing of Public, Private and Special Warehouses and other related procedures. Reference is also invited to the MOOWR, 2019 (Manufacture and Other Operations in Warehouse (no. 2) Regulations, 2019) notified vide Notification No.69/2019 Cus (NT) dt 01.10.2019(amended by Notfn. No. 76/2020-Customs(NT) dated 17 August, 2020.).

2. In this regard, this office vide Public Notice No. 44/2020 dated 01.09.2020, and addendum dated 27.11.2020 and corrigendum dated 8.1.2021 thereof, created a dedicated **Warehouse Monitoring Cell** for faster processing of various requests of Warehouses and better trade facilitation.

3. As per the provisions of Warehouse (Custody and Handling of Goods) Regulations, 2016, warehouse licensees are mandatorily required to comply with maintaining of records as provided in the said Regulations and filing monthly returns, intimating, obtaining permissions with the Bond Officer for various activities in the Warehouses etc. It is noticed that the procedure and compliances pertaining to the warehouse licence are often being overlooked leading to contravention of Rules/Regulations. Hence, a comprehensive set of procedures is being prescribed herein in this public notice and the stakeholders are directed to strictly adhere to the same. As these procedures are being put forth to aid the trade in better complying with the regulations, it is impressed upon that any violation of these procedures would attract penal actions as per provisions of law. It is also informed that wherever possible,

requirement of physical submissions will be minimized and the communications would be restricted to official e-mail of Warehouse Monitoring cell- [wmc.citycusblr@gov.in](mailto:wmc.citycusblr@gov.in).

### **3.1. APPLICATIONS FOR ISSUE OF LICENCE:**

Applications for new warehouse licence and/or MOOWR, complete in all respects along with the documents as listed in the checklist (Annexure I) enclosed to this Public Notice, may be submitted with the Warehouse Management Cell through email. However, since certain documents are required in original, the applicant shall submit the complete application within 7 days after such email application physically in this Office. Applications, incomplete and not accompanying the required documents will not be processed. Any application received without these documents would be treated as deficient and a deficiency letter shall be sent to the applicant for making good the same and the application is treated as disposed. Only upon receipt of applications with complete documents, grant of licence would be considered after due process. This also applies for applications for amendment/modifications to the existing warehouse licences. Licence once issued shall be valid until its surrender or cancellation, hence there will be no requirement for its renewals, unless there is any changes/ modifications /amendments. The warehouses for which section 65 permission is granted shall also be declared by the Licensee as the principal/additional place of business for the purposes of GST. To better facilitate the trade, the Licences would be issued based on the declarations and undertakings furnished by the applicant and hence the same would be subjected to post verification of their antecedents. Hence, applicants are required to furnish correct and factual details of any legal issues pending against them, which if otherwise noticed after issue of licence, would entail cancellation of licence under penal actions. Annexure I also contains additional documents, considering the outbreak of Covid-19 pandemic, and its related precautions enforced by the Government, in view of keeping social distancing, to ensure minimal premise verification of the applicants.

(Reference: Public Warehousing Licensing Regulations, 2016 / Private Warehousing Regulations, 2016 / Special Warehousing Regulations, 2016 and MOOWR, 2019 and Special MOOWR 2020)

### **3.2 CANCELLATION OF LICENCES:**

Regarding the requests for cancellation of warehouse licence, the formal letter along with the details as listed in the Checklist (Annexure II) enclosed to this Public Notice, may be submitted for speedy processing of requests. It is impressed upon that only on confirmation of the following, the cancellation of licence is considered.

(a) the licensee has paid all monies due to the Central Government under the provisions of the Customs Act, rules or regulations made thereunder;

- (b) no warehoused goods remain deposited in the special warehouse or are deposited in the special warehouse from the date of request; and
- (c) no proceedings are pending against the licensee under the Act or the rules or regulations made thereunder.

