

Dated: 22nd August, 2024
Vanijya Bhawan, New Delhi

Trade Notice No. 14 /2024-25

To,

1. All Cross-Border E-Commerce Stakeholders

**Subject: Draft Modalities for Pilot Launch of E-Commerce Export Hubs (ECEH)
-reg.**

Reference Section B of Chapter 9 of the Foreign Trade Policy 2023, E-Commerce Export Hubs(ECEH) were proposed as designated areas, which would act as a centre for favourable business infrastructure and facilities for Cross Border E-Commerce activities. The major objectives of ECEH are to provide for predictability and shortest possible turnaround time for E-Commerce Exports, easy re-import for E-Commerce returns or rejects, bringing various cross-border E-Commerce stakeholders under one roof.

2. In this reference, **draft modalities** for operation of ECEHs have been formulated and are enclosed herewith as Annexure to this Trade Notice. Based on the draft modalities proposed, the government would like to initiate **pilot launch** of ECEH. Further to the pilot launch and suitable feedback(s), Notification(s) and Circular(s) shall also be issued.

3. In this regard, detailed proposal(s) for setting up ECEH may be submitted to this directorate, for examination, support and hand-holding. Based on the said proposal(s), further details including software requirements for ECEH, to facilitate seamless and expeditious export clearances shall be firmed up. Proposal(s) may be submitted vide email to **ecommerce-dgft[at]gov[dot]in** and **afaque[dot]moin[at]gov[dot]in**. You may also reach out on the aforementioned email for any additional information, questions and queries.

This notice is issued with the approval of the competent authority.

(Md. Moin Afaque)
Joint Director General of Foreign Trade

Draft Modalities for operations of ECEH

a) Movement of goods from supplier's premises to ECEH

- i. Goods from the premises of the GST registered supplier to ECEH shall be transported by the supplier under the cover of a document as specified in the GST law and rules made thereunder, including the E-way bill, wherever required.
- ii. The transporter will be required to show the said document to the ECEH operator while presenting the goods for entry into ECEH.
- iii. The ECEH operator shall devise a suitable mechanism to electronically capture the details of such document on an Electronic System established and maintained by such operator.

b) Pre-screening of goods

- i. On arrival, the goods shall undergo a pre-screening by the ECEH operator who will be responsible for verifying the goods received i.e. description, classification, EXIM policy compliance, quantity etc. with the details mentioned in the GST document as referred to in a(i) available on his Electronic System. Date of arrival of goods into the ECEH shall also be recorded on the Electronic System.
- ii. Based upon the pre-screening as above, the GST document as referred to in a(i) will be validated by the ECEH operator on the aforesaid Electronic System.
- iii. Where a discrepancy is noticed, the GST document as referred to in a(i) shall be modified on the Electronic System.
- iv. The validation data with respect to the GST document as referred to in a(i) shall then be fed into Customs Systems for reconciliation and risk management purposes during customs clearance of corresponding Shipping Bill (SB).

c) Design of ECEH

- i. ECEH shall have two physical components, i.e. distinct segregated areas –
 1. first will be the fulfilment area for packing, labelling, storing etc. to take place after pre-screening and till a buyer is found; and
 2. the second will be a Customs Station where the goods will be customs cleared after the buyer is found, ready for dispatch.
- ii. The Customs Station could be an ICT, ICD, AFS or FPO etc. depending upon the mode of logistics.

d) Fulfilment processes

- i. ECEH will function to achieve agglomeration benefits for E-commerce exporters, e.g. storage, packaging, labelling, certification & testing and other common facilities for the purpose of exports.

e) Process flow for customs clearance once a buyer is found

- i. Commercial invoice is generated.
- ii. Shipping Bill (SB) is filed by the ECEH operator working as an agent for the seller (on the lines of authorized couriers).
- iii. On the Customs System, the SB would be linked to the pre-screened GST document as referred to in a(i) by the ECEH operator. One SB may be linked to one or more

- such documents fully or partially, line-item wise. This would need a new development on Customs Systems.
- iv. RMS is triggered and assessment takes place on Customs Systems, if so selected by RMS.
 - v. In parallel, physical packing takes place under supervision of Customs and packing list is generated. Packages will be identified by unique QR codes linked to SB.
 - vi. Once the packages are prepared, the ECEH operator files Cargo Ready Report on ICES for the SB, giving details of packages for reconciliation.
 - vii. On filing of Cargo Ready Report, the packages are taken into the demarcated Customs Station upon handheld scanning of QR codes by the Gate Officer. This would trigger goods registration on Customs Systems.
 - viii. Upon goods registration, RMS would reveal the decision of examination or otherwise. In this decision, the fact of pre-screening done by the ECEH operator and packing under Customs supervision would be considered.
 - ix. Where RMS or any other intelligence necessitates examination of goods, which is expected to be in rare cases, it will be carried out in the demarcated Customs Station.
 - x. Once above processes are complete, LEO is granted by the officer on Customs Systems and goods remain stored in the Customs Station till dispatch.
 - xi. Once the aforesaid goods are consolidated for transshipment to port of export, a transshipment request is filed by the ECEH operator and TP permission gets generated.
 - xii. Goods are then taken to port of export under a customs seal. The seal is put under supervision of a preventive officer.
 - xiii. Once goods are exported from the port of export and EGM is filed, the SB is moved for processing of export related claims.
 - xiv. As GST document as referred to in a(i) is linked to SB and the SB is linked to EGM, the compliance of GST related provisions can be demonstrated by the seller.
