

**Frequently Asked Questions (FAQs) for Postal Appraising Department (PAD) working at Foreign Post Office (FPO), Hyderabad**

**1) How does India Post categorise the type of parcels at Foreign Post Office?**

For the case of handling, identification and weight of the parcel, the postal department has following categories of parcels at FPO, Hyderabad

Sl. No.	Import	Export
1.	Document / letter/mail	Document / letter/mail
2.	Speed Post	Speed Post
3.	Registered Parcel less than 02 Kg.	Registered Parcel less than 02 Kg.
4.	Registered Parcel between 02 Kg to 20 Kg	Registered Parcel between 02 Kg to 20 Kg
5.	Unregistered (Normal) Parcel	Unregistered (Normal) Parcel
6.	International Tracked Packet Service less than 02 KG	International Tracked Packet Service less than 02 KG

Broadly these 12 categories of parcels at FPO are to be cleared by Customs also after levy of Customs Duty and IGST, if any, as per the procedures laid down.

**2) How does Custom differentiate between parcels of personal use and commercial use?**

**Personal Imports and Exports**

“Personal Imports” include goods imported for personal use not connected with trade, manufacturing or agriculture as defined in para 2.07 (a) (iii) of Handbook of Procedures of Foreign Trade Policy (2015-20) read with para 9.2 of Circular No. 14/2018-Customs dated 04.06.2018.

All personal imports are classified under heading 9804 of Customs Tariff Act, 1975 and are subjected to a duty of 42.08% (10% Basic Customs Duty, 10% Social and Welfare Surcharge & 28% IGST) provided they do not come under exempted category (Refer- Notification No. 50/2017-Customs dated 30.06.2017). Examples of personal imports include purchases made through e-commerce portals by individuals. Examples of personal exports are gifts sent abroad to relatives/ friends.

Bill of Entry or Postal Bill of Export is not required to be filed in such case of imports and exports respectively.

## **Commercial Imports and Exports**

This includes all other goods not falling under the category of “Personal Imports”. Commercial samples are also included under this category.

In case of commercial exports including online e-commerce exports, it is mandatory to file Postal Bill of Export (PBE) manually with other supporting documents such as Invoice, Packing List, IEC Certificate, GSTN Number, Letter Undertaking/Bond, terms of payment and remittance proof of foreign exchange received etc. at Foreign Post Office (FPO), Hyderabad. (Refer- Circular No. 14/2018- Customs dated 04.06.2018)

Similarly, in case of import of goods not falling under “Personal Imports”, it is mandatory to file a Bill of Entry. Such Bill of Entry shall be filed on EDI system at the nearest Customs station or filed manually till such time feasibility of filing on EDI system is established. They are classified under the relevant heading of Customs Tariff Act, 1975 and are subjected to duty as specified thereof. (Refer- Circular No. 14/2018-Customs dated 04.06.2018)

### **3) Which items can be imported through post?**

All goods which are not “Restricted” or “Prohibited” under Foreign Trade (Development and Regulation) Act, 1992 or any other law for the time being in force can be imported through post subject to a de-minimus clause or a clause for personal imports provided in such law. (Refer- Circular No. 14/2018-Customs dated 04.06.2018)

All such imports whose CIF (Cost, Insurance and Freight) value is upto Rs 1000/- (Rs. One Thousand Only) are exempted from Import duty (Sl. No. 610 of Notification No. 50/2017-Customs dated 30.06.2017). Personal Imports with CIF value of more than Rs 1000/- are subjected to Import duty of 42.08% (Sl. No. 609 of Notification No. 50/2017-Customs dated 30.06.2017). Commercial Imports are subjected to import duty as per their classification under Customs Tariff Act, 1975 (Refer- Circular No. 14/2018-Customs dated 04.06.2018).

### **4) Which items imported through post is exempt from Import duty?**

(i) Bonafide Gifts upto a CIF (Cost, Insurance and Freight) value of Rs. 5000/- (Rs. Five Thousand Only) are exempted from Import duty. (Notification No. 77/2017- Customs dated 13.10.2017).

