

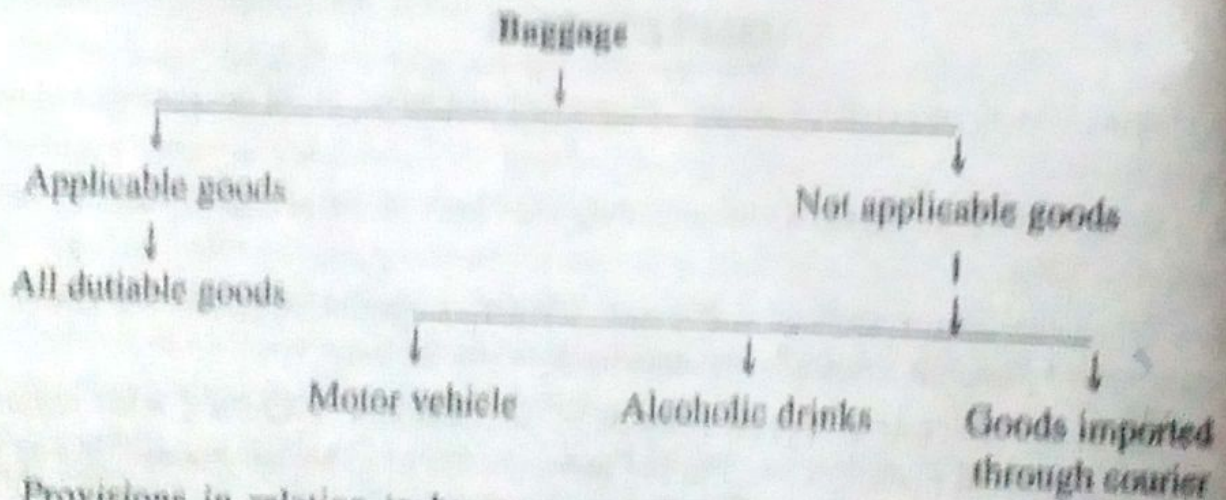
BAGGAGE, GOODS IMPORTED/ EXPORTED BY POST, COURIER

BAGGAGE

'Baggage', as per section 2(3), includes unaccompanied baggage but does not include motor vehicles. Actually, baggage means luggage of the passenger which he carries with him whether he is travelling by air, or by sea or by road from one country to another country. Such luggage may be chargeable to import duty or may not be chargeable i.e. it may be exempt. Following important points should be noted in relation to baggage :-

- Baggage means all dutiable articles, imported by a passenger or a member of a crew in his baggage.
- Baggage means un-accompanied baggage, if dispatched previously or subsequently within prescribed period.
- Baggage does not include motor vehicles, alcoholic drinks and goods imported through courier.
- Baggage does not include articles imported under an import licence for his own use or on behalf of others.

Thus, baggage may be classified as below :-



Provisions in relation to baggages as given in the Customs Act, 1962 are as follows :-

(i) Declaration by owner of baggage [Sec. 77]

The owner of any baggage shall, for the purpose of clearing it, make a declaration of its contents to the proper officer. The baggage of the passenger may contain dutiable goods or non-dutiable goods. Therefore, there are two channels through which traveller has to pass at airport :-

- Green channel**—If the traveller or passenger does not have any dutiable goods, he shall pass through the green channel. But all the luggage is screened even if a passenger passes through green channel.

An incoming passenger has to submit disembarkation card, containing written declaration about his baggage. This should be collected when passenger goes through green channel.

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- (ii) **Red channel**—If the traveller or passenger carries dutiable goods, he should pass through red channel and should submit the declaration. The declaration of goods and value as given by passenger in disembarkation card is generally accepted but baggage can be accepted by customs officer.

(II) Determination of rate of duty and tariff valuation in respect of baggage
[Sec. 78]

The rate of duty and tariff valuation, if any, applicable to baggage shall be the rate and valuation in force on the date on which a declaration is made in respect of such baggage. Following points needs attention :—

- (i) General rate on baggage is @ 35% ad valorem plus 10% Social Welfare Surcharge w.e.f. 2nd Feb., 2018 thus it becomes 38.5% prior to 2-2-2018 Health and Education Cess @ 4% is applicable. Baggage is exempt from CVD. Hence, effective rate of customs duty on baggage 36.4%.

- (ii) This rate is not applicable to :—

- (a) fire arms, (b) cartridge of fire arms exceeding 50,
(c) cigarettes;
(d) cigars or tobacco in excess of the prescribed quantity for importation free of duty under Baggage Rules,
(e) goods imported through courier service,
(f) Motor vehicle and liquor etc., and
(g) Laptop computer (note book computer) brought as baggage by person over 18 years of age, other than member of crew, is fully exempt from custom duty.

- (iii) If the items contained in baggage are dutiable at lower rate of duty as per tariff, even then the duty rate (i.e. 38.5%) as applicable to baggage will apply. But if the goods brought in baggage is 'duty free', then, duty shall not be levied on such goods.

- (iv) Concessional rate shall be levied on some goods in case of a person who is returning after one year or a person who is transferring his residence to India after two year's stay abroad.

(III) Bonafide baggage exempted from duty [Sec. 79]

- (1) The proper officer may pass the followings free of duty :—

- (a) Any article in the baggage of a passenger or a member of the crew which has been in his use for such minimum period specified in the rules.
(b) Any article in the baggage of a passenger which is for the use of the passenger or his family or is a bonafide gift or souvenir, if the value of each such article and the total value of all such articles does not exceed the limit specified in the rules.

