

PUBLIC NOTICE

Notice calling suggestions, views, comments, feedback etc. from stakeholders on a draft Circular regarding “Launch of Exchange Rate Automation Module (ERAM)”

For the purpose of valuation of imported goods and export goods under section 14 of the Customs Act, it is proposed to introduce a system of normally publishing the currency exchange rates on ICEGATE website every day, replacing the existing system of notifying exchange rates fortnightly (twice a month). In this regard, a draft Circular is attached.

Stakeholders are invited to provide their comments on the draft Circular along with suggestions, if any, related to trade facilitation at the email id uscus5-cbec@gov.in and endorsed to diricd-cbec@nic.in by 31st March 2023.

Draft Circular No. /2023-Customs

F. No. 468/1/2011-SO (Cus5)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes & Customs

North Block, New Delhi

Dated the March, 2023

To,

Pr. Chief Commissioners/Chief Commissioners (Customs or Central Tax & Customs)
Pr. Directors General/Directors General, all under CBIC
Pr. Commissioners/Commissioners of Customs
Pr. Additional Directors General/ Additional Directors General, all under CBIC

Madam/Sir,

Subject: Launch of Exchange Rate Automation Module (ERAM) -reg.

In terms of section 14 of the Customs Act, the value of any import or export goods shall be calculated with reference to the rate of exchange as in force on the date on which a bill of entry is presented under section 46, or a shipping bill/bill of export is presented under section 50. For this purpose, Board currently notifies exchange rates of 22 currencies (listed at Annexure 1) twice a month, i.e. every 1st and 3rd Thursdays. These notified exchange rates become effective from midnight of the following day. If, on a given day, it is noticed that exchange rate of a currency has fluctuated more than $\pm 5\%$ *vis-à-vis* the notified rate, the rate for that currency is notified again with effect from the following day. The rates so notified are manually incorporated in the Indian Customs EDI System (ICES) by an officer designated for this purpose.

2. These notifications are based on the rates obtained from the State Bank of India (SBI) on a daily basis. The SBI communicates 'card rates' which include 'Bill rates', 'TT rates' and 'TC rates' to CBIC everyday. While the Bill rates are used in transactions related to Letters of Credit, the TT rates are used in telegraphic transfers and TC rates for travellers' cheques. The rates notified by the Board are the Bill rates (for transaction up to Rs 10 lakh) received from SBI, adjusted to the nearest five paise.

3. The determination and notification of exchange rates, as above, flows from Section 14 of the Customs Act wherein-

“rate of exchange” means the rate of exchange-

(i) determined by the Board, or

(ii) ascertained in such a manner as the Board may direct, for the conversion of Indian currency into foreign currency or foreign currency into Indian currency.”

4. In order to capture exchange rate fluctuations more closely, it has been decided to publish exchange rates of the aforesaid 22 currencies on ICEGATE website on a daily basis (in lieu of the current fortnightly system) and also update the same simultaneously on the Indian Customs EDI System (ICES). For this purpose, the exchange rates shall be ascertained using the existing methodology, i.e. by adjusting daily Bill rates (for transaction up to Rs 10 lakh) received from SBI to the nearest five paise.

5. The entire process shall be automated, beginning with forwarding of exchange rate data by SBI to ICEGATE through message exchange. The exchange rates received from SBI every day shall be adjusted to the nearest five paise and integrated with ICES by 6:00 p.m. These rates shall also be published on ICEGATE website at 6:00 p.m. and shall be accessible for public viewing at <https://www.icegate.gov.in>.

6. These rates shall come into effect from midnight for the following day. For instance, exchange rates published on 15.03.2023 shall come into force from 00:00 hrs of 16.03.2023 and will remain in force till 23:59 hrs of 16.03.2023.

7. The published exchange rates will also be stored on the System for future reference, so as to enable a user to check the exchange rates for a previous date.

8. On holidays when SBI doesn't publish and share the rates, the prevailing rates shall apply the next day.

9. As a contingency plan for catering to any technical snag, the following procedure shall be followed for ensuring uninterrupted accessibility of exchange rates at any given time:

(i) Nodal Officers have been appointed in the SBI, Board, ICD (Patparganj), Air Cargo Complex (Bengaluru) and DG (Systems) to monitor and manually intervene, where mandated.

(ii) Nodal Officer at ICD (Patparganj) shall continue to monitor the exchange rates in ICES as per the current practice. If any issue is noticed or in case of any unforeseen exigencies, he shall inform the Nodal Officer in DG (System) to take corrective action.

(iii) Where, on a given day, there is a failure in electronic transmission from SBI or an incomplete message is received, the last updated rates shall remain in force for the following day.

(iv) Where, on a given day, the exchange rates received from SBI fail to get integrated on ICES by 6:00 p.m., the message received from SBI shall be discarded and the last updated rates shall remain in force for the following day.

(v) As soon as the situation indicated at (iii) or (iv) above is encountered, an automated email and SMS alert will be sent to the Nodal Officers at ICD (Patparganj), Air Cargo Complex (Bengaluru), DG (System), SBI and the Board for corrective action. If the issue remains unresolved for consecutive two days, the exchange rates shall be updated on the System through manual intervention using the 'admin' interface by the Nodal Officer at ICD (Patparganj).

10. The automated system of daily ascertaining and publishing of exchange rates as above shall come into effect fromMarch 2023, upon which the existing system of notifying exchange rates twice a month shall be dispensed with. A link shall be provided on the CBIC website which will take the user to the ICEGATE website, where the rates will be available for viewing.

11. Suitable Public Notice may be issued for guidance of the stakeholders. Difficulty faced, if any, in implementation may be brought to the notice of the Board.

Yours sincerely,

(Komila Punia)
Deputy Secretary

List of Currencies

1.	Australian Dollar	12.	Qatari Riyal
2.	Bahraini Dinar	13.	Saudi Arabian Riyal
3.	Canadian Dollar	14.	Singapore Dollar
4.	Chinese Yuan	15.	South African Rand
5.	Danish Kroner	16.	Swedish Kroner
6.	EURO	17.	Swiss Franc
7.	Hong Kong Dollar	18.	Turkish Lira
8.	Kuwaiti Dinar	19.	UAE Dirham
9.	New Zealand Dollar	20.	US Dollar
10.	Norwegian Kroner	21.	Japanese Yen
11.	Pound Sterling	22.	Korean Won

Note: The list of currencies is subject to revision from time to time, based on requirement of the trade.