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WCO Programme Global Shield (PGS) – E-book No. 09

[Training Material for Departmental Use]

E-BOOK



Import/Export
Of
Acetone

Import & Export of Acetone

Note:

1. In this E-book, attempts have been made to explain about ***Compulsory compliance requirements prescribed for Import/Export of Acetone***. It is expected that it will help departmental officers in their day-to-day work.
2. Though all efforts have been made to make this document error free, but it is possible that some errors might have crept into the document. If you notice any errors, the same may be brought to the notice of the NACEN, RTI, Kanpur on the Email address rtinacenkanpur@yahoo.co.in. This may not be a perfect E-book. If you have any suggestion to improve this book, you are requested to forward the same to us.
3. This e-book is one of the several e-books dealing with different aspects of WCO Programme Global Shield (PGS). The Programme Global Shield (PGS) is a long term law enforcement initiative of WCO alongwith its partner organizations, namely, United Nations Office on Drug and Crime (UNODC), International Police Organization (INTERPOL) and member countries. This Programme is aimed at combating the illicit diversion and trafficking of high risk precursor chemicals, which are commonly used by criminal elements/terrorist organizations to make Improvised Explosive Devices (IEDs).
4. It is acknowledged here that in preparing this e-book, the WCO training material as well as material from other sources including that available freely on internet have been used. Wherever possible, the source of material has been indicated in this e-book. It might be possible that for some material, we may not have specifically mentioned such source. This e-book is meant for education and training of Customs officers in India and is for non-commercial use. While it is not our intention to infringe any copyrights, if anybody has any issue with regard to any of the material used in this e-book, the same may kindly be brought to our notice on the email addresses mentioned above.
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Sd/-

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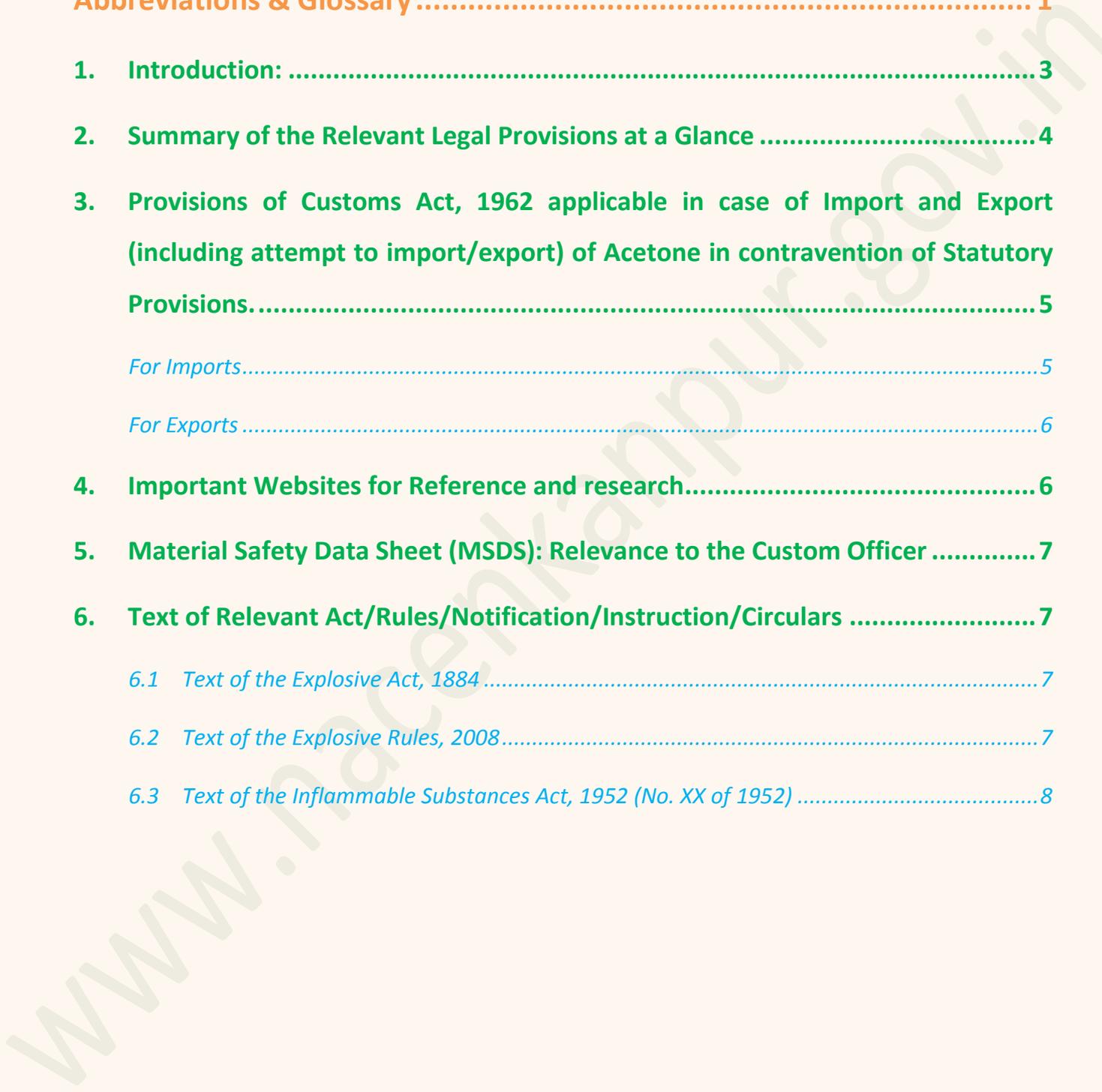
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Abbreviations & Glossary

