

F. No. CBIC-21/125/2021-INV-CUSTOMS-CBEC

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect taxes & Customs (CBIC)
Investigation- Customs

10th Floor, Tower-2, Jeevan Bharti Building,
Parliament Street, New Delhi-110001.

Email: inv-customs@gov.in

Tel. 011-21400625

Date: 06.07.2023

To

All Pr. Chief Commissioners/ Chief Commissioners of Customs /Customs (Prev.)/
Central GST,
The Pr. Director General, Directorate General of GST Intelligence, New Delhi,
The Pr. Director General, Directorate of Revenue Intelligence, New Delhi,
The Director General, DGARM, New Delhi.

Madam/Sir,

Sub: Standard Operating Procedure for stepping up of Preventive Vigilance Mechanism by the jurisdictional CBIC field formations and to prevent flow of suspicious cash, illicit liquor, drugs/narcotics, freebies and smuggled goods during elections-reg.

Election Commission of India (ECI) has highlighted that the election expenditure monitoring mechanism, with its two thrust areas of keeping track of the legal expenditure incurred by the candidates and the political parties, requires coordination among the various expenditure monitoring teams and the various law enforcement agencies. ECI has also expressed concern that smuggled goods/contrabands and other illicit articles may be used to lure the voters during the election process, which would need to be checked by the law enforcement agencies including those of the Central Board of Indirect Taxes and Customs (CBIC). Another aspect that would require focused attention is the use of non-monetary inducements and cash to lure voters, which too would need to be checked by keeping strict vigil on warehouses etc. to prevent the stocking of such goods for distribution.

2. Additionally, ECI has stressed on the importance of coordinated and focused attention including proper sharing of information by the field formations of CBIC and all other agencies concerned for ensuring smooth and fair elections. In this regard, the below mentioned SOP is to be followed by formations of CBIC to ensure conduct of free and fair elections:

2.1 The Principal Chief Commissioners/ Chief Commissioners of Customs, Customs (Prev.) and Central Goods and Services Tax (CGST) Zones and the Principal Additional Director Generals (Pr. ADGs)/ Additional Director Generals (ADGs) of Zonal Units of Directorate of Revenue Intelligence (DRI) and Directorate General of Goods and Service Tax Intelligence (DGGSTI) should attend all the meetings called by the Chief Election Commissioner or Member(s) of the ECI or on their behalf. They should be well prepared with data/ information regarding the state of preparedness and various election related work done by their officers in the Zone.

2.2 The Principal Director General (Pr. DG), DRI, Pr. DG, DGGSTI, Principal Chief Commissioners/ Chief Commissioners of Customs, Customs (Prev.) and CGST Zones concerned shall suitably brief & sensitize their officers about their responsibilities. They shall also forthwith and throughout the elections closely monitor the steps taken by the respective officers to implement the directions of the ECI especially in use of non-monetary inducements (sarees, shirts, caps, scarves, white goods, masks, kitchen items, etc.) and cash to lure voters, apprehending smuggled/ illicit and other goods, identification of warehouses used to stock goods for distribution to lure voters, cash movement etc. and also the dissemination of information to and from other enforcement agencies/ department and action taken thereon.

2.3 The Pr. DG, DRI, Pr. DG, DGGSTI, Pr. Chief Commissioner/ Chief Commissioners of Customs, Customs (Prev.) and CGST Zones concerned shall be responsible for bringing any matter that is highly sensitive or grave to the immediate notice of the Chairman, CBIC/ Member (CM), CBIC/ Commissioner (Investigation -Customs), CBIC with a copy marked to Commissioner (Investigation -GST), CBIC.

2.4 Whereas the administrative arrangement being put in place applies to the DRI, DGGSTI, Customs and CGST field formations, it is clarified upfront that it is the Pr. ADG/ ADG, DRI in the respective States/ UT's, who shall be the point man for all the formations of CBIC, i.e., DGGSTI, Customs, Customs (Prev.) and CGST formations in that particular State. This officer shall, through the appointed Nodal Officer in his/her office, be responsible for:

- i. Collating the prescribed reports (and other reports such as report of a serious/ grave nature) and sending the same on a daily basis to ECI with a copy marked to Commissioner (Investigation-Customs), CBIC at email id inv-customs@gov.in and Commissioner (Investigation-GST), CBIC at email id gstinv-cbic@gov.in by 9:30 AM on the following day and;
- ii. Coordinating the efforts with other agencies such as Income Tax, etc.

2.5 Pr. DG, DRI and Pr. DG, DGGSTI shall:

- i. Establish a Central Control Room at Hqrs. and a Control Room in each State/ UT concerned. They shall also designate a Nodal officer at Hqrs. and in each State/ UT concerned. The State-wise information of the Control Room(s) and Nodal officer(s) with full contact details would be shared with each other and Pr. Chief Commissioners/ Chief Commissioners of Customs, Customs (Prev.) and CGST Zones concerned. The consolidated details/ list would also be circulated directly by the Pr. DG, DRI and Pr. DG, DGGSTI to other enforcement agencies and ECI with a copy marked to Commissioner (Investigation-Customs), CBIC and Commissioner (Investigation-GST), CBIC and;
- ii. Direct their intelligence units to gather information and develop intelligence to effectively prevent unfair and unauthorized practices that could vitiate the elections.

