



**Report of the Working Group on Import Data
Processing and Monitoring System**

Reserve Bank of India

March 11, 2016

Structure of the Report

1. Introduction

- The statutory obligation
- The Problem
- Constitution of the Group
- Acknowledgement

2. Current Import procedure/documentation

- Import procedure and documentation
- The Existing reporting and Monitoring System

3. The Group's approach

- Limitations of the Present System
- Facts taken into account
- The principles followed

4. The Proposed Solution

- Data Capturing System
- Data Dissemination System
- Benefits of the Proposed System

5. Conclusions / Recommendations/

ANNEX – I : Process flow of the system

ANNEX – II : Messages of sharing information among different stakeholders



Letter of Transmittal

March 11, 2016

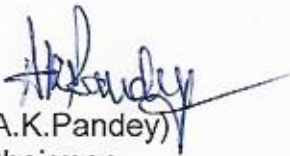
Shri Chandan Sinha
Executive Director
Reserve Bank of India
Mumbai

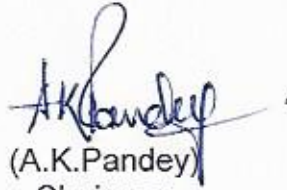
Dear Sir,

We have great pleasure in submitting the report of the Working Group appointed by you for reviewing the import reporting and follow up procedure and recommending measures for a robust, error free, prompt and effective procedure for import follow up.

The Group examined the gaps and inadequacies in the current procedure of import follow up. The Group held three meetings. In between, members from RBI (FED, DEPR and DSIM), FEDAI and GOI (Customs, and SEZ) worked together to propose suitable / implementable solutions, which were placed before the forum. The Group also discussed issues involved with select AD banks and FED regional offices before finalising its report.

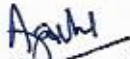
On behalf of the members of the Group and on my own behalf, I sincerely thank you for entrusting this responsibility to us.


(A.K.Pandey)
Chairman



(A.K. Pandey)
Chairman

[Chief General Manager, FED, RBI]



(Ajay Shrivastava)
Member

[ITS, Joint DGFT, DGFT]



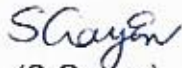
(Yogender Singh)
Member

[Joint Director (ICEGATE), DGS]



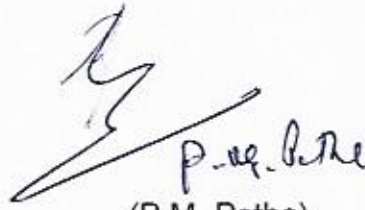
(Rajan Goyal)
Member

[Director, DEPR, RBI]



(S Gayen)
Member

[Director, DSIM, RBI]



(P.M. Pethe)
Member

[FEDAI]



(S V Mhaskar)
Member

[FEDAI]



(Omesh Puri)
Member

[DGM, SBI]



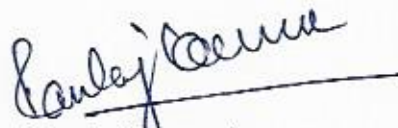
(Jeetesh Bhatia)
Member

[Director, Citibank N.A]



(Divya Shetty)
Member

[VP, HDFC Bank Ltd]



(Pankaj Kumar)
Member Secretary

[GM, FED RBI]

Chapter 1

Introduction

1. Introduction

The procedure for import trade differs from country to country depending upon the import policy, statutory requirements and customs policies of different countries. In almost all countries of the world, import trade is controlled by the government. The objectives of these controls is ensuring proper use of foreign exchange, protection of indigenous industries etc. In India, the import of goods is governed by the **Foreign Trade (Development & Regulation) Act, 1992** and India's Foreign Trade Policy (FTP). **Directorate General of Foreign Trade (DGFT)** is the principal governing body entrusted with the responsibility for issuing guidelines on all matters related to Foreign Trade Policy (FTP). Most of the goods are allowed to be freely imported without a special import license whereas certain goods require special permission or licensing for import.

1.1 The statutory obligation

Import of Goods and Services into India is being allowed in terms of Section 5 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000 viz. Foreign Exchange Management (Current Account Transaction) Rules, 2000 as amended from time to time. In terms of the extant regulations, remittances against imports should be effected not later than six months from the date of shipment, except in cases where amounts are withheld towards guarantee of performance, etc. AD Category – I banks may permit settlement of import dues delayed due to disputes, financial difficulties, etc. However, interest if any, on such delayed payments, usance bills can be payable only for a period of up to three years from the date of shipment. In case of advance remittance, the good should be imported within a period 3 to 6 months.

1.2 Problem:

Recently it has come to our notice that frauds are being perpetrated through imports into India. It has been observed that copies of same Bills of Entry (BoE) were used for multiple remittances using multiple AD banks. In some cases, fake Bill of Entries were used for making outward remittances. Further, a scrutiny report prepared by Department of Banking Supervision has observed that a few entities received large amount of inward remittance as export advance in respect of which they did not submit any evidence of execution of exports. On the other hand, the same entities remitted large sum in the guise of advance payments for imports for which also there was no evidence of actual imports having taken place. Thus, these entities channelized foreign exchange from one country to another country by misusing the Indian banking system and taking advantage of the gaps in the present system of monitoring such outstanding export and import transactions. To some extent, the frauds could be perpetrated due to the absence of any coordinated monitoring mechanism involving various regulatory agencies which were working in a segmented / disjointed manner.

The Financial Intelligence Unit, India (FIU-IND) had set up a working group to “Prevent Trade-based Money Laundering”. The working group recommended that an architecture similar to EDPMS should be created for monitoring import transactions including advance payments which could facilitate tracing of any single transaction across various agencies.

1.3 Constitution of Working Group:

In order to develop a centralized system for processing and monitoring of import transactions and to overcome shortcomings in the present monitoring system, a working group has been constituted under chairmanship of Shri A.K. Pandey, Chief General Manager of FED, RBI Central Office on August 27, 2015 with the following members:

1. Shri Ajay Shrivastava, ITS, Joint DGFT, Directorate General of Foreign Trade
2. Shri Yogender Singh, IRS, Joint Director (ICEGATE), Directorate General of Systems, CBEC
3. Shri Rajan Goyal, Director, DITF, DEPR RBI
4. Shri S Gayen, Director, BPSD, DSIM, RBI
5. Shri P.M. Pethe, Foreign Exchange Dealers' Association of India
6. Shri S V Mhaskar, Foreign Exchange Dealers' Association of India
7. Shri Jeetesh Bhatia, Director, Citibank N.A.
8. Shri Omesh Puri, DGM, IB- Domestic, State Bank of India
9. Ms. Divya Shetty, Vice President- Trade Finance, HDFC Bank Ltd
10. Shri Pankaj Kumar, GM, FED RBI, **Member Secretary**

Terms and reference of the Working Group

The working group was entrusted to look into the following aspects:

- Examine the gaps / inadequacies / lacunae in the current procedure of Import follow up
- Recommend the measures for a robust, error-free, prompt and effective procedure of import follow up
- Devise data fields/message format with Customs/SEZ for sharing the data with RBI.
- Devise data fields/message format for transmitting the data to/from AD banks from /to RBI.
- To discuss the modalities to capture the data in case of Non-EDI ports.
- Any other issue of specific relevance.

The full Group met on three occasions and, in between, the members from RBI and Gol also met separately to arrive at a suitable solution to the problem. The facts

observed and tentative solutions were also discussed by the Group with select AD banks in public, private sectors and major foreign banks.

1.4 Acknowledgement:

The Group acknowledges with gratitude the guidance provided by Shri H.R. Khan, Deputy Governor of RBI and the valuable comments by Shri Chandan Sinha, Executive Director of RBI during the course of the Group's deliberations. The Group has greatly benefitted by the suggestions received from the FED ROs. Special thanks are due and recorded for Ms Vandana Khare, General Manager, FED, New Delhi and her team for hosting two meetings of the full Group at RBI, New Delhi. The Group also acknowledges the co-operation received from select banks / DGCIS which made invaluable contribution in the deliberations by facilitating clear understanding of issues and processes. The Group also acknowledges the superlative effort of Shri Vivek Kumar, AGM, RBI; Shri Yogender Singh, Joint Director (ICEGATE) and Shri Vijay Gupta, VP, NSDL (SEZ, MOC&I) for successful dissemination of understanding the present position with respect to import reporting and for putting up before the Group various viable and implementable proposals. The group acknowledges the contributions by other members of the RBI team particularly Smt. Anita Mehta, AGM, Ms Sakshi Parihar, Manager, Shri V M Arote and Miss Nighojkar, Ruchita, Assistants for their untiring effort and support to the Group in the various stages of process.

Chapter 2
Import documentation /reporting/ follow-up:
Current procedure

2.1 Procedure

Importers have to follow various procedure/formalities before engaging in EXIM activities. They are required to register with the DGFT to obtain an Importer Exporter Code Number (IEC) issued against their Permanent Account Number (PAN). Importer is required to enter in an agreement with overseas exporter, placing an order for import of goods, opening letter of credit etc. Once goods enter the country, they have to follow the Custom formalities for clearance of goods to close the transactions as explained below.

2.1.1 Customs Formalities and Clearing of Goods: Upon arrival of shipment and after receiving the documents of title of the goods, the importer has to take delivery of the goods, to bring them to his place of business. Unless the following mentioned formalities are complied with, the goods lie in the custody of the Custom House.