CAS No:	Chemical Abstract Service Number
	<i>[CAS numbers are used to provide a unique, unmistakable identifier for chemical substances and provide an unambiguous way to identify a chemical substance. A CAS No. is separated by hyphens into three parts-the first consisting from two to seven digits, the second consisting of two digits, and the third consisting of a single digit serving as a check digit].</i>
CBEC:	Central Board of Excise and Customs
CCR:	Compulsory Compliance Requirement
CWC Act:	Chemical Weapons Convention Act, 2000
DGFT:	Director General of Foreign Trade
DIPP:	Department of Industrial Policy and Promotion
FT (D &R) Act:	Foreign Trade (Development & Regulation) Act, 1992
GHS:	Globally Harmonized System of Classification and Labeling of Chemicals
HS Code:	Harmonized Commodity Description and Coding System
	<i>[It is an internationally standardized system of names and numbers for classifying traded products. It has been developed and maintained by the WCO. It is based on HS Convention.]</i>
MSIHC Rules	Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
IED:	Improvised Explosive Devices
IMDG:	International Maritime Dangerous Goods.
ITC (HS):	Indian Trade Classification based on Harmonised System
MSDS:	Material Safety Data Sheet (MSDS)
	<i>[It is documents provided by the manufacturer that contain information on physical and chemical properties of material, potential hazards of the material, and how to work safely with hazardous substances. They also</i>

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	<i>contain information on the use, storage, handling, and emergency procedures related to hazards of the material. All MSDSs contain eight (8) sections, but most of them contain additional sections]</i>
PESO:	Petroleum and Explosive Safety Organisation.
	<i>[It is a department of the Government of India entrusted with responsibility of controlling and administering usage of explosives in India. It is headed by the Chief Controller of explosives and is headquartered at Nagpur].</i>
PGS:	Programme Global Shield (WCO Programme for prevention of smuggling and diversion of Precursor Chemicals, commonly used for manufacture of IEDs)
UN Code:	United Nation Number
	<i>[UN numbers, or UN IDs, are four-digit numbers that identify hazardous substances and articles (such as explosives, flammable liquids, toxic substances, etc.).</i>
WCO:	World Custom Organisation

Important Terms:

Flash Point: "Flash-Point" of any substance means the lowest temperature at which it yields a vapour, which will give a momentary flash when ignited.

1. Introduction:

1.1 Acetone is one out of 14 precursor chemicals subjected to monitoring under **WCO Programme Global Shield** as to prevent it falling into hands of terrorist or such organization. While it's licit use is as solvent or nail polish remover, but it may also used for manufacturing Improvised Explosive Device (IEDs).

