

Instruction No. 12/2023

F.No. 520/12/2022-CusVI (Pt-2)-Part (1)
Government of India
Ministry of Finance, Department of Revenue
Central Board of Indirect Taxes and Customs

Room No. 252A, North Block, New Delhi
Dated: 27 March, 2023

To,
Pr. Chief/Chief Commissioners of Customs/Customs (Prev.)/Central Tax and Customs
Pr. Directors General/ Directors General
Pr. Commissioners/Commissioners of Customs /Customs (Prev.)/ Central Tax and Customs
Pr. Addl. Directors General/ Addl. Directors General,
all under CBIC

Subject: Demarcation of the role of Central Intelligence Unit (CIU) in a Custom House in relation to anti-smuggling work.

Madam/Sir,

In examining references from the trade and stakeholders, it has been noticed that customs field formations have adopted varying practice in work allocation between the Special Intelligence and Investigation Unit (SIIB) [Import/Export] and the Central Intelligence Unit (CIU) in relation to anti-smuggling cases.

2. The matter has been reviewed in the Board. Noting precedence^[1], and keeping in view developments over time, as well as recognizing the need for specialization and exclusivity of work, it is decided by the Board that insofar as in the course of any anti-smuggling work, including in detection of irregularities in commercial cases involving loss of revenue or violation of any prohibition/restriction on import or export of goods, where case investigated has a vigilance^[2] aspect or angle, it should be the CIU which intervenes and investigates, and if it does not have a vigilance aspect or angle, its investigation should be done by the SIIB.

3. Thus, anti-smuggling cases which in the first instance (including at

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intelligence stage) are viewed to involve only revenue and/or restriction-prohibition angle and no vigilance aspect, should not be taken up by the CIU, but be handled by the SIIB (or equivalent unit). When an anti-smuggling case is suspected to involve vigilance aspect and is taken up by the CIU, however, it is found to be not involving such angle, it should be transferred to the SIIB for further follow up and finalizing the investigation.

4. Similarly, anti-smuggling cases, which in the first instance (including at intelligence stage) are viewed to involve vigilance aspects, should not be taken up by the SIIB, but be handled by the CIU. When an anti-smuggling case, which was initially assessed to only revenue and/or restriction-prohibition angle and no vigilance aspect, has been taken up by the SIIB, however, it is found to be a case involving a vigilance angle, it should be transferred to the CIU for further follow up and finalizing investigation.

5. It is advised that Custom Houses that do not have a separate CIU should set one up. Setting up of only a single Unit performing centralized CIU functions for a Customs Zone is desirable, exception being when this may not be practicable for administrative or geographical reasons. The overall head of a CIU must be a Principal Commissioner or Commissioner. The Pr. Chief Commissioner/Chief Commissioner should ensure a centralized standing order placing the CIU with a specific Commissioner in the Customs Zone as also specifying its overall functions.

Hindi version follows.

Yours faithfully,

Signed by Tribhuwan Yadav

Date: 27-03-2023 16:02:54

Reason: Approved

(Tribhuwan Yadav)

OSD

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[1] Central Board of Revenue F.No.4/120/61-Cus.III dated 29.12.1961 addressed to all Collectors of Customs; Custom House Madras Circular No.1/85-CIU dated 10.9.1985 (No.C.21/7/85-Vig)

[2] Reference to vigilance aspect/angle includes foul-play, mis-conduct, connivance etc. of personnel

From:

Shri J. Datta,
Under Secretary, Central Board of Revenue.

To

All Collectors of Customs. (By name)

Subject:- Constitution of Intelligence-cum-Vigilance Unit at the Headquarters of each Collectorate and Custom House -

Please refer to the Government of India letter Ministry of Finance (Department of Revenue) No.3(54)/59-Ad.IV dated the 23rd July 1960.

2. The Central Intelligence Units have been since set up at the Headquarters of the Collectorates/Custom Houses with the dual purpose of (a) anti-smuggling work in liaison with the Directorate of Revenue Intelligence and (b) anti-corruption work.

So far as the second function is concerned, it will be desirable to utilise the unit to investigate cases having a vigilance aspect and to conduct special inquiries from the anti-corruption point of view as and when specific complaints or information alleging corruption are received or when in the course of anti-smuggling work or otherwise, it comes to notice that a particular case has a vigilance angle.

3. In this connection attention is invited to the instructions of the Board in letter No.1699-C(Bd)/59 dated the 6th August, 1959 in the matter of improvement of relations with the public and F.No.55/40/60-Cus.IV, dated the 28th September 1960, in the matter of steps necessary for eliminating extortion of speed money and those of the Ministry No.311-DS(CUS)/60, dated the 22nd January 1960, No.4/74/60-Cus.III, dated the 13th September 1960, and No.5/111/60-Cus.VI, dated the

11th October, 1960, in the matter of improvement of the procedure to avoid harassment and corruption, measures for the prevention of smuggling, and visits by the supervisory officers to their sections; respectively, implementation of which involves the following general items of work:-

- (a) (i) carrying out surprise sample surveys of various processes in the different units of the Collectorates, Customs Houses and ~~report~~ their findings to the Collector;
- (ii) systematically studying the procedures and practices with a view to spot the lacunae in the procedures and the weak points in the set-up which appears ~~growing~~ for growth of corrupt practices and ~~report~~ the results of their study to Collector.

- (b) Collectors and other senior supervisory heads intensifying their control by paying as many surprise visits as possible to the various units/sections and ~~make~~ sample surveys on their own at different stages.

