

What is a High Seas Sale..??

Here is an interesting topic from [Asha's Maritime News..](#)

High Sea sales (HSS) is a [sale](#) carried out by the actual [consignee](#) (ie, the consignee shown in the [Bill of Lading](#)) to another [buyer](#) while the [goods](#) are yet on [high seas](#) or after their dispatch from the [port](#) of loading (POL) and before their arrival at the port of discharge (POD). HSS contract/agreement should be signed after dispatch of goods from origin & prior to their arrival at destination. The agreement should be on stamp paper. The word 'Sea' appearing in HSS should not be taken by its literal meaning. As long as the sale is formalized after dispatch from port of origin and before arrival at the first port of discharge at destination, such sale is considered as HSS.

On concluding the HSS agreement, the B/L should be endorsed in favour of the new buyer. If the [seller](#) does not mind disclosing original import values to HSS buyer, in such case it is better from custom clearance point of view for the seller to endorse the B/L, invoice, packing list in favour of the HSS buyer. The endorsement should read "Transferred on High Sea Sales basis to M/S ----- for a sales consideration of Rupees -----". Such endorsement should be stamped and signed by the HSS seller.

Sometime HSS buyers buy goods after their arrival. Such sales are not HSS. The stamp paper on which the HSS agreement is executed must not bear the stamp paper purchase date as being post cargo arrival date. Such a case can easily be detected by customs as being a post arrival sale.

The IGM should be filed by the carrier in the name of the HSS buyer. If not Import General Manifest (IGM) should get amended for which Customs will impose a penalty.

Same goods can be sold more than once on high seas. In such cases, HSS agreement should give indication of previous title transfers. The last HSS buyer should also obtain copies of previous HSS agreement as such documents may be called upon by the customs. HSS is considered as a sale carried out outside the territorial jurisdiction of [India](#). Accordingly, no sales tax is levied in respect of HSS. The title of goods transfers to HSS buyer prior to entry of goods in territorial jurisdiction of India.