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Thereafter the following presentation Sessions of Experts were held.

Topic	Name of the Speaker
Competitiveness of Local Manufacturing	Mr. Rajveer Singh , Managing Director- ACDS
Legal Dimensions of UCA and its Implications for Exporters	Mr. Sunil Kumar Singh , Legal Expert
Opportunities for Indian Exports	Dr. T Devi , Expert on International Trade – Ex. IIFT
IT compliance in Manufacturing and Exports and Software Asset Management (SAM)	Mr. Sameer Kumar , KPMG

These presentations were followed by Question & Answer Session with participants to get certain clarifications.

Thereafter, Shri Abdul Sattar Khan, Regional Director-SR thanked the Guest speakers for their informative and educative presentations. RD-SR also thanked industry participants who responded to Council's invitation and took part in this important Workshop.

The participants felt that the programme has given an opportunity to have an insight about the legal & regulatory compliance in the International markets specially USA, which will facilitate them in their endeavour towards market promotion activities, under the changed global trade scenario.

FICCI-Workshop on 'ATA Carnet', December 16, 2011, Chennai

Preamble:

Federation of Indian Chambers of Commerce & Industry (FICCI)- Tamil Nadu State Council (TNSC) had organized a Workshop on "ATA Carnet" in Chennai on 16th December 2011 to familiarize the members of trade & industry with the operational aspects of "ATA Carnet", a global Customs document, which simplifies customs procedures at different Customs stations to facilitate temporary importation of goods duty free in various countries.

In this regard, considering the importance of this international customs document, the Southern Regional Unit of the Council co-ordinated with (TNSC) of FICCI and disseminated the information about the FICCI- Workshop on ATA Carnet, amongst member-exporters of Council and sought their participation in this important awareness programme, so that they could get acquainted with the benefits of this important customs document. Several exporters of the Council participated in this workshop.

Report of the Workshop

FICCI, in collaboration with the Ministry of Commerce & Industry, Government of India organized a half day workshop on ATA Carnet in Chennai. The objective of the workshop was to familiarize the industry representatives with the operational aspects of using an ATA Carnet and its benefits. The workshop brought together over 70 representatives from different export promotion councils, export houses, chambers, industries etc. The ATA Carnet service is extremely important for exhibitors at trade fairs, demonstration samples, film and TV crews, architects, artists, entertainers, theatrical troupes, musical groups, sports teams, technicians, diamond & precious stone exporters as it permits duty free temporary admission of goods into a member country without the need to raise customs bond, payment of duty and fulfillment of other customs formalities in one or a number of foreign countries.



L to R: Mr S. Saravanan, Dy. Director, FICCI-TNSC, Chennai; Mr Satish Kumar Reddy, Director, International Customs Division, Ministry of Finance, Department of Revenue, Government of India; Mr Sanjay Kumar Agarwal, Commissioner (Airport & Air Cargo), Chennai Customs; Mr Asit K Barma, Manufacturing Panel, FICCI-TNSC, Chennai; Ms S. Vijayalakshmi, Sr.Asst. Director, FICCI.

The keynote address was delivered by **Mr. Satish Kumar Reddy, Director, International Customs Division, Ministry of Finance**. In his address, he said that India is holding talks with Taiwan, through trade bodies, to establish a business set up on line with the international customs document ATA Carnet. He added that the new scheme would facilitate import and export of goods temporarily without payment of normally applicable duties and taxes, which is expected to be introduced before the end of first quarter of the next year. He mentioned that that with strongly expanding and diversifying international trade and increasing international exchange of professional, scientific, cultural objective the need of instruments like ATA carnet for encouraging temporary admission is necessary. He presented the structure, basic principles and benefits of ATA Convention.

He also highlighted the initiatives taken up by the Indian customs to implement the online system for customs transactions. He further pointed out that the customs have simplified the procedure for the extension of period of retention

of the goods temporarily imported and also the permission to sell the temporarily imported goods, which will now be done by the field formations instead of being dealt with by the Central Government.

Mr. Sanjay Kumar Agarwal, Commissioner (Airport & Air Cargo), Chennai Customs in his address said the system reduced a lot of paper work and made documentation simple. Under the system, the goods could be brought in cargo or baggage mode, he added. He assured that the local customs would come forward if any ATA Carnet user faces delay or harassment. He also said the close cooperation between customs department and FICCI would help in overcoming the practical difficulties.