(Reference: Public Warehousing Licensing Regulations, 2016 / Private Warehousing Regulations, 2016 / Special Warehousing Regulations, 2016 and MOOWR, 2019 and Special MOOWR 2020)

### **3.3 DIGITISATION OF WAREHOUSES:**

A licensee shall maintain detailed records of the receipt, handling, storing, and removal of any goods into or from the warehouse in digital form in the format specified under the Regulations and produce the same to the bond officer on monthly basis digitally as mandated in Circular No. 25/2016-Cus dated 08.06.2016. The Licensee shall also keep a record of each activity including samples drawn and keep copies of all relevant documents safely. The records and accounts required to be maintained shall be kept updated and accurate and preserved for a minimum period of five years from the date of removal of goods from the warehouse and shall be made available for inspection by the bond officer or any other officer authorised under the Act. The software for maintenance of electronic records must incorporate the feature of audit trail which means a secure, computer generated, time-stamped electronic record that allows for reconstruction of the course of events relating to the creation, modification or deletion of an electronic record and includes actions at the record or system level, such as, attempts to access the system or delete or modify a record. A licensee shall also preserve updated digital copies of the records specified as above, at a place other than the warehouse to prevent loss of records due to natural calamities, fire, theft, skillful pilferage, or computer malfunction. All the appointed warehouse keepers must obtain their digital signature and strictly interact with the department with all the communication/documents digitally signed. A declaration in this regard that the Warehouse maintains records digitally and has obtained DSC for its warehouse keeper must be submitted to Warehouse Monitoring Cell before 31.05.2021. Any communications/returns received after this date without the DSC of warehouse keeper cannot be taken on record.

(Reference: Warehouse Goods (Custody and Handling) Regulations 2016, MOOWR 2019/2020)

### **3.4. RENEWAL OF SOLVENCY/INSURANCE/LEASE AGREEMENTS etc:**

A Licensee is required to provide an all risk insurance policy, that includes natural calamities, riots, fire, theft, skillful pilferage and commercial crime, in favour of the President of India, for a sum equivalent to the amount of duty involved on the dutiable goods proposed to be stored in the warehouse at any point of time; and furnishes a

solvency certificate from a scheduled bank for an amount to be specified by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be. In case of Public warehouse, Solvency Certificate shall be for an amount of Rs 2 Crore. Since the licensee is required to renew the insurance policy annually and continue to comply with solvency conditions (as applicable), the same shall be required to be submitted annually. Further, the licensee is required to update lease/rent agreements of the licensed warehouse upon their expiry. A declaration in this regard, that updated Solvency (of prescribed value), Insurance policy (equivalent to maximum value of goods that is stored in warehouse at any point of time), and valid lease agreement is furnished with the department, must be submitted to Warehouse Monitoring Cell before 15.07.2021. Due diligence must be exercised in submission of the said declarations as any mis-declaration found later may invite penal provisions. If the solvency or insurance available with the department is found to expired or of insufficient value, post 15.07.2021, penal provisions will be invoked as per Law. Non-submission of valid lease agreements also would be viewed seriously. Every Financial year before 5<sup>th</sup> of April, the said declaration needs to be submitted by all warehouses under the jurisdiction. Utmost care should also be taken to ensure that the all Bonds submitted to the department while obtaining license are periodically renewed and are up-to-date.

(Reference: Public Warehousing Licensing Regulations, 2016 / Private Warehousing Regulations, 2016 / Special Warehousing Regulations, 2016 and Circular No. 26/2016 dt 09.06.2016)

