

**PUBLIC NOTICE NO.02/2023****Dated: 06-04-2023****Subject: Phased Implementation of Electronic Cash Ledger (ECL) in Customs w.e.f 01.04.2023– Reg.**

Attention of all the Customs Brokers, Importers, Exporters, General Trade and other stakeholders is invited to the circular no. 09/2023-Customs dated 30.03.2023 regarding the Electronic Cash Ledger (ECL) functionality which is envisaged in Section 51A of the Customs Act, 1962. It provides enabling provision whereby the importer, exporter or any person liable to pay duty, fees etc., under the Customs Act, has to make a non-interest bearing deposit with the Government for the purpose of payment. The Customs (Electronic Cash Ledger) Regulations, 2022 (ECLR) notified vide No. 20/2022-Customs (N.T) dt. 30.03.2022 governs the manner of operationalization of ECL and related aspects. The statutory provision came into force on 01.06.2022.

2. Pending development of IT infrastructure and necessary integration with authorized banks, RBI and Pr.CCA (CBIC), all the deposits classes were exempted till 31.03.2023, vide notification no. 47/2022-Customs (NT) dt. 31.05.2022, as amended, from provisions of section 51A. Considering the present state of development and integration, and on basis confirmation from RBI, Pr.CCA and DG Systems, Board has decided to enable ECL in phases from 01.04.2023.

3.1 In the first phase from 01.04.2023 till 30.04.2023, the exemption to deposit from the provisions of section 51A shall be restricted to the following vide Notification No.18/2023-Customs (NT) dated 30.03.2023, namely, -

- I. Deposits with respect to Goods imported or exported in Customs stations where Customs Automated System is not in place;
- II. Deposits with respect to Accompanied baggage;
- III. Deposits with respect to Goods imported or exported at International Courier Terminals;
- IV. Deposits, other than those used for making electronic payment of:

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- a. any duty of customs, including cesses and surcharges levied as duties of customs;
- b. integrated tax;
- c. Goods and Service Tax Compensation Cess;
- d. interest, penalty, fees or any other amount payable under the Act, or Customs Tariff Act, 1975.

3.2 In second phase, from 01.05.2023, the exemptions cited above would continue, except for the deposits with respect to goods imported or exported at International Courier Terminals. (refer notification no. 19/2023-Customs (NT) dt. 30.03.2023 amending 19/2022-Customs (NT) dt. 30.03.2022). In other words, payments relating to Courier shipments would be required to be done through ECL from 01.05.2023 onwards.

3.3 Since item 3.1 IV above refers to the term “electronic”, the payment made through TR-6 challan for various purposes through authorized bank counter at the Customs locations would be exempted from the provisions of section 51A, till such activity is also migrated to the ECL in the subsequent phases.

4. The phased introduction of ECL is aimed at leveraging technology and reforming the payment process, inter-alia related to clearance of goods as the deposit may be held in ECL by the Trade for making subsequent transaction-wise payments of various types. This has potential to easing compliance in numerous ways.

5. After the introduction of second phase, subsequently the following functionalities shall be developed in ECL.

Registration for availing ECL :

6. Deposits under ECL provision requires the person to be registered at ICEGATE portal and to create ECL Account. In addition to importers/exporters (IECs), the customs brokers, couriers who are making payments on behalf of the importers/exporters are also enabled in ECL. Similarly, the importers who are assigned Unique Identification Number (UIN) under GST are also enabled in ECL. The detailed advisory for registration and the creation of ECL Account will be available on the said portal.

Deposit to ECL :

7. The manner of maintaining ECL and modes of deposits into the ECL have been outlined under Regulation 3 of ECLR. A deposit challan may be generated at said portal for a sum chosen by the person, and deposit made in ECL using the authorised payment modes. The amount deposited shall be visible on the ECL maintained on the said portal.

Payment of liabilities using ECL :

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8.1 The manner of utilising ECL to make the payments is outlined in Regulation 4 of ECLR. The payment using the deposit available in ECL may be made by selecting the payment challan generated at ICES/ECCS or other application, with ECL as a mode of payment.

8.2 A functionality to make payment without first depositing into ECL is also provided, that allows user to select the payment challan and choose amongst internet banking/NEFT/RTGS options and complete the payment process. In such situation, at the back-end, a deposit challan for the same amount will be generated on the portal, deposited in ECL and debited from ECL as payment. In case, there is a rejection of payment challan at the application end, the payment can be re-initiated from the ECL by log into the portal.

Modes enabled for deposit into ECL :

9.1 With internet banking as authorised mode, 12 banks are already enabled for deposit into ECL. When other banks complete testing, they shall be onboarded for this purpose.

9.2 NEFT/RTGS mode of deposit into ECL is permissible for all banks. The users of those banks, which are not yet onboarded for internet banking, may also utilize this. However, the NEFT/RTGS facility shall be operational from 3rd April, 2023.

Refund of balance in ECL:

10.1 The balance of deposits after utilising for payments may be utilised for subsequent payments. However, if the refund is applied for, the amount applied for will no longer be available for use and refund decided and thereafter credited to the bank account of the person registered on customs automated system. The process is described in Regulation 5 of ECLR. The Systems advisory for ECL balance refund is being made available on ICEGATE.

10.2 The balance in ECL being deposit, its refund is not governed by section 27 of Customs Act.

Sensitization:

11. The significance of introduction of ECL must be explained to importers/exporters and all types of stakeholders. As segments of e-payment shall get migrated in phases to ECL, the existing ICEGATE payment system hitherto in use would not run in parallel. The deposits into ECL, being non-interest-bearing, are suited for purposes of planned impending or immediate payment needs, thereby also minimizing the need for applying for refunds. Their attention should also be drawn to ECLR, notifications and DG Systems implementation advisories.

For further assistance, ICEGATE Advisory dated 02.04.2023 for Electronic Cash Ledger in Customs, may be referred. The Nodal Officer as detailed hereinbelow, nominated for the smooth operation of the entire exercise, may also be contacted when facing difficulty.

Nodal Officer: Sri Ajay Kumar Misra, Additional Commissioner
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आयुक्त

C.No. CUS/LKO/TECH/PUBLIC/TRADE NOTICES/01/2023

1. The Chief Commissioner of Customs, Customs (Preventive) Zone, Patna.
2. Deputy / Assistant Commissioner, Customs (Prev.), Lucknow / Nautanwa / Varanasi / Bareilly / Gorakhpur / CCSI Airport Lucknow / ICD JRY / ICD Chakeri / ICD Panki / ICD Agra.
3. Customs (Prev) Commissionerate Customs Brokers Association.
4. The superintendent (Systems), Customs (Prev.), Hqrs, Lucknow for uploading the same on Commissionerate's website.
5. Notice Board.