

Circular From NORTH
Date: 20 September 2019**New Customs Rules In India May Cause Confusion On Bills Of Lading**

The introduction of a new customs regulation in India may cause confusion if interpreted as requiring a carrier to show the cargo's invoice value on the bill of lading, effectively making it an ad valorem bill of lading.

The Indian Ministry of Finance recently issued the Sea Cargo Manifest and Transhipment Regulations 2018 ("SCMT") relating to cargo manifests. These were meant to come into force on 01 August 2019, but it is understood that this has been delayed until 15 September 2019 with an additional grace period until 1 November 2019 for use of new forms.

A key part of the SCMT is to create new standards for the submission of electronic manifests to Indian customs officials. For imports, an electronic import manifest is required to be submitted to Indian Customs prior to the departure of the vessel from the last port of call. For exports, the export manifest is required to be submitted to India Customs prior to sailing of the vessel from any port of loading in India.

Under the SCMT, several fields of information must be provided when submitting an electronic manifest. A group of fields under Section 1.6.4 relate to the details of the bill of lading and includes one field (1.6.4.38) referring to the invoice value of the consignment.

There is scope to read this to mean that carriers must now issue bills of lading which state the invoice value of the cargo. This would constitute an ad valorem bill of lading with the potential legal effect that the carrier has waived rights of package / weight limitation.

However, legal experts have confirmed the requirement of to provide invoice value is considered optional by the customs authority at present. Furthermore, the Indian Carriage of Goods By Sea Act does not mandatorily require the issuance of an ad valorem bill of lading.

Our Members are advised to resist issuing an ad valorem bill of lading even if requested on SCMT grounds. If bills of lading are rejected for customs purposes, seek advice from your usual contacts at North.

Source of Information: North of England P&I Club