Ms S. Vijayalakshmi, Sr. Asst. Director, FICCI gave an in-depth presentation on how the system of ATA Carnet works and explained the procedures involved in facilitating its operations. She mentioned that the ATA Carnet is an International Customs Document created to facilitate duty free and tax-free temporary imports of goods in foreign countries. She also pointed out that it was a joint initiative of the World Customs Organization (WCO) and of the ICC World Chambers Federation (WCF). She added that ATA Carnet is an easier, faster and less expensive way than refund of duty. It is also more flexible than Temporary Import under Bond (TIB) and simplifies situations where exit and entry ports are different.



Delegates – 'Workshop on ATA Carnet' - December 16, 2011, Chennai.

Earlier **Mr. Asit K Barma, Convenor, Manufacturing Panel, FICCI TNSC** gave an overview of the activities of FICCI and welcomed the delegates. **Mr. R. Ramamurthy, Consultant, FICCI** proposed a vote of thanks.

The workshop ended with interactive question and answer session.

BACKGROUND OF ATA CARNET

The ATA Carnet is a global customs document, which simplifies customs procedures at different customs stations to facilitate temporary importation of goods. The ATA convention is signed by 71 countries around the world, the system is a perfect illustration of how close cooperation between business and customs can facilitate and stimulate international trade. Each country in the system has a single guaranteeing body approved by the national customs authorities and the ICC World Chambers Federation. The national guaranteeing association is entitled to issue Carnets and to authorize local chambers on the national territory to deliver them on its behalf. In major trading nations, dozens of local chambers have that authority. In India FICCI, as the apex chamber, is the National Issuing and Guaranteeing Association (NIGA).

ATA Carnet is an International Uniform Customs document issued in 71 countries including India, which are parties to the Customs Convention on ATA Carnet. The ATA Carnet permits duty free temporary admission of goods into a member country without the need to raise customs bond, payment of duty and fulfillment of other customs formalities in one or a number of foreign countries. The initials "ATA" are an acronym of the French and English word "Admission Temporaire / Temporary Admission".

The ATA Carnet service is available to business and sales executives, exhibitors at trade fairs and traveling professionals, such as film crews, architects, artists, engineers, entertainers, photographers, sports teams and many more.

A single Carnet covers visits to an unlimited number of ATA countries in a year. It thus provides a simple and speedy way to travel abroad with business materials, saving both time and money.

Advantages:

1. The ATA Carnet System offers advantages to all concerned: the customs authorities and the trading community, i.e., individuals, enterprises, trade organizations who need temporary duty free importation facilities to prospect outlets for their products on foreign markets.
2. By replacing the national customs declaration normally required for the temporary duty free admission of goods in any given country the ATA Carnet does away with the need for a customs document at each border point. This means less paperwork for customs officials and Carnet holders.
3. Since all goods accompanied by an ATA carnet are thus covered by the international surety furnished by the guaranteeing/issuing Chambers, no further action regarding the guarantee need to be taken, either by the customs or by the importer at the time of temporary admission. Thus, for businessmen the ATA Carnet does away with the need for the deposit of a personal or real guarantee at the border point of each country of temporary admission.
4. As the ATA Carnet constitutes at the same time the temporary admission document and the proof of the customs security for temporary admission it considerably simplifies and expedites the accomplishment of the formalities for temporary admission for both the Carnet holder and the customs: no further customs document needs to be completed nor any other security produced upon arrival in the territory of temporary admission.
5. Another advantage greatly appreciated by the trading community is that the ATA carnet is valid for one year. During this period its holder can use it- and abroad the goods covered- for as many trips as he wishes from his home country to one or more of the other countries applying the ATA System, provided the ATA Carnet contains the appropriate number of sheets required for each trip.
6. This is particularly useful if the holder of the ATA Carnet intends to import goods temporarily into various countries in the course of the same journey (e.g. if a commercial traveler wishes to show samples to a number of potential buyer in different countries).
7. There are many other cases where this facility is of advantage to the holder of an ATA Carnet.
8. For the customs, the use of the ATA Carnet entails less

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administrative work and increased customs safety since the payment of import duties and taxes is guaranteed by the Guaranteeing Association affiliated to the ATA guarantee chain in the territory of temporary admission. The guarantee is automatic and the customs need not check its validity for each carnet.