(a) Obtain endorsement for delivery or delivery order: When the ship carrying the goods arrives at the port, the importer, first of all, has to obtain the endorsement on the back of the bill of lading by the shipping company. Sometimes the shipping company, instead of endorsing the bill in his favour, issues a delivery order to him. This endorsement of delivery order will entitle the importer to take delivery of the goods.

The shipping company makes this endorsement or issues the delivery order only after the payment of freight. If the exporter has not paid the freight, i.e., when the bill of lading is marked freight forward, the importer has to pay the freight in order to get green signal for the delivery of goods.

(b) Pay Dock dues and obtain Port Trust Dues Receipts:

The importer has to submit two copies of a form known as 'Application to import' duly filled in to the 'Lading and Shipping Dues Office'. This office levies a charge on all imported goods for services rendered by the Dock authorities in connection with lading of goods. After paying the necessary charges, the importer receives back one copy of the application to import as a receipt 'Port Trust Dues Receipt'.

(c) Bill of Entry:

The importer will then fill in a form called Bill of Entry. This is a form prescribed by the customs and is filed electronically. The bill of entry contains particulars regarding the name and address of the importer, the name of the ship, number of packages, marks, quantity, value, description of goods, the name of the country wherefrom goods have been imported and custom duty payable.

2.1.2 Making the Payment: The mode and time of making payment is determined according to the terms and conditions as agreed earlier between the importer and the exporter. In case of a D/P bill, the documents of title are released to the importer only on the payment of the bill in full. If the bill is a D/A bill, the documents of title of the goods are released to the importer on his acceptance of the bill. The bill is retained by the banker till the date of maturity. Usually, 90 to 180 days are allowed to the importer for making the payment of such bills.

2.1.3 Closing the Transactions: The last step in the import trade procedure is closing the transaction. If the goods are to the satisfaction of the importer, the transaction is closed. But if he is not satisfied with the quality of goods or if there is any shortage, he will write to the exporter and settle the matter. In case the goods have been damaged in transit, he will claim compensation from the insurance company. The insurance company will pay him the compensation under advice to the exporter.

2.2 Existing Reporting/Follow up system:

Under FEMA 1999, RBI guides the payment mechanism for import through authorized dealers. Rules and regulations to be followed by the AD Category – I

banks from the foreign exchange angle while undertaking import payment transactions on behalf of their clients are set out below.

- I. **Time limit for imports:** In terms of the extant regulations, remittances against imports should be effected not later than six months from the date of shipment, except in cases where amounts are withheld towards guarantee of performance, etc. AD Category – I banks may permit settlement of import dues delayed due to disputes, financial difficulties, etc. However, interest if any, on such delayed payments, usance bills or overdue interest is payable only for a period of up to three years from the date of shipment and may be permitted.
- II. **Advance remittance for import of goods:** AD Category - I bank may allow advance remittance for import of goods without any ceiling subject to certain conditions.
- III. **Follow-up for import evidence :**In case an importer does not furnish any documentary evidence (BoE) of import within 3 months from the date of remittance involving foreign exchange exceeding USD 100,000, the AD Category – I bank should rigorously follow-up for the next 3 months, including issuing registered letters to the importer. AD Category – I bank need not follow up submission of evidence of import involving amount of USD 100,000 or less provided they are satisfied about the genuineness of the transaction and the bonafides of the remitter. A suitable policy may be framed by the bank's Board of Directors to deal with such cases.
- IV. **Existing monitoring system:** AD Category - I banks submit a statement on half-yearly basis as at the end of June & December of every year, in form BEF furnishing details of import transactions, exceeding USD 100,000 in respect of which importers have defaulted in submission of appropriate document evidencing import within 6 months from the date of remittance using the online eXtensible Business Reporting Language (XBRL) system on a Bank-wide basis. The Statement should be submitted to RBI within 15 days from the close of the half-year to which the statement relates.

Chapter 3

Approach to the problem

3.1 In the above backdrop, the Group was convinced that it was imperative to design and implement a robust and foolproof procedure to ensure that (i) all import documents reach the banking channel for settlement against payment made and (ii) a vigorous and effective follow up procedure for monitoring the closure of import transactions i.e. payment as well as BOE is in place. While doing so, the Group identified few limitations in the existing system and deliberated upon the vital facts to be taken into account and the principles forming the basis of the proposed solution.

3.2 Limitations of the present system

- i. Presently, the Bill of Entry does not carry mention of any AD Bank. As such, AD Bank does not have the means to keep track of the respective import (of goods) transaction. The AD Bank comes to know about the import transaction only when the concerned importer approaches it for making the payment.
- ii. In case of advance payment, the overseas supplier sends the proforma invoice to the Indian importer demanding advance payment, which may be in part or full. In case the payment made in part, the importer may change his AD Bank after the initial remittance for making the remaining payments, so the trail of tracking the transaction till its completion is lost.
- iii. The advance remittances up to USD 100,000 in respect of which physical imports delayed are left out from reporting to RBI.
- iv. There is no end to end system for monitoring the completion of import of goods transaction from shipment to final payment.
- v. Since in the present scenario, payment may be made through different AD Banks, there is no particular AD Bank who may monitor the transaction till its completion / mark off the respective Bill of Entry.
- vi. There is no mechanism to capture the import data of manual (Non-EDI) ports.

- vii. There is no system in place to integrate the Customs/SEZ data with banking payment data for imports.

3.3 Facts taken into account:

Goods are imported in a country by Domestic traffic area (DTA) units and SEZ units. The imported goods are being cleared by customs officials for DTA units and development commissioner of SEZ for SEZ units.

Data capturing system at Customs/SEZ

- I. **Customs-** Major Ports of customs are Electronic Data Interchange (EDI) ports which are centrally connected with their centralised server. Around 98 percent of import transactions in terms of volume are processed at EDI-enabled ports and 2 percent of import transaction are processed at Non-EDI ports (manual ports). But in terms of value, manual port constituted around 35 percent of imports whereas EDI ports constituted 65 percent.
 - **EDI-enabled ports--**The BOE data from EDI enabled ports, which is currently frozen after out of charge at the Customs level, shall flow from ICEGATE Server of DGoS to the RBI Server in a secured manner at **End of Day (EOD)** as per the format and transaction details decided. The data shall be updated in the RBI database using batch process. Any amendment in the BOE at the customs level would subsequently update the RBI database appropriately.
 - **Non-EDI ports:** At present there is no comprehensive and complete system to capture import transactions from non-EDI ports. For export transactions from non-EDI ports, copies of shipping bills, etc. are forwarded to regional offices of RBI where these are entered into EDPMS. There is no similar mechanism in place for import transactions from non-EDI ports. Reserve Bank of India has taken up this issue with the Department of Revenue, both at Central office and Regional office levels but so far not much progress has taken place in extension of EDI facility to all ports. It is imperative that this be done without further delay as imports in value terms from non-EDI ports constitute a significant 35 percent. For effectiveness of IDPMS, it is imperative that all the import transactions are captured in the system. Thus conversion of the almost 200 non-EDI ports is necessary to ensure 100% coverage. JS (MOCI) and JD (Customs) stated that 26 ports had been

identified as top priority owing to the high value (majorly precious cargo like diamonds) trade through them.

- II. **SEZ**- Imports by the units in SEZ are being done through the various ports but assessed/ cleared/ certified by the Development Commissioner's (DC's) office in the SEZ. Data on import by SEZ units will directly flow from the "SEZ Online System" implemented by the NSDL Database Management Limited (NDML) to the new RBI server electronically as all the ports of SEZ are EDI –enabled and centrally connected with their centralised server.

3.4 The principles followed:

A comprehensive centralised IT-system called Export Data Processing and Monitoring System (EDPMS) is in place through which export transactions are being monitored at each stage right from the shipment stage till realisation of export proceeds. The system facilitates effective monitoring, tracking and follow-up of export transactions and has also resulted in efficiency gains by largely reducing paper based reporting requirements and eliminating several redundant returns. As in the case of exports, Customs is the initial touch point for imports. Through EDPMS, an interface is established with the Customs database as regards export transactions. There is a need to expand this interface to include the import transactions also. A technologically supported interface will help in effective monitoring of export and import transactions separately at each stage for the benefit of all the stakeholders on real time basis. It could also be used to monitor transactions undertaken by any entity (based on IE Code) including the outstanding transactions.

Chapter 4

The Proposed Solution

In case of import monitoring system, the focus of the regulator should be on proper use of country's foreign exchange. There is a dire need for a monitoring system capable of ensuring that goods of equivalent value are imported against forex remittances made abroad. The proposed system should be able to (a) monitor outstanding payment for which imports are not received and (b) outstanding import transactions for which payments are not effected.