(ii) Personal imports other than Bonafide Gifts upto a CIF (Cost, Insurance and Freight) value of Rs. 1000/- (Rs. one Thousand Only) are exempted from Import duty. (Sl. No. 610 of Notification No. 50/2017-Customs dated 30.06.2017).

(iii) Lifesaving drugs/medicines for personal use, supplied free of cost by overseas supplier are exempted from Import duty. (Sl. No. 607 of Notification No. 50/2017- Customs dated 30.06.2017).

Any goods other than above three categories are subjected to Import duty as applicable.

### **5) Can someone send a gift through post?**

Yes. Gifts can be sent through post.

### **6) Who can send gifts?**

The sender of the gift may not necessarily be currently residing in the country from where the goods have been dispatched and any person abroad can send the gifts to relatives, business associates, friends, companies and acquaintances. The gifts have to be for bonafide personal use. The purpose of this stipulation is that the person receives the gift genuinely free and the payment is not made for it through some other means. The quantity and frequency of the gifts should not give rise to the belief that it is used as a route to transfer money. The gifts can be received by individuals, societies, institutions, like schools and colleges and even corporate bodies.

### **7) What is the value limit of gifts imported by post that are exempt from Custom Duties?**

The bonafide gifts, imported by Post, upto CIF value limit of Rs. 5,000/- (Rs. Five Thousand Only) are exempt from Basic and Additional Customs duties as per Sl. No. 608A of Notification No.77/2017-Customs (Tariff) dated 13.10.2017. Further, only those items can be imported as gifts, which are not prohibited for importation under Foreign Trade (Development and Regulation) Act, 1992 and other Allied Acts.

### **8) What happens when the CIF value of gifts is more than Rs.5, 000?**

If the value of the gifts received is more than Rs. 5,000/-, the receiver has to pay Customs duty on the whole consignment, even if the goods were received free, unsolicited. The duty levied, is mentioned in the duty slip attached to the parcel being delivered. The levied duty is collected from the consignee at the delivery address by the Postman. In addition, if the goods are restricted for import and the receiver fails to submit the required documents then the receiver has a liability for penalty for such import, even if the goods have been sent unsolicited.

### **9) Which items can be exported through post?**

All goods which are not "Restricted" or "Prohibited" under Foreign Trade (Development and Regulation) Act, 1992 or any other law for the time being in force can be exported through post (Refer- Circular No. 14/2018-Customs dated 04.06.2018).

### **10) What is the procedure for exports through Post?**

#### **Personal Exports**

In the case of natural persons (i.e. other than firms & companies) exporting parcels, Postal Bill of Export (PBE) is not required to be filed. They just need to attach the properly filled CN 22/23 forms with the parcel. (Refer- Para No. 6 of Circular No. 14/2018-Customs dated 04.06.2018).

#### **Commercial Exports**

In the case of Commercial exports, all IEC holders are permitted to export goods through FPOs. In this case, it is mandatory to file Postal Bill of Export (PBE-I) for e-commerce exports and Postal Bill of Export (PBE-II) for other than e-commerce

exports manually at Foreign Post Office, Hyderabad till such time feasibility of filing on EDI system is established. These forms are prescribed under “Export by Post Regulations, 2018” vide Notification No. 48/2018-Customs (N.T.). Please refer to Public Notice No. 59/2018 dated 19.06.2018 along with Circular No. 14/2018- Customs dated 04.06.2018 for further details.

### **11) What are Restricted goods?**

Restricted goods are those which must meet certain conditions before clearance through Customs. As per chapter 9 of the Foreign Trade Policy 2015-20, “Restricted” is a term indicating the import or export policy of an item, which can be imported into the country or exported outside, only after obtaining an Authorisation from the offices of Director General of Foreign Trade (DGFT).

