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F. No. CUS/SIIB/Misc/46/2024-SIIB

Date: 04 .07.2024

Public Notice No: 08 /2024

Subject: – Instruction regarding proper description of cranes in import documents and need for provisional assessment to prevent misdeclaration of age and capacity of old and used cranes & finalisation of Bills of Entry after receiving RTO registration certificates - reg.

Attention of all the Importers, Custom Brokers, Shipping Lines/Agents, trade and all other Stakeholders is invited to the provisions of the Section 46, Section 17, and Section 18 of the Customs Act, 1962¹.

2. Self-Assessment in Customs has been implemented w.e.f. 8.4.2011 vide Finance Act, 2011 by suitable changes to Sections 17, 18, 46 and 50 of the Act. Self-Assessment interalia requires importers / exporters to correctly declare value, classification, description of goods, exemption notifications etc.

3. **Proper & clear declaration of year of manufacture, capacity, etc. on all import documents:** It has been observed that the importers of old and used cranes are not declaring complete descriptions in the Bill of Entry such as Chassis number, year of manufacturing, Model, Capacity etc., which are essential & crucial for establishing the identity of the import goods and valuation thereof. Some instances are illustrated below.

3.1. **Illustration of improper description:**

- (i) OLD & USED ZOOMLION QY50V CRANE CHASSIS NO L5E5H4D33KA006465 WITH ACCESSORIES (*improper description because capacity and year of manufacture are missing*)
- (ii) OLD & USED SECOND HAND, DEMAG AC 435, TELESCOPIC MOBILE CRANE SR. NO. 37118 WITH STD ACC (*improper description because chassis number, capacity and year of manufacture are missing*)

3.2. **Illustration of proper description:**

OLD & USED SANY STC800S (**80 TONS**) HYDRAULIC MOBILE CRANE CHASSIS NO. **LFCNPG6P5L2006904** WITH STD. ACC (**YOM 2020**) (*proper description because all 3 parameters of chassis number, capacity and year of manufacture are mentioned as indicated in bold*)

¹ hereinafter referred to as the Act.

3.3. Besides giving proper description in the bill of entry, it is important that such parameters like chassis number, model number, year of manufacture, type and capacity of the used crane are also captured in all other import documents like invoice, Bill of Lading, insurance papers, packing list, foreign remittance documents etc.

4. **Need for provisional assessment of used cranes :** Recent SIIB investigations have revealed that importers are availing the undue benefit of depreciation by declaring their cranes older or of lower capacity before Customs, while the same cranes when registered with State RTO, are being declared relatively newer or of higher capacity. The average misdeclaration of age in used cranes has been found to be 5-6 years so far.

5. Therefore, to prevent this modus operandi and to protect government revenue, it is henceforth decided that all old and used cranes being imported within the jurisdiction of Import-I, Mumbai Customs Zone-I, where RTO registration in India is mandatory, shall be assessed provisionally under section 18 of the Act. The following conditions of provisional assessment shall be complied with by the importers:

- (i) Payment of Customs duty on the assessable value ascertained by Chartered Engineer on first check.
- (ii) Submission of Bond of the entire value of goods.
- (iii) Bank Guarantee of value equal to 5% of the assessable value may be taken in order to safeguard the revenue.
- (iv) The above Provisional assessment shall be finalised immediately on submission of RTO registration certificate of the crane by the importer showing the matching year of manufacture, capacity etc. Accordingly, BG & Bond shall be returned forthwith to the importer. In case of mismatch/discrepancy, necessary action to protect revenue shall be taken by Group-5 in consultation with SIIB.

6. **Extra vigil required by Docks Officer and CE during examination of used cranes:**

During physical examination of the imported old and used cranes, the Docks officer and the Chartered Engineer shall ensure the matching of data as declared by the importers. They should also carefully check for any tampering /disfiguring /over-colouring to hide any tampering done with the chassis number and specification plates of the used cranes. As per Regulation 10(d) & 10(e) of CBLR, 2018, the Customs Broker is expected to ensure correctness of declaration of crane data and he/she has to bring any instance of non-compliance by the importer to the knowledge of Customs.

7. This direction for provisional assessment of used cranes will not apply to importers who are Government Departments and PSUs. Also, on the basis of good track record and established credentials of any importer, DC (Group-5) and DC (Docks) may recommend for exemption from provisional assessment on case to case basis.

8. Difficulties, if any, in implementation of the prescribed procedure may be brought to the notice of the undersigned.

9. This Public Notice shall be treated as Standing Order with reference to the officers of the Department.



(Vivek Pandey)

Commissioner of Customs (Import-I),
Mumbai Customs Zone - I

Copy to:

1. The Pr. Chief Commissioner of Customs, Mumbai Zone-I.
2. The Chief Commissioner of Customs, Mumbai Zone-III. (NAC-5 Convenor-for kind information as assessment of used cranes fall under their jurisdiction)
3. Joint Secretary (Customs), CBIC, North Block, New Delhi with reference to earlier Alert Circulars No. 01/2024 dated 26.02.2024 & No. 02/2024 dated 29.02.2024 issued by this office.
4. The Commissioner of Customs, Gen, Import-I, Import-II, Export and Audit- Mumbai.
5. All Addl. /Joint Commissioner of Customs, Mumbai Zone-I.
6. All Deputy/Asst. Commissioner of Customs Mumbai Zone-I.
7. The DC/EDI for uploading on the NCH Website.
8. BCBA
9. Office Copy.