CHAPTER - SEVEN

INLAND CONTAINER DEPOTS (ICDs) AND CONTAINER FREIGHT STATIONS (CFSs)

PRILIMINARY

The volume of goods imported into and exported out of country has risen considerably. With the liberalisation policies of the Central and State Governments, there has been a spurt in the foreign trade of the country. Accordingly, the movement of Imported/Export goods across the frontiers and within the country has also increased manifold. This, at times, results into the congestion of goods and conveyances at the ports/airports and delay in clearances of the goods.

In order to alleviate these difficulties, the Central Government has extended the facility to the trade for clearance of their import/export goods, at places away from the places of import/export. This not only eases the workload at the ports/airports but also makes it advantageous for the importer/exporter to get his goods cleared at a place convenient to him.

To provide for such facilities, the Central Government notifies, from time to time, the places to be used as ‘dry ports’ for the purpose of clearances of import/export goods. These are known as INLAND CONTAINER DEPOTS and ‘CONTAINER FREIGHT STATIONS. These places are enclosed and guarded Customs Stations having a requisite contingent of staff from the Customs, the Custodians, the Security, etc., to effect the clearances of import/export goods.

Imported goods are brought into the ICDs / CFSs, usually in containers, after the same has been duly allowed Transhipment at the port/airport of Import, under Customs seal/escort and are received by the Custodians. Similarly, the export goods are received into ICDs/CFSs by the custodians for clearances by the Customs. In all the cases, the import/export documents filed in the jurisdictional Commissionerate of Customs and Central Excise.

SETTING UP OF INLAND CONTAINER DEPOTS (ICDs) AND CONTAINER FREIGHT STATIONS (CFSs)- GUIDELINES, NORMS AND APPLICATION FORM

Part A

Definition of ICD / CFS:

An Inland Container Depot/Container Freight Station may be defined as: -

A common user facility with public authority status equipped with fixed installations and offering services for handling and temporary storage of import/export laden and empty containers carried under customs transit by any applicable mode of transport placed under customs control and with customs and other agencies competent to clear goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export.

Distinction between ICD & CFS:

2. An ICD is a place where containers are aggregated for onward movement to or from the ports whereas CFS is a place where containers are packed and unpacked and aggregation/segregation of cargo takes place. An ICD may have CFS attached to it. ICDs are located outside the port towns whereas no site restriction applies to CFS.
Function of ICDs/CFSs:

3. Activities and operations in the ICD/CFS may be divided into the following main groups:
   a) Receipt and despatch of containerisable cargo.
   b) Truck operations.
   c) Loading/Unloading of containers to and from trains.
   d) Stuffing/destuffing, aggregation/de-aggregation of containers.
   e) Customs clearance.
   f) Gate checks & security.
   g) Storage of cargo and containers.
   h) Information flow & Communication.
   i) Record keeping and data storage.
   j) Billing and cash collection.

4. The operations of the ICD/CFS revolve around the following centers of activity:
   i) Siding: The place where containers are loaded on and unloaded off. Arrival and despatch of trains etc. also takes place at this location.
   ii) Container Yard: The place where loaded and empty containers are stacked prior to their despatch by specified mode of transport or prior to delivery to the customer.
   iii) The container Freight Station: The area where containers are packed and unpacked and aggregation/segregation of cargo takes place.
   iv) The Customs examination bay: The designated place where the containers are placed for examination by customs, separately for import and exports.

Benefits of ICDs/CFSs:

5. The benefits and potential benefits arising from an ICD/CFS are as follows:
   i) Increased trade flows.
   ii) Lower door-to-door freight rates.
   iii) Safety of cargo.
   iv) Avoidance of clearing and forwarding agent’s fees at seaports.
   v) Avoidance of storage, demurrage and late documentation fees.
   vi) Possible avoidance of the need to extend the period of marine insurance.
   vii) Optimal use of road and rail transport and better utilisation of capacity.
   viii) Benefits to seaports.
   ix) Inventory savings.
   x) Improved communications, etc.

6. An ICD/CFS is expected to bring about a reduction in the through transport rate per box compared to alternative cargo routes and rate paid prior to setting up ICD/CFS.