1.2 It is an organic chemical and commonly used as solvent or nail polish remover. The HS code for acetone is 291411. The CAS Code is 67-64-1. It is highly inflammable and considered to be a Hazardous chemical. It's UN Code is 1090. *[To know more about HS Code/CAS No/UN No., please refer to e-book on HS Code/CAS Code/UN Code].*

1.3 It is responsibility of all regulatory and enforcement organizations in our country to ensure that this chemical is used for licit purposes only and should not be allowed to fall into hands of criminal elements. Customs authorities, being placed at Border points, have important responsibility to ensure that all imports/ exports of Acetone are in compliance with statutory provisions. By carrying out our responsibilities with sincerity, we can not only keep our country safe, but also help other countries being safe.

Table I: Details about Acetone at a glance

	Name Of Chemical	Other Names	Appearance and smell
	Acetone (C ₃ H ₆ O)	Dimethylformaldehyde, Dimethyl Ketone, β-ketopropane, 2-Propanone	Colourless liquid Pungent, irritating and floral smell
	Common Uses	<ul style="list-style-type: none"> • Cleaning solvent • Component of some paints and varnishes • Nail polish remover • Superglue remover 	
	HS Code	291411	
	CAS No.	67-64-1	
	UN No.	1090	

2. Summary of the Relevant Legal Provisions at a Glance

2.1 Acetone is subjected to control under several laws and rules framed thereunder. The summary of the statutory provisions applicable to Acetone is given in Table II below.

Table II

Sr. No.	Act/Section/Rules/Notification/Circular	Subject
1.	Inflammable Substance Act, 1952	Under Section 3 of this Act, Acetone has been declared as dangerously inflammable substance, meaning thereby that its <i>import, transport, storage and production is governed by the provisions of the Petroleum Act, 1934, and the rules there under.</i>
2.	Petroleum Act, 1934 and Petroleum Rules, 2002	<p>It deals with import, transport, storage, production, refining and blending of petroleum. The term "petroleum" has been defined under Section 2(a) of the Petroleum Act, 1934. It means any liquid hydro-carbon or mixture of hydro-carbons and any inflammable mixture (liquid, viscous or solid) containing any liquid hydro-carbon.</p> <p>The Petroleum has been divided into three classes- class A, Class B and Class C on the basis of flash points. The "Petroleum Class A" means petroleum having a flash-point below Twenty-three degrees centigrade. "Petroleum Class B" means petroleum having a flash point of twenty- Three degrees centigrade and above but below sixty-five degrees Centigrade and Petroleum Class C" means petroleum-having flash point of sixty- Five degrees.</p> <p>Rule 14 to Rule 27 of the Petroleum Rules 2002 provides for various requirements to be fulfilled in respect of import of petroleum by sea or land including licensing for storing, permission of Commissioner of Customs for landing, testing etc. The text of the petroleum rules may be downloaded using the following link: http://peso.gov.in/PDF/Petroleum%20Rule/chapter_2.pdf</p>
3.	ITC (HS)	Under ITC (HS), import and export of Acetone is neither prohibited nor restricted. As per ITC (HS), Acetone can be freely imported or exported without requiring any NOC/Permission /License from the officer of DGFT.
4.	Manufacture, storage and Import of Hazardous Chemical Rules, 1989 [in short, referred to MSIHC Rules, 1989] [Issued under the Environment (Protection)Act, 1986	<p>It is considered as hazardous chemical under the Manufacture, storage and Import of Hazardous Chemicals Rules, 1989. It is listed at Sr. No. 4 under Part II of Schedule I of MSIHC Rules, 1989] Chapter Note 1B of the Chapter IA of the ITC (HS) contains provisions regarding import of Hazardous Chemicals. It reads as under:-</p> <p><i>Import of Hazardous Chemicals permitted without a licence in accordance with the provisions of the Manufacture, Storage and Import of Hazardous Chemicals Rules 1989 (made under the Environment (Protection) Act, 1986). Besides other conditions mentioned in the Rules, the importer</i></p>