4.1 The features of the new system (Import Data Processing & Monitoring System) are as follows:

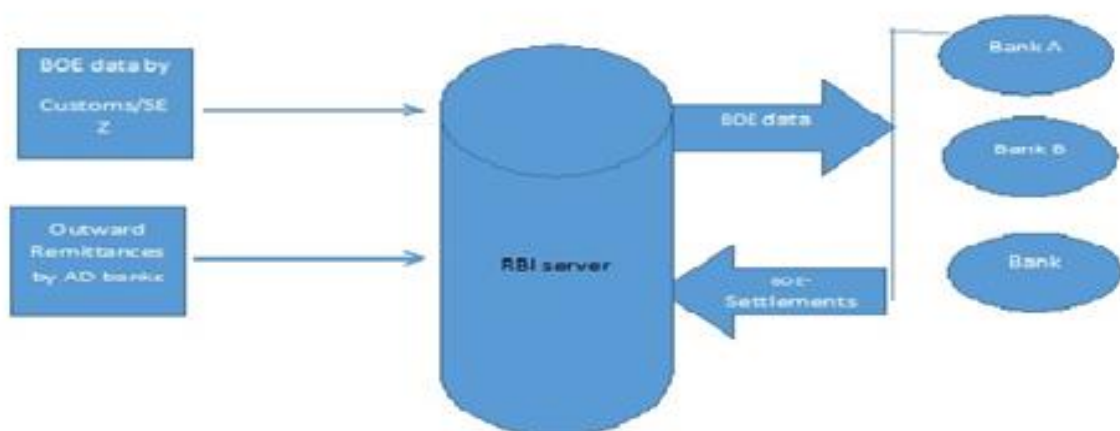
- (i) All the payments including advance outward remittances made by AD banks for import of goods shall be reported to RBI. This will be the base for import follow up procedure to monitor the outstanding payments. All the payments shall be uniquely maintained in the system based on combination of AD code and outward remittance number.
- (ii) Bill of entry (BOE) data (evidence for goods imported in a country) captured at Customs / SEZ would be transmitted through secured file transfer protocol (SFTP) server to RBI. The same will be segregated bank wise based on the AD code declared by the importers in BOE and shared with the respective banks for subsequent follow up.
- (iii) The banks will then report the BOE settlement against the outward remittance made and mark off the BOE and outward remittances.
- (iv) In order to facilitate outward remittance by any bank others than the AD bank name in BOE, the system will have additional process of approval for AD code transfer cases and settlement of transactions.
- (v) Onus of bill of entry settlement lies with bank named in bill of entry submitted by Importer. RBI will share the unutilized advance outward remittances made by other banks for reference so that the same can be adjusted against bill of entry for eventual closure.
- (vi) ADs would flag incremental data / information in the master database under proper user / access right and the updated position would be

available/ accessible to each stake holder, till settlement of outward remittances on real time basis, which will mark closure of the relevant BOE.

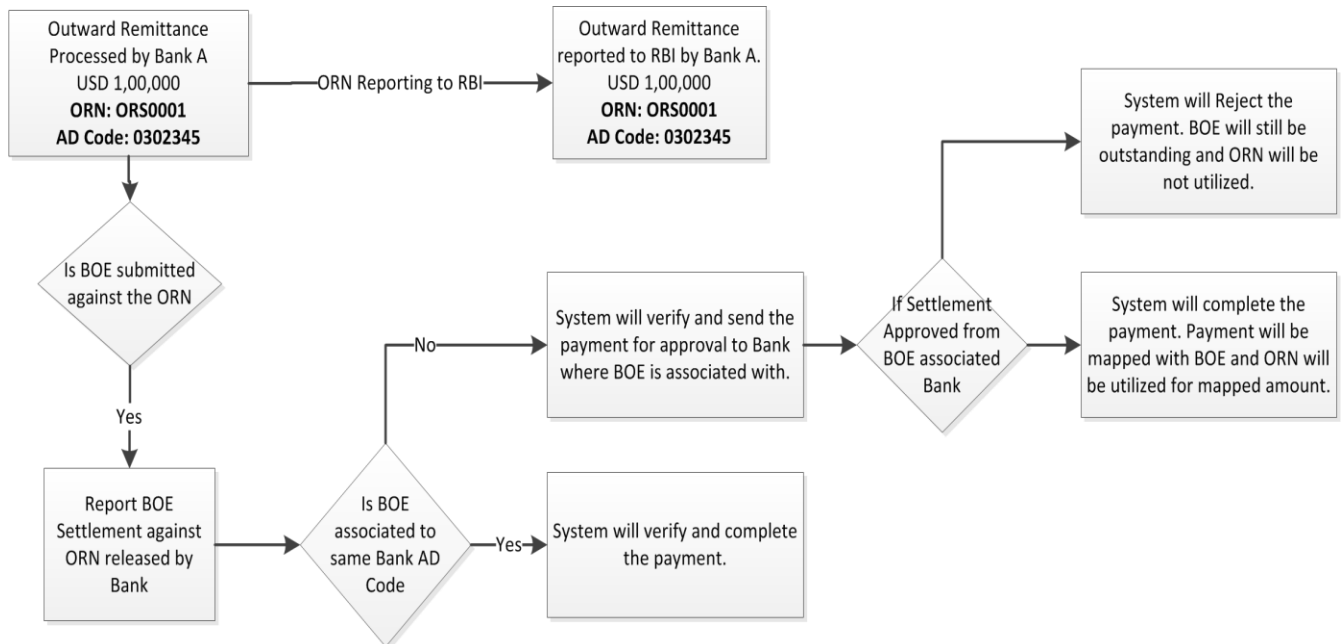
- (vii) Banks may be able to view all the unutilized advance outward remittance and may be able to track the individual importer's record.
- (viii) The IDPMS will provide a single centralized system to monitor the outstanding payments and outstanding import by the banks. Banks will be able to follow up with importers in case the time limit for actual imports against advance payments or import payments against a BOE are exceeded.
- (ix) In case of Non-EDI (manual) ports, Nodal banks will load the BOE data based on original BOE with stamp/signature of Custom, submitted by importer to the bank. This would help in preventing the use of the same Non EDI Bill of Entry for effecting multiple outward remittances or in quick detection of such instances by RBI by comparing the fields uploaded by the AD Banks.

4.2 Work-flow of System

4.2.1 Data Flow



4.2.2 Process flow



4.3 To make the system effective and fool proof, there are some operational issues which need to be addressed before roll out:

- ❖ **Import data from non-EDI ports:** In case of Non-EDI (manual) ports, it is envisaged that Nodal banks will load the BOE data based on original Bill of Entry with stamp/signature of Custom submitted by importers to bank. It will help to close the outstanding outward remittance entries that land at Non-EDI ports and also close the BOE to stop any possible further misuse of BOE. Customs may share a copy of manual Bill of Entry with respective Regional Office of RBI for information as they presently do for exports EDF form. Such procedure needs to be put in place at the earliest.
- ❖ **Closure of Bill of Entry and outward remittances:** While in the case of export bills, short realisation is allowed due to write off, etc., there is no such provision for import bills. There could be circumstances, where remittance amount may vary marginally from the amount mentioned in the bill of entry due to discounts, quality issues, change in amount of freight, insurance, etc. due to which AD banks may find it difficult to close the bills in the system. Further, write off is not permissible in import transactions. Suitable enabling provisions may be introduced to close the outward remittances as well as BOE in such cases.

❖ **Extension for settlement of BOE / permission for delayed Payment:** Delayed payment for imports can be granted by AD banks only in cases of financial difficulties and quality issues. Further in cases of diamond imports, no powers have been delegated to AD banks. In the case of exports, AD banks are permitted to extend the period of realisation of export bills subject to certain conditions. We may need to delegate powers to AD banks to permit delayed import payments subject to certain conditions else all the cases would be referred to RBI. In any case, we can always monitor the cases where AD banks have allowed delayed payments. Similarly in case of outward remittances, we may grant certain power to AD banks to extend the settlement of outward remittances where goods are not imported in the prescribed time limit on account of genuine and bonafide reasons.

4.4 Data Dissemination System

Data dissemination to / from ADs and follow-up procedure proposed is as follows:-

- I. The import data received at the dedicated RBI server from all channels is to be organized AD bank-wise and the selected items/fields data relevant for import follow-up purpose is to be pushed to the Nodal Offices of the AD bank from the dedicated RBI Server.
- II. *In the proposed system, the importer has to compulsorily mention the AD bank in BOE for handling the related import documents.* In case the importer desires to subsequently change the AD for handling import documents or settling the remittances for imports, the facility for change of AD for such transaction can be provided at RBI level based on specific request from the proposed AD. In such cases, change of the AD bank shall immediately appear in the data base and be accessible to the new AD bank.
- III. The BOE will be used by Nodal AD branches.
- IV. RBI would decide further course of action in serious cases of default including forwarding the matter to the Customs & DoE for necessary action.

4.5 Benefits of the proposed System

The benefits of the new system would be as follows:

- (i) **Ensure better Import compliance:** With the system allowing for sophisticated editing and subsequent corrections, there would be improvement in monitoring / regulatory exercise. It would ensure enforcement of laws relating to import, reduce duplicate reporting to multiple agencies, and improve customer service. It would also ensure effective follow-up of large value transactions / transactions of serious nature.
- (ii) **Alternative to filing paper:** The proposed system would largely replace the paper forms by electronic form, electronically validate data on import and transmit the transactions to RBI, the ADs and other appropriate agencies which would reduce costly delays in paper handling and would eliminate duplicate reporting.
- (iii) **Easier tracking / generation of export transactions / data / history** would be possible by using the master import database with inputs from AD banks.
- (iv) **Stop /minimize manual data entry work at AD banks:** At present, a large volume of BOE data is being received in physical form at various AD banks. This data (around 1.5 cr. transactions per year) are required to be keyed in their system. This system will end the manual data entry work at AD banks.
- (v) **Value addition in banking business:** Due to availability of BOE tracking option through “Change of ADs” for handling import documents or outward remittances, the AD banks will have relevant customer information which will help in improving the efficiency in the banking business.