### **3.5. SUBMISSION OF MONTHLY RETURNS/TIMEBARRED GOODS/EXTENSION OF BONDING PERIOD:**

A licensee shall file with the bond officer a monthly return of the receipt, storage, operations and removal of the goods in the warehouse, within ten days after the close of the month to which such return relates( In formats prescribed under Circular No 25 /2016-Customs in case of Warehouses other than MOOWR and in format prescribed under 34/2019 in case of MOOWR units). It is once again reiterated that the monthly warehouse returns in the prescribed format, shall be filed, along with as on date stock details and time expired bonds details (with port code), on or before 10th of succeeding month, under the Digital Signature of the Warehouse Keeper. Returns filed after due date or filed without DSC or filed without stock/time expired goods details, shall be treated as returns not filed and action would be initiated under the appropriate provisions of the Rules/Regulations. The applications filed for extension of bonding period shall be submitted well in advance i.e., one month before the expiry of bonding period and the application shall be accompanied by the relevant documents along with Security as prescribed in Cir. No. 21/2016 dt 31.05.2016. The security in the form of Bank Guarantee for the amount prescribed shall be furnished and the Bank Guarantee shall have "Auto Renewal" clause invariably. Alongside the security, a declaration that the goods shall not deteriorate during the period of extension being sought should also be

obtained from the importer or owner. The applications filed for extension after the expiry of bonding period shall be viewed seriously, unless backed by valid reasons.

(Reference: Circular No. 25/2016 dt 09.06.2016 and 34/2019 dt 01.10.2019; Warehouse (Custody and Handling of Goods) Regulations, 2016/Special Warehouse (Custody and Handling of Goods) Regulations, 2016)

### 3.6 STRICT COMPLIANCE TO THE CUSTOMS ACT/RULES/REGULATIONS:

All the Warehouse licensees, licensed under the jurisdiction of Bangalore City Customs Commissionerate, shall adhere to the instructions given under this Public Notice scrupulously, to avoid penal action under the provisions of Act/Rules/Regulations. The contents of this Public Notice are not exhaustive and hence any specific issues, the licensees are required to refer to the relevant Act/ Rules/ Regulations/ Circulars/ Notifications issued in this regard.

### 3.7. INTERNAL CONTROL SYSTEM FOR MONITORING WAREHOUSES:

Bangalore City Customs Commissionerate has created an Audit and Inspection Cell (AIC) in Hqrs, to ensure twin objectives of trade facilitation and compliance enforcement. The AIC cell would take up Inspection of all units dealing with Customs, including warehouses and warehouses with IBMSO. The audit would be based on risk criteria and there is no frequency of audit prescribed. It would be the responsibility of the licencees to co-operate with audit team and to comply with any audit points/objections.

4. All intimations/applications/returns etc., and any other communications may be made the designated official mail id i.e., wmc.citycusblr@gov.in only and communications sent to any other mail ids will not be considered.

5. The above is brought to the notice of trade and the stakeholders. Difficulties, if any, faced in this regard may please be brought to the notice of the undersigned.

**BASWARAJ** Digitally signed by  
**NALEGAVE** (BASWARAJ NALEGAVE)  
COMMISSIONER

To,  
The Warehouse operators, Customs Brokers Association.

Copy to:

The Chief Commissioner of Customs, Bangalore Zone, Queens Road, Bangalore.  
The Joint Commr/ Deputy Commr of Customs, ICD, Whitefield, Bangalore.  
The Notice Board.

The Webmaster to upload the Public Notice on the website.

Date: 2021.05.17

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## ANNEXURE I

## CHECKLIST FOR NEW WAREHOUSE LICENCE

Sloe .	Descriptions	Remarks
1	Name of the applicant	
2	Address of the applicant	
3	Address of the warehouse/MOOWR	
4	IEC/PAN /GSTN of applicant	
5	Is applicant proprietorship/partnership/company	
6	Details pertaining to above, COI, MOA/AOA/Balance sheet/auditor reports	
7	List of Directors/ Authorised signatories with their details	
8	Contact details of applicant (phone/email)	
9	Company profile	
10	Last 3 years import details, if any	
11	Type of warehouse	Special / Public / Private /MOOWR warehouse
12a	Goods to be warehoused (catalogues if any)	
12b	Goods to be manufactured (catalogues if any)	
13	Premises (own/rented)	
13a	If own premises, proof	
13b	If rented, owner NOC/agreement	
14	Ground plan with area demarked for storage / manufacture (in Sq. Ft)	
15	Age and construction of building	
16	NOC for use of building for commercial purposes	
17	General Bond	
18	Security u/s 59	As per (Cir.21/16) read with 75/2020
19	Appointment of a person who has sufficient experience in warehousing operations and customs procedures as warehouse keeper and details of their digital signatures	
19a	Name of WH keeper	