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		<i>shall, before 30 days but not later than the date of import, furnish the details specified in Rule 18 to the Authority specified in Schedule 5 of the said Rules.</i>
5.	CWC Act, 2000	Acetone is covered under the category of “Discrete Organic Chemicals (DOCs)” and is subjected to monitoring and reporting requirement under CWC Act, 2000.
6.	Notification issued under Customs Tariff Act, 1985 imposing Anti-dumping duty on import of Acetone from certain countries.	Import of acetone is subjected to imposition of anti-dumping duty if originating in or exported from Chinese Taipei (vide notification Nos. 44/2011-Customs, dated 27.05.2011 and 14/2013-Customs (ADD), dated 3.7.2013); Korea RP (vide notification No. 5/2015-Customs (ADD), dated 18.02.2015); Thailand and Japan (vide notification No. 36/2011-Customs, dated 18.04.2011); European Union, south Africa, Singapore and United States of America (vide notification No. 10/2014-Customs (ADD), dated 11.03.2014). These notifications are available on CBEC website and may be downloaded from www.cbec.gov.in

3. Provisions of Customs Act, 1962 applicable in case of Import and Export (including attempt to import/export) of Acetone in contravention of Statutory Provisions.

3.1 In case, if any officer, at the time of clearance of import or export cargo, notices any attempt to clear acetone by resorting to mis-declaration or any other contravention under ITC (HS) or any other statutory laws, as explained above in Table 2 above, applicable to import or export of Acetone, then the relevant provisions of the Customs Act, 1962 applicable to deal with such cases are explained in the following paragraphs.

For Imports

3.2 Section 111 of the Customs Act, 1962: Any goods which are imported or attempted to be imported or are brought within the Indian Customs Waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force, are liable for confiscation under Section 111 (d) of the Customs Act, 1962.

3.3. Section 112 of the Customs Act, 1962: Further, on such person, who in relation to such goods, does or omits to do any act or abets the doing or omission of such act, or who acquires possession of or in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any manner dealing with any goods which he knows or has reasons to believe are liable for confiscation under Section 111 of the Customs Act, 1962 is liable for imposition of penalty.

For Exports

3.4 Section 113 of the Customs Act, 1962: Any goods which are attempted to be exported or are brought within the limit of any Customs Area for the purpose of being exported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force, are liable for confiscation under Section 113 (d) of the Customs Act, 1962.

3.5 Section 114 of the Customs Act, 1962: Further, on such person, who in relation to such goods, does or omits to do any act which act or omission would render such goods liable for confiscation under Section 113 of the Customs Act, 1962 is liable for imposition of penalty.

Note: In case of any contravention of statutory provisions in case of import/ export of Acetone by any importer or exporter, the action against the goods or Importer/exporter under Customs Act, 1962 is without prejudice to any action which may be taken against him under FT (D & R) Act, 1992 or under Petroleum Act, 1934 and Petroleum Rules, 2002 by respective administrative departments/ Ministries.

4. Important Websites for Reference and research

- (i) Website of Department of Industrial Policy and Promotion (www.dipp.nic.in) for Explosive Act, 1884, Explosive Rules, 2008; and notification issued under the Explosive Act and Rules etc.
- (ii) Website of CBEC (www.cbec.gov.in) for knowing the provisions of Customs Act, 1962 and rules & regulation, notifications, circulars issued there under. Further, notifications imposing anti-dumping duty on import of Acetone from certain specified countries.
- (iii) Website of DGFT (www.dgft.gov.in) for provisions of Foreign Trade (Development & Regulation) Act, 1992, Foreign Trade Policy, ITC (HS), notification/circulars/Public Notices issued by DGFT.
- (iv) Website of Chief Controller of Explosives (www.peso.gov.in) for procedural aspects relating to manufacture, import and export of explosives. PESO stands for petroleum and Explosive Safety Organization.