CHAPTER – 5

Conclusions and Recommendations

A. CONCLUSIONS:

On a detailed review of the regulatory prescriptions, the challenges faced in the existing system, the volume of transactions, data capture at manual ports, the multiple agencies involved, magnitude of monitoring requirements and the state of technology, the Group has come to the following conclusions:

- The present RBI monitoring system for import transactions is applicable beyond a cut-off limit in the spirit of liberalization of the foreign exchange management framework. The number of import transactions is large (around 6 lakh per month) and is growing at 15-20 per cent per month. The large volume is a big challenge. Not all first-level transaction data is in electronic form.
- The present reporting system calls for data-entry at multiple levels. Even though a majority of import transactions relate to EDI-ports, the related BOE data is still re-entered by banks which increases reporting burden on banks. Sharing of BOE data electronically with ADs shall be more effective.
- AD banks are not aware about the transactions till the import documents are submitted by the importers.
- With increase in EDI-enabled ports, the share of manual data in import transactions has come down significantly and covers only around 5 per cent of the total number of transactions for import of goods. However in value terms these imports are still large.
- Unlike export, there is no provision to settle the short / shut BOE and outward remittances and extension of payments in case of import of goods.

B. RECOMMENDATIONS:

Based on the above findings and the systemic requirements, the Group recommends the system (as detailed in Chapter 4) which would involve the following actions:

1. Single data-entry for import transactions should be ensured at initial level at the time of import, and should be entered by the importers electronically with Customs.
(Action: Dos, CBEC/ FED, RBI)

2. BOE data or payments for import should be the starting point for transaction monitoring and form the base for import follow-up process at all subsequent levels. RBI may maintain master database for BOE data on goods and payment for imports including advance from the following sources:

At Goods level

- BOE data at Customs EDI enabled ports (ICEGATE server of CBEC)
- BoE data at SEZ (NDML database)
- Manual BOE data uploaded by nodal office of the banks as an interim arrangement till the computerization of Customs manual ports.

At Outward remittance level

-Banks have to report all the outward remittances against import, this includes advance payments and payment against bill of entry. Bank should upload all the outward remittances before reporting bill of entry settlement to RBI.

(Action: FED, RBI/ MoC&/ DoS (CBEC)/SEZ/NSDL/Banks)

3. The data would be received through the RBI's secure web-server, which is the RBI platform for receiving data from other agencies. **(Action: FED/DIT, RBI)**
4. Declaration of a specific AD branch in BOE for handling purpose should be made mandatory. Provisions for subsequent changes in AD banks / branch need to be made. In such cases, the new AD should take responsibility of transaction reporting. Such changes can be effected by RBI's master database.

(Action: FED, RBI)

5. RBI will share the respective BOE data with the nodal office of the concerned AD banks on a daily basis so that they can flag the transactions appropriately. Web-based application should be developed for user interface with RBI server to download/upload data by nodal ADs.

(Action:FED,RBI)

6. Similar to exports, a provision should be provided to bank for closure of BOE and outward remittance where remittance amount may vary marginally from the amount mentioned in the bill of entry due to discounts, quality issues, change in amount of freight, insurance, exchange rate fluctuations, etc.

(Action: FED, RBI)

7. As available for exports, power may be provided to AD banks for extension of settlement of outward remittances / BOE under specific circumstances.

(Action: FED, RBI)

8. As data for each import transaction for value up to USD 1, 00,000 will also be captured and pushed to AD banks / pulled by them and will form a part of the total database, the same also will have to be followed up by the AD banks.

(Action: FED, RBI/ AD banks)

9. Electronic data capture is pertinent to ensure 100% coverage, hence the computerization of all manual ports may be undertaken on an urgent basis starting with the 26 ports already identified by Customs on account of high value transactions being routed through them within a year.**(Action: CBEC)**

10. Once the proposed system is set-up, the erstwhile reporting of BEF statements by the AD banks will be dispensed with and all the BEF data will be captured in IDPMS ab initio.

(Action: RBI/Ad banks)

11. The importer wise unutilized advance payments for Imports will be shared to all banks.

(Action: RBI/AD banks)

12. The completion report for BOE settlement will be shared on daily basis to Customs/SEZ.

(Action: RBI, Customs/SEZ)

13. In case of payments for imports made by bank other than declared on BOE, BOE settlement will be completed based on the approval of bank named in BOE for the request raised by the payee bank.

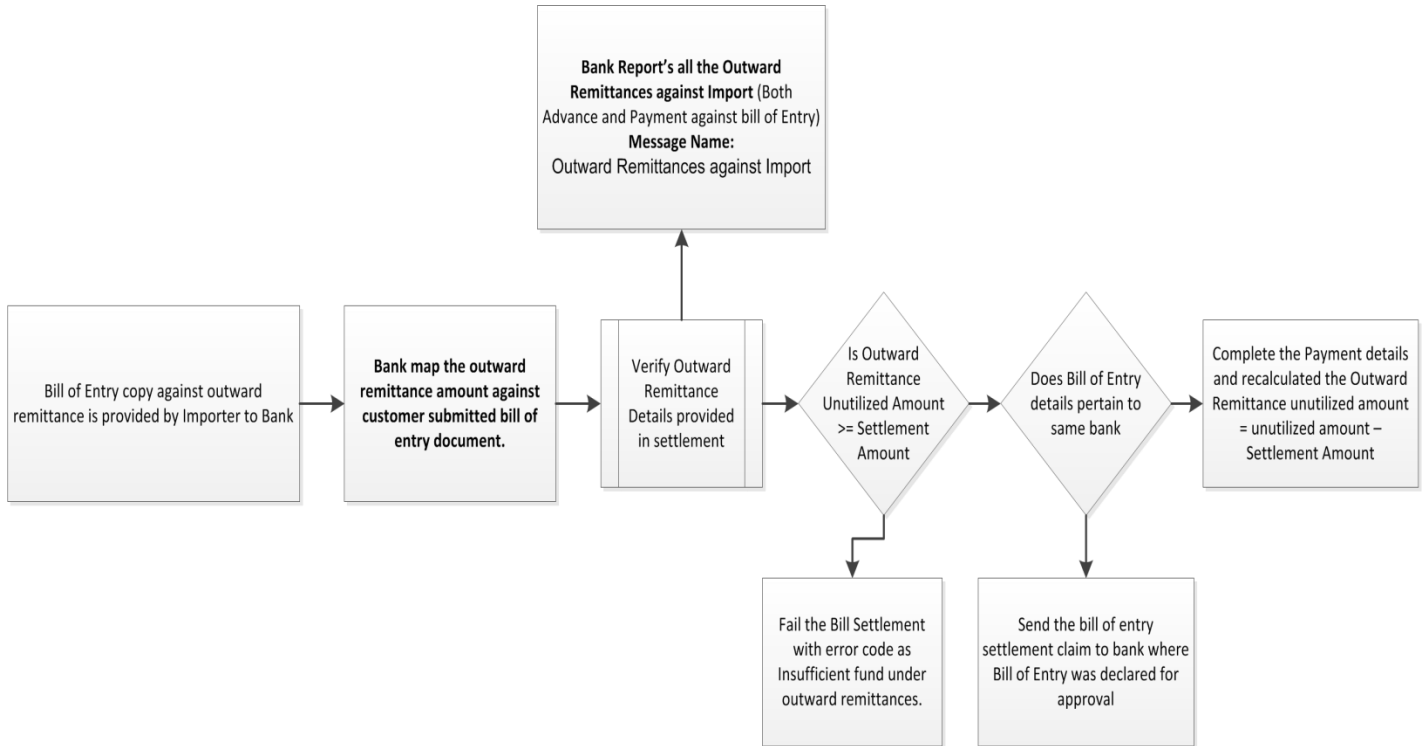
(Action: RBI/ AD banks)

14. A message link will be devised between RBI and DGFT to receive importer / exporter details on daily basis in the same line as the Importer/exporters details shared by DGFT to Customs.