4. The Collectors will no doubt utilise this new unit for as much of these items of work as can be handled by the staff posted in these units, in addition to the staff normally utilised for such work. The idea is to watch implementation and to devise further measures necessary to instil a sense of courtesy and discipline among the officers in their discharge of duties and to remove all loopholes which permit corrupt practices so as to streamline the administration with the objective of achieving the ideal of an efficient, honest and courteous administration.

5. On the basis of these studies and sample surveys, Collectors should send a report to the Board every 2 months with any other information or material that may be with them indicating the weak points in the set-up and loopholes that need to be plugged and the remedial steps taken.

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-3-

A copy of the report should be simultaneously sent to the
Vigilance Wing of the Directorate of Inspection.

Yours faithfully,

(J. Datta)

Under Secretary, Central Board of Revenue,

Copy to:-

1. Directorate of Inspection (Customs and Central
Excise) (by name).
2. All Collectors of Central Excise (by name).
3. Ad.IV/Cus.VI/Cus.IV.
4. U.S.(Cus.)M./U.S.(Cus.)D.N.M.

(J. Datta)

Under Secretary, Central Board of Revenue.

CONFIDENTIAL CIRCULAR NO. 1/B5-C.I.U.

Subject: Constitution of Central Vigilance-cum-Intelligence Unit in the Custom House.

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1. CONSTITUTION OF C.I.U.:- It has been decided to constitute a Central Vigilance-cum-Intelligence Unit (hereinafter referred to as C.I.U) in the Custom House with immediate effect.
2. STAFFING:- The strength of the CIU would be 1 Appraiser, 1 Examiner and 2 Preventive Officers. This Unit will also be provided with a vehicle exclusively for the movement of the officers to carry out their duties.
3. OBJECTIVE:- The CIU is exclusively concerned with complaints and detection of irregularities involving loss of revenue, where the vigilance angle is also noticed.
4. FUNCTIONS ALLOTTED:- Having regard to the aforesaid background the functions of the CIU are enumerated below:-
 - (i) Carrying-out surprise checks at the Airport, Docks, Bonded Warehouses, Air Cargo Complex;
 - (ii) Periodical surprise examination of import and export cargo including baggage, both at the docks as well as in Air Cargo Complex.
 - (iii) Examination at random of some of the Bills of Entry and Shipping Bills from licence/valuation and assessment angle;
 - (iv) Selective examination of cargo, where survey shortages have been certified;
 - (v) Surprise checks on clearance of import and export cargo on Merchant Over fine, particularly outside the harbour premises;
 - (vi) Surprise checks of empty containers being taken out of the harbour area;
 - (vii) Surprise checks of transport of bonded goods particularly sensitive items;
 - (viii) Surprise checks on the supervision and loading of export cargo;
 - (ix) Surprise check on 100% export orientad units;
 - (x) Surprise checks on import and exports of cargo cleared under D.E.E.C.
 - (xi) Conducting preliminary enquiries in respect of complaints received;

- 2 -

- (xii) Conducting investigations of cases involving vigilance angle;
 - (xiii) Carrying out selective re-examination of passengers' baggage;
 - (xiv) Ensuring maintenance of punctuality in attendance of office and watching any abnormal happenings in the section;
 - (xv) Liaisoning with other enforcement agencies like the D.R.I., the Enforcement Directorate, the Income Tax and the C.B.I.
 - (xvi) Any other task assigned to the CIU by the senior officers.
5. SUPERVISION:- The CIU will be directly under the supervision of A.C. (SID) and under the over all supervision of the Collector. However matters relating to Appraising cases should be brought to the immediate notice of the D.C.(Appg.) and matters concerned with Preventive cases should be brought to the notice of the Addl. Collector.
6. METHOD OF ENSURING SUPERVISION:- The Addl. Collector should arrange to convene a meeting every week preferably on Monday with all the officers of the CIU, which can be attended to by D.C.(Appg) also. In this meeting, assessment of the performance of this Unit and chalking out plans for the ensuing week could be discussed and instructions can be issued for further course of action. Cases involving purely revenue angle detected by this Unit can be handed over to the SID or R & I Unit as the case may be for follow up investigation. However cases involving Vigilance angle should be dealt with by this Unit only. The D.C.(Appg) and the Addl. Collector will periodically keep the Collector informed of important cases, detected by the CIU.
7. REGISTERS AND REPORTS:- This Unit should maintain a register of the various checks conducted by them on daily basis and this register should be put up to the D.C.(Appg) and the Addl. Collector every week. A monthly statement should also be put up to the Collector relating to the number of checks carried out, number of irregularities noticed and the gist of the major irregularities. The statement should be submitted to the Collector by 5th of the following month. A separate register should also be maintained where the complaints of vigilance nature which have been received and are dealt with by this Unit should be recorded indicating the nature of investigation carried out and the results achieved. A monthly review of the register should be done and put up to the Collector by 5th of the following month.

Ho.C.21/7/85-Vig.
Custom House, Madras.
Dated: 10-9-1985

3d/-
(H. JAYARAMAN)
COLLECTOR OF CUSTOMS

//Attested//

(KAMESWARI SUDHAKARAN)
ASST. COLLECTOR OF CUSTOMS(CIU)

Copies to:

- 1) Collectors (Appeals)
- 2) All D.G.s and Asst. Collectors
- 3) The Addl. Collector of Customs

1298