Goods such as Unmanned Aerial Vehicles (UAVs)/Drones, Rifle Scope, e-cigarettes, Live and Attenuated Microorganisms, Different kinds of Communication & Radio Equipments, Bank Notes, Unused Postage, Revenue or Other Stamps of current or new issue in the country with a recognized face value etc. are some examples of restricted goods. For detailed list and conditions to be fulfilled, '**Downloads**' section at <http://dgft.gov.in> may be referred. The restricted goods are liable to confiscation and receiver has to pay fine or penalty or both.

### **12) What are Prohibited goods?**

Prohibited goods means any goods the import or export of which is subject to any prohibition under the Customs Act, 1962 or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with. As per chapter 9 of the Foreign Trade Policy 2015-20, “Prohibited” indicates the export/import policy of an item, as appearing in ITC (HS) or elsewhere, whose import or export is not permitted.

Goods such as narcotic drugs, arms, ammunition, obscene films/printed material, adult toys etc are prohibited goods and are liable to absolute confiscation and the receiver is liable to penal action, even if the goods have been sent unsolicited. For detailed list '**Downloads**' section at <http://dgft.gov.in> may be referred.

### **13) How Customs duty is paid if charged on any item?**

In case of post parcel, the Customs department assesses the duty payable and the postal department collects the assessed duty from the receiver of the gift and subsequently deposits it with the Customs. The duty slip signed and stamped by Customs is delivered along with parcel by Postman for payment.

### **14) Can samples be imported through post?**

The Bonafide commercial samples and prototypes imported by post are exempted from Customs duty, subject to the value limit of Rs. 10,000/-, provided that the

samples are supplied free of cost. Importers having IEC code number can import commercial samples through post without payment of duty upto a value of Rs. 100,000/- or 15 units in number within a period of 12 months. (Refer- Customs Manual-2015)

Further, import of samples under Notification No. 154/94-Cus dated 13.7.1994 and Circular No. 14/2018-Customs dated 04.06.2018, as amended, warrants filing a Bill of Entry as it is limited to IEC holders and subject to various other conditions including value limits. Such Bill of Entry shall be filed on EDI system at the nearest Customs station or filed manually till such time feasibility of filing on EDI system is established.

### **15) What is the procedure for disposal the assessed but unclaimed parcels?**

If the addressee fails/refuses to take delivery of the parcel addressed to him/her after its release from the Customs, such parcels are returned to the sub foreign post office. Such of those unclaimed parcels are handed over to the Customs Go- down after serving a show cause notice on the party for its confiscation so that the same is disposed off at the earliest.

### **16) Is it true that every time if delay happens in getting my parcel, Customs is responsible?**

Before answering this, it is necessary to understand how Customs works in case of parcels imported through Post. Suppose your relative sends an iPhone from USA through Post that is to reach Hyderabad. The Parcel, if it comes to Delhi Airport via Post, will not be examined there by Customs. It will be handed over to Postal Department by Air Sorting Section of Customs without any delay (in minutes). The parcel is in the custody of Postal Department. Postal Department will send it to Hyderabad Foreign Post Office. Hyderabad Foreign Post Office will make its inventory and after making that, Postal Department presents it before Customs Officers. Customs Officers examine the parcel. If the value is under duty free category, they clear the parcel on spot. In case your parcel is liable for duty, the Customs Officer writes the duty amount on the very sheet of Postal documents and hands it to postal department which delivers your Parcel to you and also collects the duty. Only in rare cases where more details are required by Customs, the goods are withheld or detained and letter is written to receiver. Thus, one can easily find that Customs takes no time or little time to process your Parcel.

### **17) Who is responsible for damage to Postal articles?**

The Postal Department is the Custodian of Postal articles. They present the postal articles/parcels for examination by Customs. This examination is non-invasive carried out through use of X-Ray Scanners after which the articles/parcel is returned back to Postal department for delivery. Damage or theft if it occurs happens during transit to FPO or from FPO to recipient.