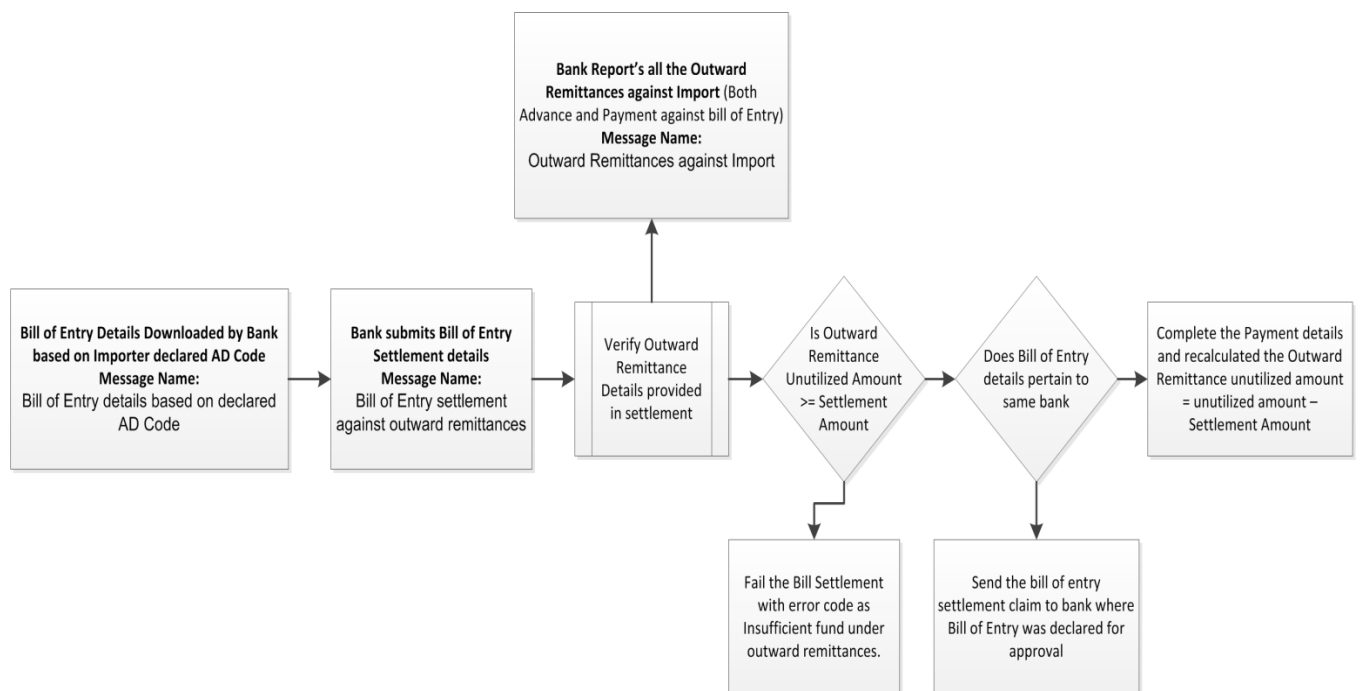
(Action: RBI & DGFT)

