



दि प्लास्टिक एक्स्पोर्ट प्रमोशन कौन्सिल
(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)

THE PLASTICS EXPORT PROMOTION COUNCIL

(Sponsored By The Ministry Of Commerce & Industry, Deptt. Of Commerce, Government Of India)

Ref.
Plexh/CustomsCir/066
16.09.2020

No. :

To,
All the Members of the Council,

Dear Sir/ Madam,

Sub: Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR, 2020)

It is to inform that the Department of Revenue, Ministry of Finance vide Notification No. 81/2020-Customs (N.T.) dated 21st August, 2020 announced implementation of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR, 2020) which shall be applied on import of goods into India where the importer makes claim of preferential rate of duty in terms of a trade agreement. CAROTAR, 2020 shall come into force on 21st day of September, 2020.

The aforementioned CAROTAR, 2020 aims to supplement the operational certification procedures related to implementation of the Rules of Origin, as prescribed under the respective trade agreements viz., FTA, PTA, CECA, CEPA, etc.

The Important points for Importer as per the CAROTAR 2020 are:

1. Rule 3 of CAROTAR, 2020 :

Preferential tariff claim: To claim preferential rate of duty under a trade agreement, the importer or his agent shall, at the time of filing bill of entry, -

- (a) make a declaration in the bill of entry that the goods qualify as originating goods for preferential rate of duty under that agreement;
- (b) indicate in the bill of entry the respective tariff notification against each item on which preferential rate of duty is claimed;
- (c) produce certificate of origin covering each item on which preferential rate of duty is claimed; and
- (d) enter details of certificate of origin in the bill of entry, namely:
 - (i) certificate of origin reference number;
 - (ii) date of issuance of certificate of origin;
 - (iii) originating criteria;
 - (iv) indicate if accumulation/cumulation is applied;
 - (v) indicate if the certificate of origin is issued by a third country (back-to-back); and
 - (vi) indicate if goods have been transported directly from the country of origin.

Necessary modifications in bill of entry format are being made to allow declaration in terms of rule 3(a) and 3(d) of CAROTAR, 2020. {Circular No. 38/2020-Customs Dt. 21.08.2020}

2. Rule 4 of CAROTAR, 2020 –

Origin related information to be possessed by importer:

The importer claiming preferential rate of duty shall-

- (a) possess information, as indicated in Form I to demonstrate the manner in which country of origin criteria, including the regional value content and product specific criteria, specified in the Rules of Origin, are satisfied, and submit the same to the proper officer on request.
- (b) keep all supporting documents related to Form I for at least five years from date of filing of bill of entry and submit the same to the proper officer on request.
- (c) exercise reasonable care to ensure the accuracy and truthfulness of the aforesaid information and documents.

3. Time limit to submit documents/details to proper officer during the course of custom clearance: Rule 5(2) & 5 (4) of CAROTAR, 2020 :

Where the importer is asked to furnish information or documents, he shall provide the same to the proper officer within ten working days from the date of such information or documents being sought.

Where the importer fails to provide requisite information and documents by the prescribed due date or where the information and documents received from the importer are found to be insufficient to conclude that the origin criteria prescribed in the respective Rules of Origin have been met, the proper officer shall forward a verification proposal in terms of rule 6 to the nodal officer nominated for this purpose.

4. Verification of all Subsequent Bill of Entries if Importer has failed to provide requisite Information: Rule 8 of CAROTAR, 2020 :

Where an importer fails to provide requisite information and documents by the due date prescribed under rule 5, or where it is established that he has failed to exercise reasonable care to ensure the accuracy and truthfulness of the information furnished under these rules, the proper officer shall, notwithstanding any other action required to be taken under these rules and the Act, verify assessment of all subsequent bills of entry filed with the claim of preferential rate of duty by the importer, in terms of sub-section (2) of section 17 of the Act, in order to prevent any possible misuse of a trade agreement. The system of compulsory verification of assessment shall be discontinued once the importer demonstrates that he is taking reasonable care, as required under section 28DA of the Act, through adequate record-based controls

5. In the event of a conflict between a provision of these rules (CAROTAR, 2020) and a provision of the Rules of Origin, the provision of the Rules of Origin shall prevail to the extent of the conflict.

It is thus very important for all the Importers claiming import duty concession under various Trade Agreements to have detailed information as per the said rules and form as enclosed for smooth and quick clearance of their cargo.

Importers must incorporate the requirement of said details in their Purchase Orders / Contracts and/or LC and have the necessary information well in hand prior to import clearance to avoid any delays.

Reference:

1. The Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020

[https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/formatted-htmls/RevisedCus\(AdminofRules\)Rules2020.pdf](https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/formatted-htmls/RevisedCus(AdminofRules)Rules2020.pdf)

These Rules are notified vide Notification No. 81/2020 - Customs (N.T.) Dt. 21.08.2020

<https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt81-2020revised.pdf>

2. Customs Circular No. 38/2020 –Customs Dated 21.08.2020

<https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-38-2020.pdf>

3. Public Notice No. 114/2020 Dt. 10.09.2020 by JNCH

<http://jawaharcustoms.gov.in/pdf/PN-2020/PN-114-2020.pdf>

This is for your information and necessary action.

Best regards

Plexconcil Team