FORMAT OF APPLICATION FOR PERMISSION TO SET UP INLAND CONTAINER DEPOT/CONTAINER FREIGHT STATION

1. Name of the Organisation proposing to set up ICD/CFS:
2. Status of the applicant Organisation
3. Place where the ICD/CFS is proposed to be set up and precise reasons for selection of the site.
4. Location of the site with distance from
   a) Nearest Highway
   b) Nearest Railhead
   c) Nearest Port
   d) Nearest ICD/CFS
   (Enclose a map showing location and modal links to ports)

5. Whether land for the setting up of ICD/CFS already acquired, if so -
   a) areas of land (in sq. mtr.)
   b) whether owned/hired/on lease;
   c) if not, how the land is proposed to be acquired.

6. Name of the Customs Collectorate having jurisdiction to the proposed ICD/CFS.

7. **TRAFFIC PROJECTIONS:**
<table>
<thead>
<tr>
<th>Commodity</th>
<th>Tonnes</th>
<th>TEUs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export (existing / projected)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Import (existing / projected)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

   **NOTE:** Party-wise expected traffic of export/import containers (TEUs) separately to be attached to the extent possible.

8. Names of the shipping lines, shipping agents, freight forwarders operating/ willing to operate

9. Lay-out plan of the proposed ICD/CFS:
   a) Details of rail terminal facilities for receiving Container trains, loading/unloading, stacking space for containers.
   b) covered areas separately for export/import/shut out/disputed/hazardous cargo, office block, etc.
   c) Open area for Containers Circulation/Yard : paved/unpaved
   d) gatehouse and security features
   (detailed lay out plan to be enclosed)

10. Infrastructural facilities (area in sq. meters) proposed to be provided:
    a) Office accommodation for applicants staff;
    b) Accommodation for custom staff;
    c) Accommodation for shipping lines/agents.
    d) Accommodation for bank;
    e) Canteen
    f) Computer
    g) Weighment facilities.
    h) Telephone/telex/FAX
    i) Flood light/high mast towers for security; and
    j) Public & staff conveniences/amenities like toilets, drinking water etc.
    k) File fighting
    l) Drainage/Sewerage;
    m) Strong room for valuable cargo
    n) Reefer plug points
    o) Parking area for lorries outside the facility.
11. Equipment:
Details of the equipment (forklift, crane, trailer etc.) to handle the containers and cargoes.

12. Estimated cost of the proposed project.

13. Experience/capability of the applicant in running the ICD/CFS, staff to be employed with their experience and qualifications, responsibilities.


15. Movement logistics of containers between the proposed ICD/CFS & Gateway port: Complete details to be provided.

16. Coasting and proposed tariff.

17. Scope and plans for future expansion.

NOTE: The Customs Notification on the ICD/CFS will be issued only after infrastructure and security arrangements are completed & necessary bond with bank guarantee is provided.

PART B

Prior Survey a must:

ICD/CFS introduces double handling of nation basis. For the facility to be successful, reduction in total transport cost must outweigh any increase in handling cost. This underlines the need for sound economic justification for setting up ICD/CFS through a carefully evaluated traffic likely to be handled at the proposed facility. A survey/feasibility study must precede setting up of all ICDs/CFSs and copy of the report should invariably accompany the application for setting up such a facility. Data for carrying out analysis could be from secondary sources and field observations, structured over time and space. The latter is more realistic and truthful. Prior discussions must be held with exporters, shipping lines, freight forwarders, port authorities, concerned Collectors of Customs/Excise etc., and their point of view fully reflected in the report.

2. The traffic flow between Inland centres of production and ports need to be analysed with reference to:-
   - commodities.
   - directional-split (imports/exports)
   - proportions of less-than-container load (LCL) and full-container-load (FCL)
   - modes of transport available.
   - Possible reduction in tonne per kilometers or Box per kilometers costs.

3. A facility to be economically viable for the management; and attractive to: users, railways for full train load movements and other transport operations; seaports; shipping lines; freight forwarders etc., must have certain minimum amount of traffic. The prospective entrepreneurs are, therefore, strongly advised to study very carefully the viability of the project from the TEU traffic availability point of view.