Key Functionalities – Process Flow

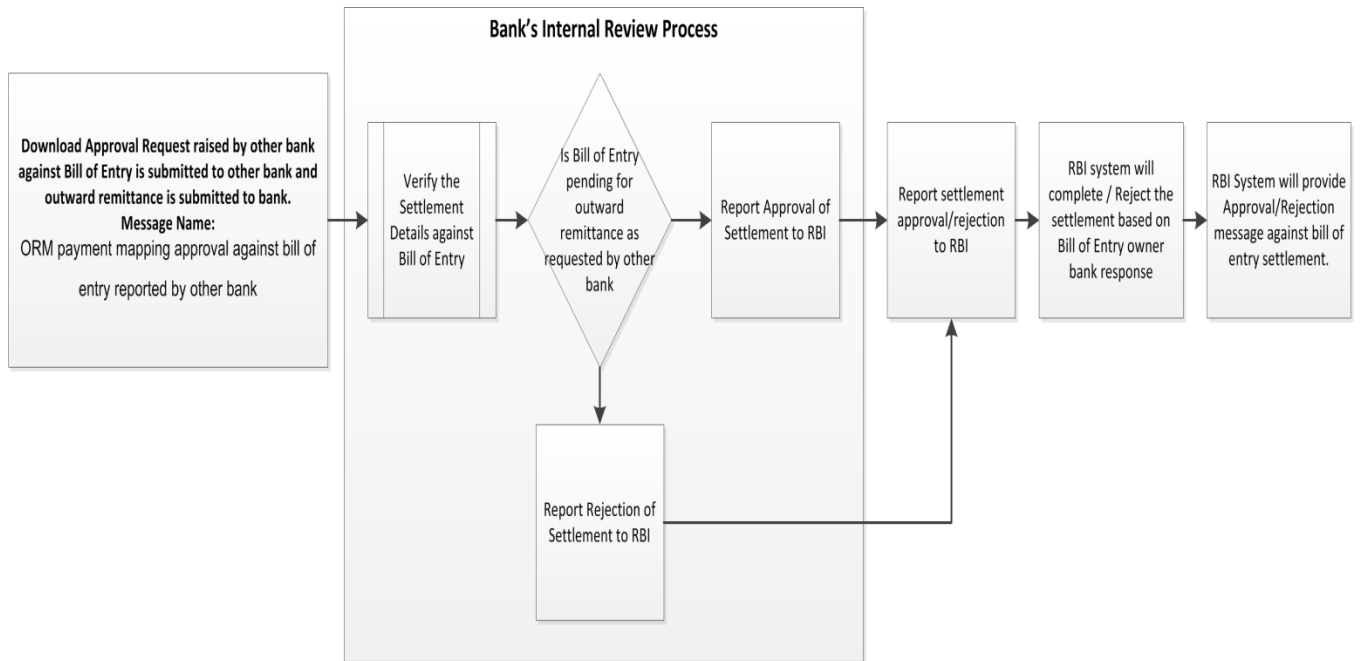
Outward Remittance Data Flow



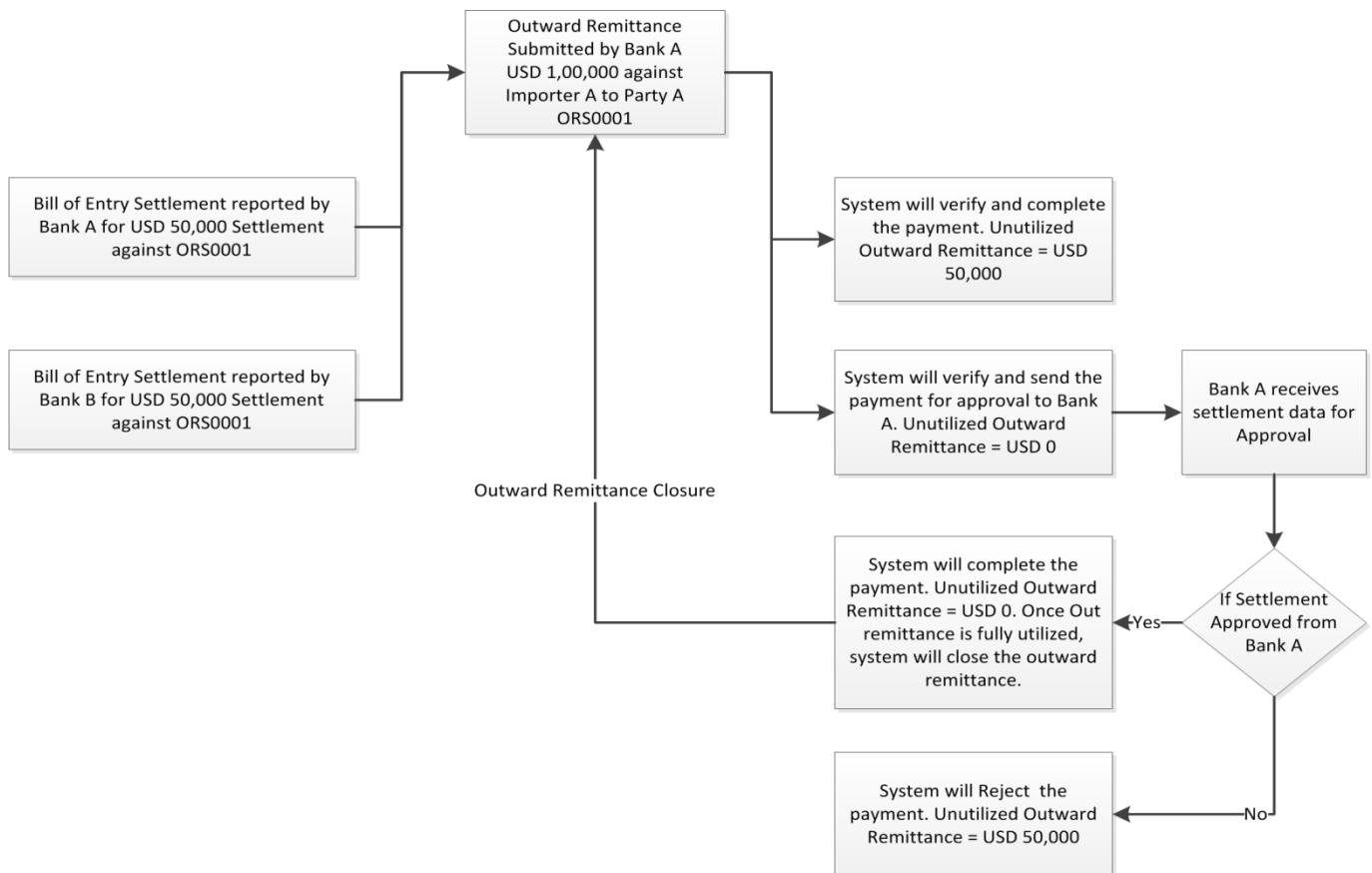
Bill of Entry Settlement



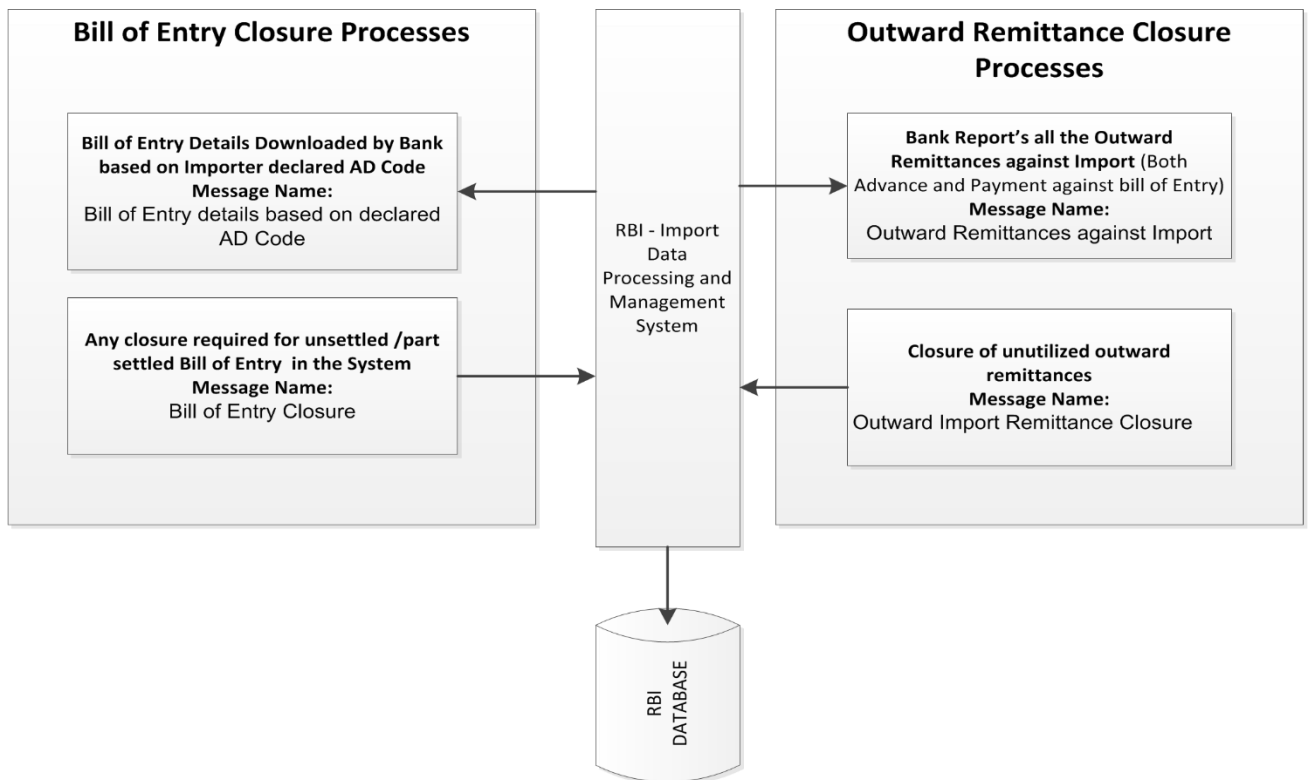
Other Bank BOE Settlement Approval



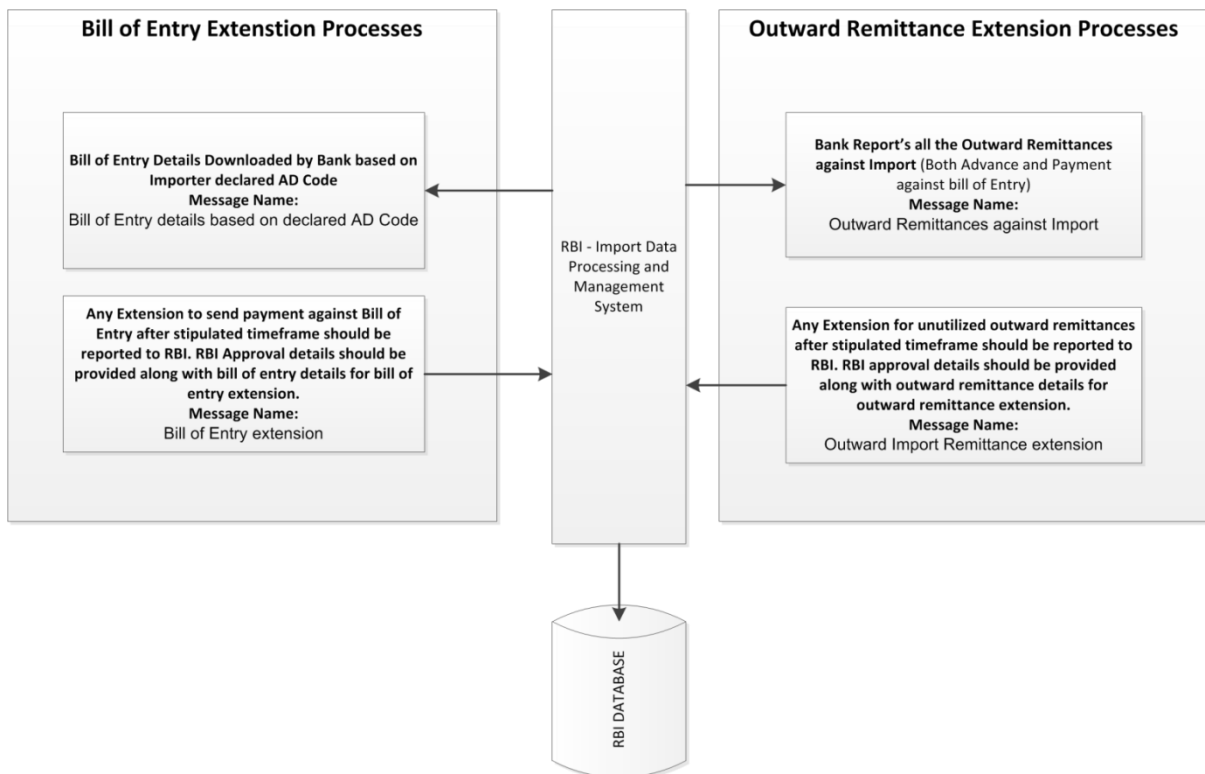
Outward Remittance Utilization Flow



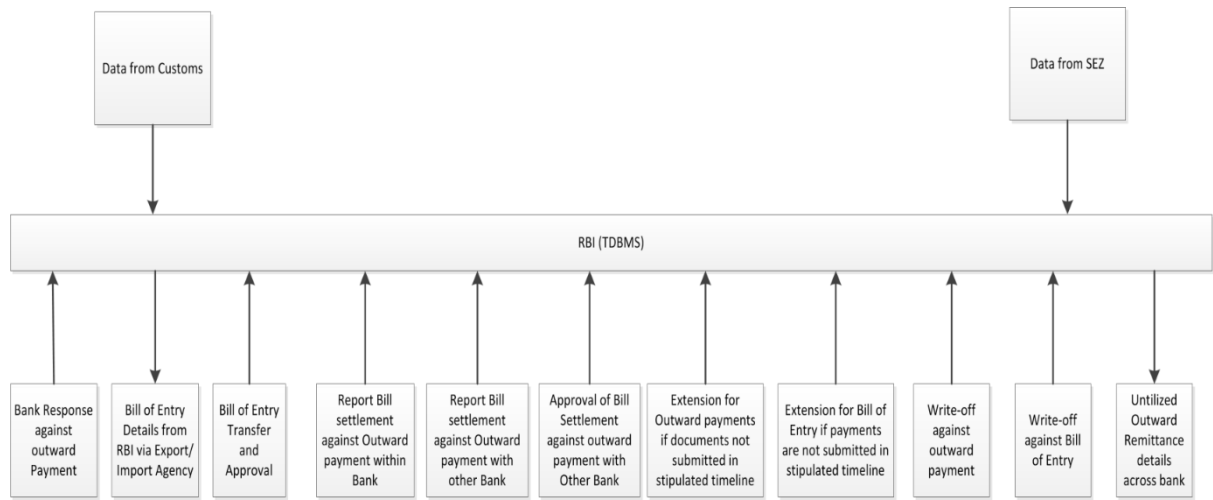
Closure Process



Extension Process



Overall Identified Processes



Objectives

The objectives of this document is to provide various File formats identified for RBI-Import Data Processing and Monitoring System.

From Import Agencies to RBI

- Bill of Entry raised by Customs
- Bill of Entry raised by SEZ

From RBI to Import Agencies

- Acknowledgment against the data file provided by Customs
- Acknowledgment against the data file provided by SEZ
- Bill of Entry Completion Report to Customs

From RBI to Banks

- Bill of Entry details based on declared AD Code.
- AD Transfer approval against bill of entry
- Approval for Bill of entry Payment against ORM done from other banks.