9. In addition, the system does not affect revenue of the nation since the goods covered by the ATA Carnets are intended for re-exportation and not at all for sale in the country of temporary admission. The system is "self-policing" in that, should the Carnet holder fail to re-export the goods within the period of validity of the Carnet, duties become payable.
10. Trade circles, guaranteeing associations and customs administrations all acknowledge the excellent operation of the ATA Carnet System. The carnet system illustrates that close co-operation between business and customs can facilitate and stimulate international trade.

How do ATA Carnets work?

The ATA Carnet is a document made up of the following forms:

A) A green front cover: It must be kept intact. It includes the official serial number, validity date and the date and signature of an authorized signatory of the issuing authority, the Federation of Indian Chamber of Commerce and Industry.

B) A Yellow Exportation: form consisting of two portions:

- i. Exportation Counterfoil: This portion must be completed and endorsed by the Indian Customs at the exit point. But it must be retained by the ATA Carnet holder, together with the other counterfoils within the green covers.
- ii. Exportation Voucher: This portion will be retained by the Indian Customs at the exit point.

C) Two White Forms: (for each foreign country the ATA Carnet holder wishes to visit) consisting of:

- i. A White Importation Form made up of two portions of Importation Counterfoil. This portion must be completed and verified by the foreign Customs at the entry point. But it will have to be retained by the ATA Carnet holder together with the other counterfoils within the green covers.

Importation Voucher: This portion will be retained by the foreign Customs at the entry point.

A White Re-Exportation Form made up of two portions

- ii. Re-Exportation Counterfoil: This portion must be completed and verified by the foreign Customs at the point of departure. But it will have to be retained by the holder together with the other counterfoils within the green covers.

Re-Exportation Voucher: This portion will be retained by the foreign Customs at the point of departure.

D) Two Blue Transit forms: (as required for each transit through certain countries) consisting of two portions:

- i. Transit Counterfoils: These 2 counterfoils must be completed and verified by the foreign Customs at the entry point and at the point of departure.

But like all other counterfoils they will have to be retained by the holder.

- ii. Transit Vouchers: These vouchers will be retained by the

foreign Customs at the point of entry and at the point of departure.

E) A Yellow Re-Importation Form consisting of two portions:

- i. Re-Importation Counterfoil: This portion must be completed/verified and endorsed by the Indian Customs at the re-entry point. But it must be retained by the holder together with all the other counterfoils within the green covers.
- ii. Re-Importation Voucher: This portion will be retained by the Indian Customs at the re-entry point.

F) A Green Back Cover: This forms the back cover of the ATA Carnet. Please read the notes on the use of the ATA Carnet printed on this cover.

Note:

- i. All counterfoils must be completed/verified and endorsed by the Customs authorities. But they must all be retained by the ATA Carnet holder within the green covers.
- ii. All vouchers will be retained by the Customs Authorities as indicated above.
- iii. Blue transit forms must be used whenever the goods covered by an ATA Carnet are to transit a country before their final point of temporary importation. In addition it is advised that blue transit forms should be used when the final point of temporary importation is in France, Italy, and Greece.

If the goods covered by an ATA Carnet are not re-exported if they are destroyed, lost or stolen:

Such goods will automatically become liable to Customs duty or taxes etc. Payment will be the liability of the ATA Carnet holder. In addition, he is responsible to the issuing Chamber for any costs, which the Chamber may incur in meeting its obligations as guarantor.

Validity period of ATA Carnets:

The validity of Carnets extends for 12 months from the date of issue for commercial samples, exhibition goods and professional equipment; but for imports covered by a blue transit voucher, the time limit for re-exportation may be only a few hours or days. If the validity period is exceeded, duty and penalty charges will be incurred, despite proof that the goods were eventually re-exported. Any such charges incurred will be the liability of the ATA Carnet holder.

Liability of ATA Carnet holders:

The validity period of an ATA Carnet cannot be extended or renewed. It is also important to bear in mind that if any goods covered by an ATA Carnet are destroyed, lost or stolen whilst in a foreign country, they will automatically become liable for Customs duty, etc. This will be the liability of the ATA Carnet holder. In addition, he will also be responsible to the Chamber for any costs, which the Chamber may incur in meeting its obligation as guarantor. If the Carnet itself is destroyed, lost or stolen a similar situation could well arise. In this event the ATA Carnet holder should immediately notify the local Police and/or Customs of the mishap and obtain a covering statement from them