   While it is not proposed to lay down any minimum TEU figures as part of the criteria for approval of ICDs/CFSs, following are suggested indicates minimum:-
   For ICD – 6, 000 TEUs per year (Two way)
   For CFS – 1, 000 TEUs per year (Two way)
Design and lay-out of ICD/CFS

4. Key to a good lay-out is the smooth flow of containers, cargo and vehicles through the ICD/CFS. The design and lay out should take into account initial volume of business, estimated volume in 5/10 years horizon and the type of facilities exporters would require. The initial lay out should be capable of adaptation to changing circumstances. The design broadly should encompass features like (rail) siding, container yard, gate house and security features, boundary wall (fencing), roads, pavements, office building and public amenities. The track length and number of tracks should be adequate to handle rakes and for stabling trains where relevant.

The perimeter fencing and lighting must meet the standards required by Customs authorities. The gate being the focal point of site security should be properly planned.

The administration building is the focal point of production and processing and processing of all documentation relating to handling of cargo and containers. While its size will be determined by the needs of potential occupants, the main core of building may be a open space capable to divisions into different sized offices by partition walls. Fixed provisions can be made for sanitation facilities and possibly a food service facility.

A good communication system is a must.

Equipping the ICD/CFS:

5. A host of handling equipment of different kind and capacity is available for loading, unloading of containers from rail flats, chassis, their stacking, movement, cargo handling, stuffing destuffing and so on. The choice of equipment for the facility will have a major impact on the overall design and effective working of the ICD/CFS and should be carefully considered both for the ICD terminal and in the Container Freight Station. Availability of adequate and – proper equipment (owned, hired, leased) at the facility would be an essential requirement.

Tariff:

6. Detailed tariff structure and costing should be worked out in advance and information provided with the application.

General:

The main function of an ICD/CFS being receipt, despatch and clearance of containerised cargo, the need for an uptodate inventory control and tracking system to locate containers/cargo is paramount. Each functional unit of the facility (e.g. siding, container yard, gate stuffing/destuffing area etc.) should have uptodate, and where possible on-line, real-time information about all the containers etc. to meet the requirements of customers, administration, railways etc. This could be through computers etc.

PART C

Procedure for approval of ICD/CFS

Proposals for setting up ICD/CFS will be considered and cleared, on merits, by an Inter-Ministerial Committee for ICDs/CFSs, which consists of officials of the Ministries of Commerce, Finance (Customs), Railways and Surface Transport. The proposals will be examined keeping in view that guidelines and norms mentioned in Part A & B.

2. Application (eight copies) in enclosed form should be submitted to the Joint Director (Infrastructure Division) in the Ministry of Commerce. Applications must be accompanied by copies of
feasibility reports mentioned in the guidelines.

3. On acceptance of a proposal, a letter of intend will be issued to the applicant which will enable it to initiate steps to create infrastructure.

4. After the applicant has put up required infrastructure, met the security standards of the area Collector of Customs and provided a bond backed by bank guarantee to the Customs, final clearance and Customs notification will be issued. The bond to be extended would be for a value equivalent to the value of cargo to be handled. Bank guarantee would be for 20% of the value of bond.

5. The approval will be subject to cancellation in the event of any abuse or violation of the conditions of approval.

6. The working of the ICD/CFS will be open to review by the Inter-Ministerial Committee and Customs Department.

[Simplified of the procedure for setting up ICDs and CFSs.

Attention is invited to the various instructions and circulars issued from time to time regarding setting up of ICDs/CFSs by the Public Sector Undertakings as well as by the Private Sector Undertakings. In view of growing demand for setting up ICDs/CFSs in hinterland and to keep pace with fast growing import/export, it has been decided to simplify the procedure for setting up ICDs/CFSs.

2. The Container Freight Station (CFS) is not a Customs Station but it is to be declared as a Customs area under Section 8 of the Customs Act by the Commissioners of Customs concerned. Normally, every CFS is located in a Customs Station or in an adjunct to a Customs station. C.F.S. may handle exclusively export cargo or import cargo or both. Generally, CFS us taken to be an extended arm of the Port/ICD/ACC. Depending upon its importance and volume of work it handles, it functions like a full-fledged Customs station wherein the admission, processing and completion of all customs procedures are done. Alternatively, the processing of the Customs clearance documents is done in the Customs House and the CFS functions like ‘Docks’ where the examination and sealing of export cargo or examination and customs clearance of import cargo is done. Thus, depending upon the location, workload and other related factors, Commissioners of Customs can devise the Customs work in such CFS.