5. *Material Safety Data Sheet (MSDS): Relevance to the Custom Officer*

5.1 Custom officers often have to be deal with chemicals while inspecting /examining import/export consignments of chemicals; taking sample for testing etc. They need to be extremely careful while dealing with chemical. Slight mistakes in dealing with or handling chemicals may pose risk to their life as well as lives of others. In this regard, it is important for Customs officers to know about MSDS and the information contained in such sheet. While on field duties which require dealing with chemicals, officer may first ask importer/exporter to furnish MSDS and carefully study it before actually handling/sampling/dealing with such consignment.

5.2 As Acetone is a hazardous chemical, Customs officers should also know the hazards associated while examining, sampling/handling acetone consignment. The hazards associated with Acetone can be seen with Material Safety Data Sheet. To know more about Material Safety Data Sheet, please refer to e-book on MSDS and their relevance to Customs Work.

5.3 A sample Safety Data Sheet for acetone can be downloaded and seen using the following link:

<http://physics.utsa.edu/memslab/MSDS/Acetone.pdf>

6. *Text of Relevant Act/Rules/Notification/Instruction/Circulars*

6.1 *Text of the Explosive Act, 1884*

[If necessary, may be downloaded from the website of DIPP using the following link:

http://dipp.nic.in/English/acts_rules/Acts/Explosive Act 1884.pdf

6.2 *Text of the Explosive Rules, 2008*

[If necessary, may be downloaded from the website of DIPP using the following link:

http://dipp.nic.in/English/acts_rules/Acts/ExplosivesRules 2008.pdf

6.3 Text of the Inflammable Substances Act, 1952 (No. XX of 1952)

An Act to declare certain substances to be dangerously inflammable and to provide of the regulation of their import, transport, storage and production by applying thereto the Petroleum Act, 1934, and the rules there under and for certain matters connected with such regulation.

Be it enacted by Parliament as follows:-

1. Short title.—

This may be called the Inflammable Substances Act, 1952

2. Definition.—

In this Act. —

- (a) *"dangerously inflammable substance" means any liquid or other substance declared to be dangerously inflammable by this Act;*
- (b) *"Petroleum Act" means the Petroleum Act, 1934 (XXX of 1934);*

3. Declaration of certain substances to be dangerously inflammable. -

The liquids and other substances hereinafter mentioned, namely

- (1) *Acetone,*
- (2) *Calcium Phosphide*
- (3) *Carbide of Calcium*
- (4) *Cinematograph Films having a nitro-cellulose base*
- (5) *Ethyl-alcohol*
- (6) *Methyl Alcohol*
- (7) *Wood naphtha,*

are hereby declared to be dangerously inflammable

4. Power to apply Petroleum Act to dangerously inflammable substances.-

- (1) *The Central Government may, by notification in the Official Gazette, apply any or all the provisions of the Petroleum Act and of the rules made thereunder, with such modifications as it may specify, to any dangerously inflammable substance, and thereupon the provisions so applied shall have effect as if such substance had been included in the definition of "petroleum" under that Act.*

(2) *The Central Government may make rules providing specially for the testing of any dangerously inflammable substance to which any of the provisions of the Petroleum Act have been applied by notification under sub section (1), and such rules may supplement any of the provisions of Chapter 11 of that Act in order to adapt them to the special needs of such tests.*

5. Operation of certain notification and rules. –

Notifications or rules issued or purporting to have been issued under section 30 of the Petroleum Act between the 1st day of April, 1937, and the date of commencement of this Act shall be deemed to have been issued or made under this Act, and continue in force accordingly.

6. Validation of certain acts and indemnity in respect thereof.—

All acts of executive authority, proceedings and sentences which have been done, taken or passed with respect to, or on account of, any inflammable substance since the 1st day of April, 1937, and before the commencement of this Act by any officer of Government or by any person acting under his authority or otherwise in pursuance of an order of the Government in the belief or purported belief that the acts, proceedings or sentences were being done, taken or passed under the Petroleum Act shall be as valid and operative as if they had been done, taken or passed in accordance with law; and no suit or other legal proceeding shall be maintained or continued against any person whatever on the ground that any such acts, proceedings or sentences were not done, taken or passed in accordance with law.

7. Repeal of Section 30, Act 30 of 1934.—[Repealed by the Repealing and Amending Act, 1957 (36 of 1957), s. 2 and Sch. I.]

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