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19b	Official capacity	
19c	Residential address	
19d	Contact details of WH keeper	
20	Max. stock proposed to be stored at any point of time ( & duty involved)	
21	All risk insurance policy, that includes natural calamities, riots, fire, theft, skilful pilferage, and commercial crime, in favour of the President of India, for a sum equivalent to the amount of duty involved on the dutiable goods proposed to be stored in the private warehouse at any point of time	
22	Solvency certificate should be from a scheduled bank for a sum equivalent to the amount of duty involved on the dutiable goods proposed to be stored in the private warehouse at any point of time	
23	Facilities:	
23a	Burglar alarm	
23b	CCTV	
23c	Details of security personnel and Agreement	
23d	Fire security (fire safety certificate from concerned authority)	
23e	IT enabled inventory(Proof/Write up)	
23f	Doors, windows, other building components of sturdy construction	
23g	Area	
23h	Photos of the warehouse building	
23i	Signage stating the area is custom bonded warehouse	
23j	Adequate space for movements of men/materials(Proof)	
23k	Availability of personnel, equipment and space for examination by customs officers	
23l	Separate office room for custom officer, strong room for specified goods, facility for locking strong room and manufacturing area by bond officer	In case of Special WH.
24	Undertaking to comply with such terms and conditions as may be specified by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be. (Ref. Notfn.71/2016)	
25	Input-output Norms, wherever considered necessary for raw materials and the final products and to inform the revised input-output norms in case of change therein	For MOOWR applications

26	An undertaking binding himself to pay any duties, interest, fine and penalties payable in respect of warehoused goods under sub-section (3) of section 73A or under the Warehouse (Custody and Handling of Goods) Regulations, 2016	
27	Undertaking indemnifying the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, from any liability arising on account of loss suffered in respect of warehoused goods due to accident, damage, deterioration, destruction or any other unnatural cause during their receipt, delivery, storage, dispatch or handling	
28	Undertaking to maintain accounts of receipt and removal of goods in digital form in such format as may be specified and furnish the same to the bond officer on monthly basis digitally	
29	Confirmation of computerized system for accounting of receipt, storage, operations and removal of goods and such facilities, equipment and personnel as are sufficient to control access to the warehouse, provide secure storage of the goods in it and ensure compliance to these regulations by officers of customs.	
30	Undertaking to pay for the services of supervision of the warehouse by officers of customs on cost recovery basis or overtime basis, as may be determined by the Principal Commissioner of Customs or the Commissioner of Customs as the case may be	In case of Special WH.



ANNEXURE II

CHECKLIST FOR CANCELLATION OF WAREHOUSE LICENCE

Sl.No.	Descriptions	Remarks
1	Formal letter with request for cancellation	
2	Name of the applicant	
3	Address of the applicant	
4	Address of the warehouse/MOOWR	
5	IEC/PAN /GSTN of applicant	
6	WH Licence No. & date	
7	MOOWR/IBMSO No. and date	
8	Last WH returns filed copy with details of any time expired goods	
9	Details of non-duty paid goods in WH/MOOWR	
10	NOC from the ports of imports for cancellation (like ICD/ACC)	
11	Declaration of no stock in Warehouse	
12	Details of WH bonds executed in ports and their status	
13	NOC from Adjudication/ Audit/Review/ ARC/ HPU/SIIB (Internal correspondences)	