3. Commissioners of Customs are authorised to notify a CFS as a Customs area under Section 8 of the Customs Act in any place declared by the Central Government as a Customs station under section 7 of the Customs Act. However, before declaring a CFS, the Commissioners may assess the requirements of such facility in each Port/ICD/ACC for creation of such additional Customs area (CFS). If need be, the Commissioners may discuss such feasibility in the Regional Advisory Committee Meetings or meetings with the Trade. Commissioners are advised, however before notifying any new C.F.S. as Customs area is a Customs Station, they should call for the proposals by wide publicity and grant such facility only after fully satisfying themselves on the need, security, credibility of the persons concerned, suitability of the condition and other details of the applicant.

4. Proposals for CFS are also processed in the Ministry of Commerce when applicants make proposals to the Ministry. As and when such proposals are cleared and communicated to the Board, Commissioners are required to notify it under Section 8 of the Customs Act, as early as possible, after ensuring suitability and other criteria for such declaration.]
5. Notifying a CFS as a Customs Area need not be restricted to Public Sector or Joint Sector units. Proposals from private sector could also be considered on merits, taking into account the Government policy of opening of CFS.

6. Before notifying such Customs area, the following guidelines may kindly be noted.
   a. There should be judicious mix of Public Sector Undertakings and Private Sector Undertakings to provide an element of healthy competition leading to greater efficiency and cost effectiveness in management and operation of such ICDs/CFSs.
   b. If at any station PSU has already been appointed as a custodian to operate a CFS/ICD, the next facility may be given to a joint sector/Private Sector and vice versa.
   c. The verification of financial standing and antecedents of the organisation may be done in the same manner as has been prescribed for private bonded warehouses by the Board vide its Circular No. 68/95 dated 16.5.95 and 99/95 dated 20.9.95.
   d. The selection of custodians to operate CFS/ICD may be made by the Commissioners stationed at the city in consultation with Regional office of DRI, and by constituting a committee of officers from the Commissionerate and or from the trade and other interests.
   e. The guidelines on the undertaking to be given by the Custodians to set up and operate ICDs/CFSs are issued vide Circular No. 128/95 dated 14.12.95 from Board’s F. No. 434/12/92-Cus.IV.
   f. To project an image of fairness, the Commissioner may invite request for opening CFS/ICD through a Public Notice.
   g. The Commissioner may dispose of the case of Public Sector Undertakings themselves and the cases of Private Sector after confirmation by a Committee to be constituted as indicated above.

7. The application format and other details in this case will be same as contained in Board’s earlier letter No. 434/12/92-Cus.IV dated 5.6.92. However, in such cases, the proposal may be entertained directly by Commissioner of Customs/Central Excise instead of making a reference to Inter-ministerial Committee set up in Ministry of Commerce.

8. These instructions supersede all instructions issued on the subject earlier, which are not in conformity with the instructions contained in this Circular.

[ Board’s Circular No. 133/95 Cus. Dt.22.12.1995 in F. No. 434/54/95-Cus ]

**Standard set of guidelines for appointment of custodians of EPZs/ICDs/CFSs.**

The Government has decided that the private sector would also be involved in infrastructure development. Accordingly this sector had been allowed to open CFSs/ICDs/EPZs, in addition to public sector agencies. The other intention of the Government has been to bring the Customs facilities to the doorway of the exporting and importing community; therefore, many CFSs/ICDs/EPZs have been allowed to be opened in the interior, apart from port towns so as to decongest the ports.

2. To ensure smooth working of all the facilities, a need was felt to draw up a standard set of undertakings to be given by the custodians before they are so appointed under section 45 of the Customs, a letter of even number dated 11.10.95 was circulated to all Chief Commissioners of Customs & Central Excise, all Commissioners of Customs and some Commissioners of Customs & Central Excise in whose jurisdiction these facilities are being created. Subsequently, this was discussed as an Agenda point in the Conference of Commissioners held at Cochin on 20/21st October 1995. As per the consensus arrived at in the said conference the set of undertakings has been revise. The revised set of guidelines is enclosed for your ready reference. It may be mentioned that the residential accommodation may be
required in places where ICD/CFSs are sanctioned in a newly developed area like Gandhinagar or New
Township created e.g. J. N. Port, and places where we do not have any accommodation.