- (2) The Central Government may make rules for above purposes in respect of the followings :—

- (a) To specify the minimum period for which any article has been used by a passenger or a member of the crew;
(b) To specify the maximum value of any individual article and maximum total value of articles which may be passed free of duty in the baggage;
(c) To specify the conditions subject to which any baggage may be passed free of duty.

- (3) Different rules may be made for different classes of persons.

'Bonafide baggage' includes— 'Wearing apparel', 'personal' and 'household effects' meant for personal use of passenger or family members travelling with him and not for sale or gift, 'jewellery' including articles made wholly or mainly of gold in reasonable quantity according to status of the passenger, 'Tools of draughtsmen', 'Instruments' of physician or surgeon.

'Bonafide baggage' will not include— Alcoholic liquor exceeding half pint of pure spirit exceeding two ounces in open or unopened bottles, cigars or cheroots exceeding 50, country bidis exceeding 200, unmanufactured or manufactured tobacco exceeding 4 ounces and snuff exceeding 10 tolas, Piano, pianola and radio, carriage, motor cars, motor cycle, Refrigerator, cotton piece goods or textile materials in lengths, Arms and ammunitions except personal licensed gun, rifles, revolver or pistol, wireless apparatus and dictaphone.

(IV) Temporary detention of baggage [Sec. 80]

When the baggage of a passenger contains any article :—

- (a) which is dutiable or
- (b) the import of which is prohibited and
- (c) in respect of which a true declaration has been made under sections 77

the proper officer may, at the request of the passengers, detain such article for the purpose of being returned to him on his leaving India or being returned to his authorised representative, if he is not above to collect it or being consigned to him as cargo.

(V) Regulations in respect of baggage [Sec. 81]

The Board may make regulations in respect of the followings :—

- (a) regulations providing for the manner of declaring the contents of any baggage
- (b) regulations providing for the custody, examinations, assessment to duty and clearance of baggage,
- (c) regulations providing for the transit or transshipment of baggage from one custom station to another or to a place outside India.

GOODS IMPORTED OR EXPORTED BY POST

Separate provisions have been made for import or export by post which are as follows :—

(I) Rate of duty and tariff valuation in respect of goods imported or exported by post or courier [Sec. 83]

(1) The rate of duty and tariff value applicable to goods imported by post or courier shall be the rate and valuation in force on the date on which the postal authorities or the authorised courier present to the proper officer a list containing the particulars of such goods for the purposes of assessment of duty thereon.

(2) The rate of duty and tariff value applicable to goods exported by post or courier shall be the rate and valuation in force on the date on which the exporter delivers such goods to the postal authorities or the authorised courier for exportation.

(III) Regulations regarding goods imported or to be exported by post [Sec. 84]

The Board may make rules providing for the followings :—

- (a) the form and the manner in which an entry may be made in respect of goods imported or to be exported by post or courier;
- (b) the examination of goods, assessment to duty, and clearance of goods imported or to be exported by post or courier.

(c) the transit or transshipment of goods imported by post or courier, from one customs station to another or to a place outside India.

Procedure for clearance—

The Board has framed rules regarding the procedure of clearance of goods imported or to be exported by post. Such procedure is as follows :—

- (1) The post parcels are allowed to pass from port or airport to the *Foreign Parcel Department of Government Post Office* without payment of customs duty.
- (2) The postmaster hands over a memo to the Principal Appraiser of customs. The memo shows :—
 - (a) Total number of parcels from each country of origin.
 - (b) Parcel bills or sender's declaration.
 - (c) Customs declaration and dispatch notes, and
 - (d) Other necessary informations.
- (3) The mail bags are opened and scrutinised by the postmaster under supervision of Principal Postal Appraiser of customs.
- (4) The parcels in which dutiable goods is suspected are separated and presented to customs appraiser for necessary action.
- (5) The customs appraiser marks the parcel which are to be detained if :—
 - (a) misdeclaration or under valuation is suspected, or
 - (b) necessary particulars are not available, or
 - (c) goods are prohibited for import.

After examination of the parcel, the Appraiser may seal it with a distinctive seal. Any misdeclaration or under valuation is recorded and if the goods are prohibited goods for imports, it is detained and informed to the principal commissioner or commissioner of customs.

But if, after verification, everything is found in order, the goods will be handed over to the postmaster for dispatching it to the addressee on receipt of custom duty. But, if it is found dutiable, the assessment is done and postal authorities shall recover the import duty from the addressee.

STORES

As per section 2(38), "*Stores*" means goods for use in a vessel or aircraft and includes fuel and spare parts and other articles of equipment, whether or not for immediate fitting. Basically, the term 'stores' include the following articles :—

- (i) Food, drinks or other needs of passengers, crew and other human being on the board of vessel or aircraft.
- (ii) Stock of fuel
- (iii) Essential spare parts for repairs and maintenance.
- (iv) Life boats and life belts.
- (v) Essential medical items.
- (vi) Music instruments, videos, radios, games and entertainment of passengers, etc. etc.

Provisions relating to stores are given hereunder :—

(f) Stores may be warehoused without assessment of duty [Sec. 85]—When the importer of any imported goods gives a declaration that the goods are to be supplied as stores to vessels or aircrafts without payment of import duty, the proper officer may allow the goods to be warehoused without assessment of duty.