

Circular No. 14/ 2023-Customs

F.No.450/109/2023-Cus-IV
Government of India
Ministry of Finance, Department of Revenue
Central Board of Indirect Taxes & Customs

Room No.227B, North Block,
New Delhi, dated 3rd of June, 2023.

To,

All Principal Chief Commissioners/ Chief Commissioners of Customs/ Customs (Preventive)/ Customs and Central Tax

All Principal Commissioners/ Commissioners of Customs/ Customs (Preventive),

All Principal Director Generals/ Director Generals, under CBIC.

Madam/Sir,

Subject: Electronic Repairs Services Outsourcing (ERSO) – initiation of pilot at ACC Bengaluru- reg.

Electronic Repairs Services Outsourcing (ERSO) is an initiative of the Government of India involving MeitY, MOEF&CC, DGFT, and CBIC working in convergence with the industry [Manufacturers Association of Information Technology (MAIT)]. ERSO involves import of goods (defective, damaged electronic goods) by designated repair service entities in India, to reliably repair them and re-export the goods. The repairs services outsourced to the service entities in India enables extension of the life of the electronic goods which is in sync with India's commitment to the environment.

2. To provide the regulatory environment, amongst other aspects, the DGFT has issued Public Notice No. 31/2015-20 dated 14.10.2022 for allowing General Authorization for Export after Repairs in India (GAER), the MOEF&CC has issued F.No. 23/151/2022-HSM dated 02.01.2023 providing relaxation to dispose certain goods which are beyond repairs up to specified limit. Further, the Commissioner of Customs Airport and Air Cargo, Bengaluru has issued Public Notice No. 7 dated 27.05.2023 which is a procedure being tested for import and re-export clearances under ERSO (by specified importers- exporters) with aim of achieving the ecosystem conducive to providing quick and reduced turn-around time imperative for being a repair destination for ICT products globally.

3. The above aspects are being validated for their efficiency and efficacy through ERSO Pilot launched on 31.05.2023. The MeitY's press release with PIB PRID=1928643 may be referred.

4. Few aspects of the Customs procedure for import and re-export via the Customs Station at Air Cargo Complex, Bengaluru are –

- a. bills of entry or shipping bills need to be filed in advance to enable processing to the extent feasible prior to arrival of goods.
- b. error free filing of above import or re-export declarations would obviate need for amendment and minimize clearance time.
- c. uploading of all the necessary documents in legible form in e-Sanchit would obviate the need for customs seeking clarification through query module thereby minimizing clearance time.
- d. Importers to ¹use appropriate continuity/running re-export (RE) Bond [without Bank Guarantee], which would be registered at ACC, Bengaluru. The EDI System would debit the amount involved against each import. The importer would be able to check the balance of the bond amount available on ICEGATE system to decide the requirement to submit additional bond when the balance is insufficient. Once the re-export is made, bond is re-credited by officer at ACC, Bengaluru.
- e. A nodal officer in the grade of DC/AC, along with a core team of Superintendents/ Appraisers for ERSO, for specifically coordinating all ERSO matters is nominated by the Commissioner of Customs, Bengaluru. The nodal officer and team shall pro-actively fast track every stage post the filing of import/export declaration. These stages include assessment including at faceless assessment groups, examination at location etc. The fast-tracking shall be carried out at all locations in coordination with respective faceless assessment groups and also at ACC, Bengaluru. The concerned entity/ custom broker is expected to share in advance the details of ERSO imports/exports.
- f. Nature of goods being such as are regarded to have been taken into use before import, and the re-export being of a nature that the goods exported are same as the goods imported, examination is required. Therefore, the importer should opt for first check^[1] while filing the import declaration.
- g. While the bill of entry would get assigned to a faceless assessment group, the nodal officer shall ensure that, without waiting for the first check order on the bill of entry, the examination in first check is begun immediately on arrival of goods, and completed.

^[1] CBIC will explore developing automated standardized examination order for ERSO imports.

- h. an empaneled Chartered Engineer is involved with examination for purposes of identity etc. of the ERSO imports. In exceptional cases, if during import process a difficulty in identification of the product arises, then at the time of examination in first check, the product may be made amenable to establishment of its identity on re-export, through use of an appropriate technology. The procedure of this may be laid out through Public Notice by the Commissioner of Customs, Airport and Air Cargo, Bengaluru.
- i. Provisioning of designated & earmarked areas with suitably controlled environment for purposes of examination of the ERSO goods at^[2] Air Cargo Complex, Bengaluru during the inward and outward movements of the ERSO goods, provides an enabling business ready environment for expeditious processing in conduct of above Customs procedures.

5. The National Assessment Centre handling electronic goods/ ICT products and the Faceless Assessment Groups' officers, as well as the officers of the Customs Zones are sensitized that the ERSO eco system is one of import -> examine in first check -> repair -> identify & re-export. Therefore, the NAC is to ensure expedited assessment in a standardized manner.

6. The Bengaluru Customs Zone is expected to take all measures necessary in relation to ERSO, including augmentation of resources, if necessary, in coordination with the Bengaluru CGST Zone, and to resolve all issues that come up during the implementation. A log of such aspects may be kept and Board kept informed. Progress in activities under ERSO may be reported weekly during the pilot phase of first three months. A review will be carried out based on the feedback and modifications made in the process etc. as necessary.

Hindi version follows.


(Ananth Rathakrishnan)
Director (Customs)

^[2] In a situation where, for reasons beyond the control of the entity, it becomes necessary to explore alternative suitable controlled environment for examination, the Commissioner would explore other options, including movement (as per section 49 of Customs Act, 1962) to nearby public bonded warehouse with such facility or on-site inspection (with suitable safeguards).