3. It is necessary that the major aspirants for custodianship, i.e. parties wanting to open CFS/ICD or
EPZ may be appraised of these requirements through a public Notice/Trade Notice.

4. The need for CFS/ICD/EPZ is first felt by the trade before it is felt by the Department. The trade
should also be informed through the Regional Advisory Committee that if they want to avail such opening
of CFS/ICD/EPZ they may approach the Commissioner of Customs/Central Excise of the area concerned.

**Guidelines on undertaking to be given by the custodians before being appointed as custodians of
ICDs/CFSs/EPZs**

1. The custodian should provide safe, secure and spacious premises for loading/unloading/sorting of
the cargo. The infrastructure for loading/unloading/storage operations should be designed to handle a
minimum traffic of at least 10 TEU per day (two-way). The premises should be so designed that there
should be provision for expansion of storage space, office accommodation, handing space, etc. for a
period of 10 years.

2. Custodian shall provide sufficient modern handling equipment in operational condition for handling
the containers and cargo in the area;

3. No alteration of the plan in the accommodation, boundary wall and building, etc. shall be made
without the concurrence of the Commissioner of Customs;

4. Insurance of all goods held in the ICD/CFS shall be made by the custodian;

5. Custodian shall abide by all the rules and regulations under the Customs Act;

6. For proper discharge of duties the custodian shall execute a bond equal to the value of the goods
likely to be stored in the premises for a period of 30 days, supported by a bank guarantee or a
government bond or cash deposit equivalent to 10% of the value of goods;

7. The custodian shall bear the duty on the goods lost or pilfered from the CFS/ICD;

8. The custodian shall give separate bond with sufficient bank guarantee of the value of the bond
towards the duty element of the Export goods transported from the customs area to the gateway port/any other customs area for export/ transshipment. Custodian would also be held responsible for the
duty and for other penalties leviable for the goods lost during transshipment from the said customs area to the gateway port/other customs area;

9. Security of the premises shall be the responsibility of the custodian subject to the prior approval of the
Commissioner of Customs of the arrangements. The cost for the security has to be borne by the
custodian;

10. Custodian shall bear the cost of the Customs staff, posted for the ICD/CFS/EPZ. The Commissioner
of customs shall decide the number of staff which is required to be posted in the facility considering
the workload in the station.

11. Custodian shall provide free furnished office space for the Customs Department;

12. Residential accommodation for the customs staff posted in the area shall be provided for by the
custodian, wherever requisitioned by the Commissioner of Customs;

13. Free suitable transport from the nearest railway-head or suitable point shall be provided for the
customs staff by the custodian;

14. In the ICD/CFS/EPZ the custodian shall make adequate arrangements for sanitary facilities, water
supply and other allied facilities, including canteen facility, for the officers working in the area;

15. Custodian shall not charge any rent/demurrage on the goods detained by Customs Department
under the Customs Act or any other Act for the time being in force. However, the Customs
Department shall pay the rent to the custodian after the ownership of the goods vests in the Government after confiscation. The rate of rent for such goods shall be fixed by the Commissioner in consultation with CPWD or local Revenue or Rent Control authorities;

(16) In case the custodian wants to sublet any of the functions inside the customs are or connected with the customs area, the same should be done with prior approval of the Commissioner of Customs and the custodian shall remain responsible for the omissions and commissions of the said agency;

(17) Duration of the appointment shall initially remain for 5 years and subject to the satisfaction of the Commissioner of Customs. Commissioner of Customs shall have the right to terminate the right to terminate the appointment at any time after assigning specific reasons and giving an opportunity for the customs to explain his case. The appointment shall be reviewed after every 5 years thereafter.

[ Board’s Circular No. 128/95 dtd. 14/12/95 in F. No. 434/12/92-Cus.IV ]

Multi-modal Transportation of Goods Act, 1995 – Grant of Custom House Agents licence etc. to Multi-modal Transport Operators-Regarding

A number of references have been received from the field formations enquiring whether Multi-modal Transport Operators (MTOs) or their Agents appointed by the Ministry of Surface Transport have to be granted Custom House Agents licence or appointed as Steamer Agents for the purposes of Customs Act, 1962. In this context I am directed to say that the Multi-modal Transportation of Goods Act, 1993 governs carriage of goods from India to any place abroad by more than one mode of transport i. e. basically it is concerned with the operations concerning export of goods from India. Any person appointed by the Ministry of Surface Transport or any other agency under it as a Multi-modal Transport Operator is only for the purposes of the said Act and any such appointment does not confer any rights for his appointment as a Custom House Agent or Steamer Agent for the purpose of Customs Act, 1962.