From Banks to RBI

- Outward Remittances against Import
- Bill of Entry settlement against outward remittances
- Bill of Entry Transfer Request
- ORM payment mapping approval against bill of entry reported by other bank
- Outward Import Remittance extension
- Bill of Entry extension
- Outward Import Remittance Closure
- Bill of Entry Closure

From Import Agencies to RBI

1.1.1 Bill of Entry raised by Customs

There will be 3 parts associated to the file,

- Control Data at Custom House Code Level
- Bill of Entry Header Details
- Bill of Entry Invoice Details

Following are the fields identified for Control Data at Custom House Code Level

Sr. No.	Field Description	Field Type	Field Length
1.	Message Type	C	1
2.	BOE Date	Date	
3.	Customs House Code	C	6
4.	Number of BE Master records	N	6
5.	Number of Invoice records	N	6

Following are the fields identified for Bill of Entry Header Details

Sr. No.	Field Description	Field Type	Field Length
1.	Customs House Code	C	
2.	Bill of Entry Number	C	
3.	Bill of Entry Date	Date	
4.	AD Code	C	
5.	Whether Government or Private	C	
6.	IE Code	C	
7.	IE Name	C	
8.	IE Address	C	
9.	IE PAN Number	C	
10.	Port of Shipment	C	

Following are the fields identified for Bill of Entry Invoice Details

Sr. No.	Field Description	Field Type	Field Length
1.	Customs House Code	C	
2.	Bill of Entry Number	C	
3.	Bill of Entry Date	Date	
4.	Invoice Serial No	C	
5.	Actual Invoice No	C	
6.	Terms of Invoice	C	
7.	Supplier Name	C	
8.	Supplier Address 1, 2 & 3 (three	C	

	fields are expected from 01.04.16)		
9.	Supplier Country	C	
10.	Seller name	C	
11.	Seller address 1, 2 & 3 (three fields are expected from 01.04.2016)	C	
12.	Seller Country	C	
13.	MAWB/MBL Number	C	
14.	MAWB/MBL Date	D	
15.	HAWB/HBL Number	C	
16.	HAWB/HBL Date	D	
17.	Invoice Value	N	
18.	Invoice Currency	C	
19.	Freight	N	
20.	Freight Currency Code	C	
21.	Insurance	N	
22.	Insurance Currency Code	C	
23.	Agency Commission	N	
24.	Agency Currency	C	
25.	Discount Currency	C	
26.	Discount Charges	N	
27.	Miscellaneous Charges	N	
28.	Miscellaneous Currency	C	
29.	Third party Name	C	
30.	Third Party address 1 & 2 (two fields are expected from 01.04.2016)	C	
31.	Third party city		
32.	Third party sub division		
33.	Third Party Country	C	

A unique bill of entry will be identified based on following fields

Bill of Entry Number

Bill of Entry Date

Custom House Code

Invoices against bill of entry will be identified based on following fields

Bill of Entry Number

Bill of Entry Date

Custom House Code

Unique Invoice within bill of entry will be based on

Invoice Serial Number

1.1.2 Bill of Entry raised by SEZ

Following fields are identified at Bill of Entry Level

Sr. No.	Field Description	Field Type	Field Length
1.	Number of BE Master records	N	6
2.	Number of Invoice records	N	6
3.	SEZ Port Code	C	
4.	Bill of Entry Number	C	
5.	Bill of Entry Date	Date	
6.	Request ID		
7.	Record Indicator		
8.	AD Code	C	
9.	Whether Government or Private	C	
10.	IE Code	C	
11.	IE Name	C	
12.	IE Address	C	
13.	IE PAN Number	C	
14.	Port of Shipment	C	
15.	Internal/External		
16.	Mode of Transport		
17.	FTWZ (Trans-shipment flag)		
18.	Invoice Serial No	C	
19.	Actual Invoice No	C	
20.	Invoice Date		
21.	Terms of Invoice		Options: Delivery against Payment, LC, Free of Charge, Site draft etc.
22.	Payment terms		Options: Sale, consignment, hire, gift, sample etc.
23.	MAWB/MBL Number		
24.	MAWB/MBL Date		
25.	HAWB/HBL Number		
26.	HAWB/HBL Date		
27.	Supplier Name	C	
28.	Supplier Address	C	
29.	Supplier Country	C	
30.	Seller name	C	
31.	Seller address	C	

32.	Seller Country	C	
33.	Terms of Invoice	C	
34.	Invoice Value	N	
35.	Invoice Currency	C	
36.	Freight	N	
37.	Freight Currency Code	C	
38.	Insurance	N	
39.	Insurance Currency Code	C	
40.	Agency Commission	N	
41.	Agency Currency	C	
42.	Discount Currency	C	
43.	Discount Charges	N	
44.	Miscellaneous Charges	N	
45.	Miscellaneous Currency	C	
46.	Third party Name	C	
47.	Third Party address	C	
48.	Third Party Country	C	

A unique bill of entry will be identified based on following fields

Bill of Entry Number

Bill of Entry Date

SEZ port Code

Invoices against bill of entry will be identified based on following fields

Bill of Entry Number

Bill of Entry Date

SEZ port Code

Unique Invoice within bill of entry will be based on

Invoice Serial Number

From RBI to Import Agencies

1.1.3 Acknowledgment against the data file provided by Customs

This file will be share with Customs as response against Bill of Entry raised by Custom

Following fields are identified for acknowledgment sharing

Sr. No.	Field Description	Field Type	Field Length
1.	Message Type	C	
2.	Customs House Code	C	
3.	Bill of Entry Number	C	
4.	Bill of Entry Date	Date	
5.	Invoice Sr. No.	C	
6.	Error Codes	C	

1.1.4 Acknowledgment against the data file provided by SEZ

Sr. No.	Field Description	Field Type	Field Length
1.	Number of BE Master records	N	6
2.	Number of Invoice records	N	6
3.	Control errors		
4.	SEZ Port Code	C	
5.	Bill of Entry Number	C	
6.	Bill of Entry Date	Date	
7.	Request ID		
8.	Record Indicator		
9.	AD Code	C	
10.	Whether Government or Private	C	
11.	IE Code	C	
12.	IE Name	C	
13.	IE Address	C	
14.	IE PAN Number	C	
15.	Port of Shipment	C	
16.	Inernal/External		
17.	Mode of Transport		
18.	FTWZ (Trans-shipment flag)		
19.	Header error		
20.	Invoice Serial No	C	
21.	Actual Invoice No	C	
22.	Invoice Date		

23.	Terms of Invoice		Options: Delivery against Payment, LC, Free of Charge, Site draft etc.
24.	Payment terms		Options: Sale, consig nment, hire, gift, sample etc.
25.	MAWB/MBL Number		
26.	MAWB/MBL Date		
27.	HAWB/HBL Number		
28.	HAWB/HBL Date		
29.	Supplier Name	C	
30.	Supplier Address	C	
31.	Supplier Country	C	
32.	Seller name	C	
33.	Seller address	C	
34.	Seller Country	C	
35.	Terms of Invoice	C	
36.	Invoice Value	N	
37.	Invoice Currency	C	
38.	Freight	N	
39.	Freight Currency Code	C	
40.	Insurance	N	
41.	Insurance Currency Code	C	
42.	Agency Commission	N	
43.	Agency Currency	C	
44.	Discount Currency	C	
45.	Discount Charges	N	
46.	Miscellaneous Charges	N	
47.	Miscellaneous Currency	C	
48.	Third party Name	C	
49.	Third Party address	C	
50.	Third Party Country	C	
51.	Invoice error		

1.1.5 Bill of Entry Completion Report to Customs

This report will be shared on daily basis against the bill of entries with completed settlement

Following fields are identified for this report

Sr. No.	Field Description	Field Type	Field Length
1.	Custom House Code	C	
2.	Bill of Entry Number	C	
3.	Bill of Entry Date	Date	
4.	IE Code	C	
5.	AD Code	C	
6.	Record Indicator	C	
7.	Invoice Serial No	C	
8.	Actual Invoice No	C	
9.	Term of Invoice	C	
10.	Invoice Currency	C	
11.	Invoice Value	N	
12.	Remitted Amount in Invoice Currency	N	
13.	Date of Final Settlement	Date	
14.	Flag for short remittance		

From RBI to Banks

1.1.6 Bill of Entry details based on declared AD Code

This message is intended to share the bill of entry details to bank for reconciliation purposes

Following are the fields identified for this message

Sr. No.	Field Description	Field Type	Field Length
1.	Port of Discharge	C	
2.	Import Agency	C	
3.	Bill of Entry Number	C	
4.	Bill of Entry Date	Date	
5.	IE Code	C	
6.	IE Name	C	
7.	IE Address	C	
8.	Port of Shipment	C	

9.	AD Code	C	
10.	Record Indicator	C	
11.	Invoice Serial No	C	
12.	Actual Invoice No	C	
13.	Terms of Invoice	C	
14.	Invoice Value	N	
15.	Invoice Currency	C	
16.	Freight	N	
17.	Freight Currency Code	C	
18.	Insurance	N	
19.	Insurance Currency Code	C	
20.	Agency Commission	N	
21.	Agency Currency	C	
22.	Discount Currency	C	
23.	Discount Charges	N	
24.	Miscellaneous Charges	N	
25.	Miscellaneous Currency	C	
26.	MAWB/MBL Number		
27.	MAWB/MBL Date		
28.	HAWB/HBL Number		
29.	HAWB/HBL Date		
30.	Supplier Name		
31.	Supplier Address 1, 2 & 3 (three fields are expected from 01.04.2016)		
32.	Supplier Country		
33.	Seller name	C	
34.	Seller address 1, 2 & 3 (three fields are expected from 01.04.2016)	C	
35.	Seller Country	C	
36.	Third party Name	C	
37.	Third Party address 1& 2 (two fields are expected from 01.04.2016)	C	
38.	Third Party City		
39.	Third Party Sub division		
40.	Third Party Country	C	

1.1.7 AD Transfer approval request against Bill of Entry

Banks will option to raise AD Transfer Request in RBI-IDBMS system, the raised AD Transfer needs to be approved by declared bill of entry owner bank. System will provide option for the bank user to download the transfer request raised and submit the response (Approval/Rejection) against the raised transfer request

Following are the fields identified for downloading the existing raised transfer request from RBI system

Sr. No.	Field Description	Field Type	Field Length
1.	Port of Discharge	C	
2.	Bill of Entry Number	C	
3.	Bill of Entry Date	Date	
4.	Import Agency	C	
5.	IE Code	C	
6.	Existing AD Code	C	
7.	Changed AD Code	C	

1.1.8 Approval for Bill of entry Payment against ORM done from other banks

This process is designed to get approval for the bill of entry settlement wherein the bill of entry submission and outward remittance associated to the bill of entry is across banks. This process will ensure the bank who owns the Bill of Entry approves the Outward Remittance settlement associated to banks against Bill of Entry Document.