2. Notwithstanding the aforesaid legal position, if a particular container agent who is acting under the guise of a Multi-modal Transport Operator for dealing with the export cargo, the permission for his operations either for de-stuffing or for stuffing to be granted only by the custodians of the imported cargo i.e. the Port Trust or the IAAI or others appointed so. In so far as the customs are concerned, if it is the normal practice of the Port Trust, IAAI or other custodians to take security clearance from customs with reference to the person or persons to whom they issue passes, the Custom House need to verify from records about the credibility to whether the person has come to adverse notice of the Custom House which is detrimental to allowing handling of cargo, for example, involving themselves in some smuggling activities. Otherwise, the customs authorities have no status to deal with such kind of operators. Merely because he would handle the cargo either export or import, would not entitle him to any of the privileges to become a Customs House Agent or a Steamer Agent unless he is otherwise qualified in terms of the Customs House Agents Regulations or other provisions of the Customs Act, 1962. The role of a Custom House Agent is to be distinguished from the role of a container handling agent or a Multi-modal Transport Operator. These instructions would mutatis mutandis apply to such cargo agents operating to deal with Import cargo.

[ Board’s Circular No. 72/95 dt. 22.6.1995 in F. No. 450/61/92-Cus.IV ]

Clarification regarding declaration of ICDs & CFSs

Attention is invited to the issue of Notification No. 15/95-Cus (NT) and No. 16/95-Cus (NT) both dated 10.3.95 relating to Inland Container Depots (ICD). Notification No. 15/95-Cus (NT) is a consolidated notification for places appointed by the Central Government as ICDs under clause (aa) of section 7 of the Customs Act, 1962. Notification No. 16/95-Cus (NT) rescinds various notifications appointing individual places as ICDs consequent to the issue of a single notification for these ICDs.
2. The issue of a single notification listing out the places set up as ICDs for the purpose specified in the notification itself, is essentially a step towards administrative and legal simplification. The subject notification lists out the facilities located in each State and at one glance the trade and the Department would be in a position to know the existence of such facilities. It may, however, be seen that the facilities (ICDs) are indicated largely by the name of the places without further specific reference to their exact location in the particular place. This is a departure from the practice hitherto followed as in the individual notifications, now rescinded, the location of the facilities were very specifically mentioned. This departure is, however, not to create any relevant of confusion and it is to be ensured the facilities available to the trade are brought to the notice. For this purpose, it is suggested that appropriate notification as per section 8 of the Customs Act, 1962, may be issued wherever it has not been notified so far specifying the location and purpose of the ICD or of the Container Freight Stations (CFS) attached to the said ICD as required under Section 8 of the Customs Act, 1962. To ensure that the trade is well informed, suitable public notices/trade notices would also be necessary.

3. It may also be noted that as regards the movement of cargo from and to the ICDs and CFSs, the policy of the Department has so far been to prefer such movement by the medium of rail transport wherever such link is provided. This is to cut down the possible revenue risk in view of the essential advantage of rail transport in terms of safety of goods in comparison to any other mode of transport such as, by road. However, having regard to the fact that rail transport may be inadequate to meet the requirement of the trade and also the fact that the revenue risk being largely taken care of in view of the reducing tariffs over the time, the policy of movement of cargo from ICD and CFS has been reviewed.

4. As regards the ICDs, it has been decided that the movement of cargo cleared by Customs at the ICD for export may be either by road or by rail at the discretion of the custodian of the ICD. For this purpose, the custodian will be required to execute a bond with Assistant Collector of Customs incharge of the ICD which will act as revenue safeguard should the goods be lost in transit. This new dispensation may please be noted.

5. It may also be seen that at times, the ICDs/ports are being serviced by CFSs. These CFSs are essentially feeder facilities for the ICDs/ports both for import and export cargo. Since a particular CFS would be linked to a specific (ICD) port, the movement of export cargo from the CFS to the ICD may be generally by road only in view of short distance involved. Accordingly for movement of the export cargo from the CFS to ICD/port, we may have no objection to such movement by road or even by rail as per option of custodian of the CFS. Here also, the custodian would be required to execute a suitable bond with the Assistant Collector of Customs incharge of the ICD, which will act as a revenue safeguard should goods be lost in transit.

7. As may be noted, with the issue of Notification 15/95-Cus. (NT) and 16/95(NT), no new facilities have been created, however, the existing facilities have simply been clubbed in one notification. Accordingly, as suggested above, this fact together with the exact location of the facility in your jurisdiction and further the Government policy regarding permitting the movement of goods from ICD/CFSs may be informed to the trade by issue of suitable public notice/trade notice. This would, however, be consequent to issue of the notification under section 8 of the Customs Act, 1962 by the concerned Commissioners wherever required to be issued.

[ Board’s Circular No. 77/95 dt. 30.6.95 in F. No. 434/62/94-Cus.-IV ]

WORKING OF CUSTOMS STAFF IN ICDs / CFSs.

As mentioned in earlier paragraphs, the ICDs /CFSs are enclosed and guarded places notified under Section 7 of the Customs Act, 1962, as Customs Stations. With the increase in the volume of Import/Export of goods to/from the country, and to avoid the congestion in Docks/Air Cargo Complexes,
the ICDs/CFSs are being preferred for Storage and Clearance of Import/Export cargo. This also provides convenience to the Importer/Exporters located in the hinterland of Ports/Airports.

Accordingly, requisite Staff comprising of Appraisers, Examiners, Superintendents Customs/Central Excise, Inspectors of Central Excise, Preventive Officers, Group D Staff, Ministerial Staff, etc., from the jurisdictional Commissionerate of Customs and Central Excise are posted in these Stations to attend to the work of Clearance of Imported/Export goods.

The ICDs/CFSs can be termed as ‘Dry Ports’ and therefore the deployment and duties of the Customs Staff, procedures for Clearance of Imported/Export goods, are akin to those prevalent in Docks at the ports or Air Cargo Complexes at the Airports. Similar to the Docks/Air Cargo Complexes, the cargo/goods handled by the Customs in the ICDs/CFSs are of two types –

a) **Import Cargo**

b ) **Export Cargo**

**a) Import Cargo** – With the introduction of container services, most of the cargo carried by the vessels is containerised. The importers situated in the hinterland and away from the Ports/Airports are now availing themselves of the facility of clearance of the goods at the nearest ICD/CFS.

Such goods, in containers or otherwise, are applied for to be transhipped to ICD/CFS, at the Port/Airport of import by the Shipping Agents/Importers. The goods are then carried to the concerned ICD/CFS by Rail/Road/Air and are received there by the Custodians. Usually Container Corporation of India or CONCOR are appointed as Custodian under Section 45 of the Customs Act, 1962 and all the obligations/controls under provisions of the Customs Act, 1962 are also applicable to such ICD/CFS and goods handled therein.

The Bill of Entry and other documents required for clearance of the Import goods are filed with the jurisdictional Commissionerate of Customs and Central Excise.

The procedure for Clearance of imported goods at ICD/CFS are similar to that of goods imported at the Port/Airport.

Also, the functions of Customs Staff in ICD/CFS are similar to those of such staff posted for Import Clearance in the Docks/Air Cargo Complex/Custom House.

**b) Export Cargo** – On the Export side, the goods are entered in ICD/CFS for the purpose of examination/Inspection and Clearance by the Customs.

The Shipping Bill and other related documents are filed and processed in the jurisdictional Commissionerate of Customs and Central Excise and thereafter the Export goods are carted into the ICD/CFS. After the usual Inspection/Examination, like in Docks/Air Cargo Complex, of goods by the Customs, the same are cleared for export. So passed Export goods are then either stuffed into containers under Customs Supervision or directly moved to the point of export-under Customs Escort/Seals. At the point of Export the goods are loaded on the vessel/aircraft/vehicle for onward carriage to the port of destination.

The duties and functions of the Customs Staff on the export side of ICD/CFS are similar to those of such staff posted at Docks/Air Cargo Complex.

[ **NOTE:** In the ICDs/CFSs, where the facility for Electronic Data Interchange exists, the processing of Import/Export Documents and clearance of the goods is done according to the procedure described in the Chapter ‘ Electronic Data Interchange’ of this Manual].