Following are the fields identified for the message

Sr. No.	Field Description	Field Type	Field Length
1.	Port of Discharge	C	
2.	Bill of Entry Number	C	
3.	Bill of Entry Date	Date	
4.	IE Code	C	
5.	AD Code	C	
6.	Record Indicator	C	
7.	Payment Reference Number*	C	
8.	Invoice Serial No	C	
9.	Actual Invoice No	C	
10.	ORM Number	C	
11.	ORM AD Code	C	
12.	Equivalent Amount in Invoice Currency (Invoice	N	

	Value)		
13.	Remitted Amount in ORM Currency (Invoice Value)	N	
14.	Equivalent Amount in Invoice Currency (Freight Value)	N	
15.	Remitted Amount in ORM Currency (Freight Value)	N	
16.	Equivalent Amount in Invoice Currency (Insurance Value)	N	
17.	Remitted Amount in ORM Currency (Insurance Value)	N	

*Payment Reference Number is provided to identify the unique payment reported by bank against bill of entry, bank needs to report it as a unique number within bill of entry.

Example:

Bank Name + 01 (for the first bill of entry payment)

Bank Name + 02 (for the second bill of entry payment)

From Bank to RBI

1.1.9 Outward Remittances against Import

This message format is identified for banks to report all the outward remittances against import, this includes advance payments and payment against bill of entry. Bank should upload all the outward remittances before reporting bill of entry settlement to RBI. System will reconcile the outward reference details between bill of entry settlement and outward remittance for closing both entities.

Following are the fields identified for reporting outward remittance details

Sr. No.	Field Description	Field Type	Field Length
1.	Outward Reference Number	C	
2.	AD Code	C	
3.	Amount	N	
4.	Currency	C	
5.	Payment Date	Date	
6.	IE Code	C	
7.	IE Name	C	
8.	IE Address	C	
9.	IE PAN Number	C	
10.	Flag for capital goods (Y/N)		
11.	Beneficiary Name & Address	C	

12.	Beneficiary account number		
13.	Beneficiary Country	C	
14.	SWIFT	C	
15.	Record Indicator	C	
16.	Remarks	C	
17.	Payment Terms (Advance/DP/DA)	C	

Outward Reference Number will be identified uniquely based on following fields across bank

- Outward Reference Number
- AD Code

1.1.10 Bill of Entry settlement against outward remittances

Bank needs to report the bill of entry settlement against pre uploaded outward remittances, bank can report bill of entry pertaining to any bank where outward remittances is done though the bank, however system will have additional process of approval for the cases where in the owner bank for Bill of Entry is different from owner bank of Outward Remittances. Onus of Outward Remittances settlement lies with the bank form where Outward Remittances is effected against bill of entry by Importer. Following fields are identified for Bill of Entry Settlement Reporting

Sr. No.	Field Description	Field Type	Field Length
1.	Port of Discharge	C	
2.	Bill of Entry Number	C	
3.	Bill of Entry Date	Date	
4.	IE Code	C	
5.	AD Code	C	
6.	Record Indicator	C	
7.	Payment Party (Buyer (B)/Third Party (T))	C	
8.	Payment Reference Number	C	
9.	Invoice Serial No	C	
10.	Actual Invoice No	C	
11.	ORM Number	C	
12.	ORM AD Code	C	
13.	Equivalent Amount in Invoice Currency (Invoice Value)	N	
14.	Remitted Amount in ORM Currency (Invoice Value)	N	
15.	Equivalent Amount in Invoice Currency (Freight Value)	N	
16.	Remitted Amount in ORM Currency (Freight Value)	N	
17.	Equivalent Amount in Invoice Currency (Insurance	N	

	Value)		
18.	Remitted Amount in ORM Currency (Insurance Value)	N	
19.	Closing of BOE (open -1/close-2)		

Each payment will be validated against unutilized amount available under Outward Remittance, Outward Remittance will be identified uniquely based on ORM Number and ORM AD Code.

Reported settlement will fail if ORM details are not matching or the unutilized amount is less than the settlement amount.

1.1.11 Bill of Entry Transfer Request

System will provide option to the banks to transfer BOE from declared bank to submitted bank. Following fields are identified for this message type

Sr. No.	Field Description	Field Type	Field Length
1.	Port of Discharge	C	
2.	Bill of Entry Number	C	
3.	Bill of Entry Date	Date	
4.	Import Agency	C	
5.	IE Code	C	
6.	Existing AD Code	C	
7.	Changed AD Code	C	

1.1.12 Bill of Entry Transfer Approval

System will provide option to the banks to approve the transfer of BOE from declared bank to submitted bank. Declared Bank can Approve / Reject the transfer requested from submitted bank. Following fields are identified for this message type

Sr. No.	Field Description	Field Type	Field Length
1.	Port of Discharge	C	
2.	Bill of Entry Number	C	
3.	Bill of Entry Date	Date	
4.	Import Agency	C	
5.	IE Code	C	
6.	Existing AD Code	C	
7.	Changed AD Code	C	
8.	Status	C	
9.	Remarks	C	

1.1.13 ORM payment mapping approval against bill of entry reported by other bank

System will provide option to Bill of Entry owner bank to report approval/rejection of BOE settlement claim by other bank against the outward remittance send through them. Based on the approval and rejection the actual outward remittance utilization will be calculated against bill of entry and closed. If bank rejects the BOE settlement, the claimed amount in settlement will be reduced from utilized amount and will be added to unutilized amount for tracking the outward remittances.

Following fields are identified for approval reporting

Sr. No.	Field Description	Field Type	Field Length
1.	Port of Discharge	C	
2.	Bill of Entry Number	C	
3.	Bill of Entry Date	Date	
4.	IE Code	C	
5.	AD Code	C	
6.	Record Indicator	C	
7.	Payment Party (Buyer (B)/Third Party (T))	C	
8.	Payment Reference Number	C	
9.	Invoice Serial No	C	
10.	Actual Invoice No	C	
11.	ORM Number	C	
12.	ORM AD Code	C	
13.	Equivalent Amount in Invoice Currency (Invoice Value)	N	
14.	Remitted Amount in ORM Currency (Invoice Value)	N	
15.	Equivalent Amount in Invoice Currency (Freight Value)	N	
16.	Remitted Amount in ORM Currency (Freight Value)	N	
17.	Equivalent Amount in Invoice Currency (Insurance Value)	N	
18.	Remitted Amount in ORM Currency (Insurance Value)	N	
19.	Status	C	
20.	Remarks	C	

1.1.14 Outward Import Remittance extension

Outward import remittance extension message is designed for the bank to report the extensions received by RBI on the outward remittance post stipulated timeline.

Following are the fields identified for this process

Sr. No.	Field Description	Field Type	Field Length
1.	Outward Reference Number	C	
2.	AD Code	C	
3.	Amount	N	
4.	Currency	C	
5.	Payment Date	Date	
6.	IE Code	C	
7.	SWIFT	C	
8.	Record Indicator	C	
9.	Approved by (RBI/Bank)		
10.	Letter Number	C	
11.	Letter Date	Date	

TBD: Do we need to restrict the BOE settlement if the stipulated timeframe for outward remittance is completed/crossed.

1.1.15 Bill of Entry Extension

System will provide option to bank wherein they can report any extension provided by RBI on late payment against bill of entry.

Following fields are identified for reporting Bill of Entry Extension

Sr. No.	Field Description	Field Type	Field Length
1.	Port of Discharge	C	
2.	Import Agency	C	
3.	Bill of Entry Number	Date	
4.	Bill of Entry Date	C	
5.	IE Code	C	
6.	AD Code	C	
7.	Record Indicator	C	
8.	Approval given by		
9.	Letter Number	C	
10.	Letter Date	C	

TBD: Do we need to restrict the BOE settlement if the stipulated timeframe for BOE Settlement is completed/crossed.

1.1.16 Outward Import Remittance Closure

System will provide option for the banks for closure of outward import remittance amount in part / full under pre-defined reasons provided by RBI. This will provide banks an option to close the unutilized Outward remittances wherein settlement is not completely matching with outward remittance details.

Bank cannot close outward remittances unless settlement/closure against outward remittance matches with Outward payment remittances. Following fields are identified for this message exchange

Sr. No.	Field Description	Field Type	Field Length
1.	Outward Reference Number	C	
2.	AD Code	C	
3.	Closure Amount	N	
4.	Currency	C	
5.	Closure Date	Date	
6.	IE Code	C	
7.	SWIFT	C	
8.	Record Indicator	C	
9.	Reason for Closure	C	

1.1.17 Bill of Entry Closure

System will provide option for the bank to close the bill of entry amount in part/full under pre-defined reasons provided by RBI. This will provide option for the banks to close the bill of entry where the bill of entry amount is not completely matching with invoice amount. Following fields are identified for this message exchange

Sr. No.	Field Description	Field Type	Field Length
1.	Port of Discharge	C	
2.	Bill of Entry Number	C	
3.	Bill of Entry Date	Date	
4.	IE Code	C	
5.	AD Code	C	
6.	Record Indicator	C	
7.	Closure Reference Number	C	
8.	Invoice Serial No	C	
9.	Actual Invoice No	C	
10.	Closure Amount	N	
11.	Closure Date	Date	
12.	Reason for Closure	C	