2.6 Similarly, Pr. Chief Commissioners/ Chief Commissioners of Customs, Customs (Prev.) and CGST Zones concerned shall:

- i. Establish a Central Control Room and designate a Nodal officer. The details of the Control Room list of these Nodal officers with full contact details would be shared with Pr. DG, DRI/ DGGSTI. Pr. DG, DRI will further share it with ECI with a copy to Commissioner (Investigation-Customs), CBIC and Commissioner (Investigation-GST), CBIC.
- ii. Establish sufficient number of Flying Squads and Static Surveillance Teams for effective conduct of road and transit checks of vehicles and verification of warehouses etc., as and when required, to curb illegal and prohibited activities;

- iii. In order to ensure against unauthorized diversion of liquor, cigarettes etc. special watch/ stock-taking should be kept/ carried out in the Custom Bonded Warehouses;
- iv. Map the declared/ registered and other warehouses in the respective States/ UT's and ensure strict vigil is kept on these to ensure that there is no poll related untoward activities taking place or material being kept in these places;
- v. Where any such goods are found to be linked to the canvassing process or for use during election, the cost of such goods should be communicated to the Pr. DG, DRI/ DGGSTI along with District Election Officer and Returning Officer with a copy to the ECI Observers for their further necessary action.

2.7 The Central Control Room in the States/ UT's and Nodal Officers concerned shall maintain a proper record of incidents and activities that have a bearing on the free and fair election process and immediately inform the same to the Pr. ADG/ ADG, DRI in the respective State/ UT.

2.8 The Nodal Officers of DGGSTI, Customs, Customs (Prev.) and CGST formations should constantly liaison with the Nodal Officer of DRI in the State, who shall, in turn, be in constant touch with the Nodal Officer of other agencies and keep abreast of poll related activities taking place in their jurisdiction. The Nodal Officers shall meet and brief the Expenditure Observers as and when called for.

2.9 Wide publicity should be given to search and seizures that are related to malpractices that may be related to elections. All out efforts should be made to detect and seize illicit currency, liquor, gold, FICN, NDPS and other contraband.

2.10 Detections made and results achieved are to be reported daily by the Customs, Customs (Prev.) and CGST Zones and DGGSTI Zonal Units concerned, to the Nodal Officer of DRI Hqrs. in their State in the prescribed format attached as **Annexure-A**. As aforementioned at clause **2.4**, Pr. ADG/ ADG, DRI concerned shall then furnish a consolidated report for the State to the ECI with a copy marked to Commissioner (Investigation-Customs), CBIC at email id inv-customs@gov.in and Commissioner (Investigation-GST), CBIC at email id gstinvcbic@gov.in.

3. The Directorate General of Analytics and Risk Management (DGARM) shall carry out a special analytical study of items (sarees, shirts, caps, masks, scarves, white goods, kitchen items, etc.) that might be associated with the candidate or political party in the poll-bound assembly or constituency and could be used as an inducement for votes in the said States. The study should bring out the surge patterns to and within these States and the movement pattern and place of storage of such goods. These reports shall be quickly shared with field officers who would keep a special watch on movement/storage/supply of such goods.

4. Data analysis should be done on identified sensitive sectors as well as groups/ organizations/ individuals known to generate/deal in unaccounted cash for suitable action including sharing information with Income Tax Department, wherever warranted.

5. Pr. DG, DGGSTI and Pr. Chief Commissioners/ Chief Commissioners of CGST Zones concerned shall:

- i. Monitor movement of goods like saris, shirts, caps, masks, scarves, party flags that might be associated with the candidates or the political party in the poll-bound assembly or constituency by conducting extensive checking of e-way bills by GST teams at nakas during elections to ensure aforementioned goods are not moving without a proper GST invoice or e-way bill for distribution in the poll bound area to influence voters. Due procedure of search/inspection under Section 67 of CGST Act, 2017 may be followed while conducting checking at any suspected premises.

- ii. Ensure Stock checking of manufacturers, wholesale distributors and retailers to identify goods that might be meant for election canvassing and for distribution to voters.
 - a. Sudden surge in movement of goods like dhoti, saris, T-shirts, Umbrella, pagri, etc. especially from neighbouring states can be checked through e-way bill portal.
 - b. Random checks of the stocks of potential warehouse and shops can be made by GST officers to ensure that no unaccounted goods are removed under cash transactions. Due procedure of search/inspection under Section 67 of CGST Act,2017 may be followed while conducting checking at any suspected premises.
 - iii. Monitor fuels consumed during the election process by candidates and parties.
 - a. Sale monitoring of petrol pumps to vehicles used during elections for canvassing: Petrol/Diesel being an excisable commodity also comes under indirect taxation.
 - b. Distribution of coupon-based fuel for alluring prospective voters: It is potential source of alluring voters through distributions free petrol/diesel during elections or on a cash basis. So random audit of fuel pumps/filling stations stocks can be done during elections. Due procedure of search/inspection under Section 67 of CGST Act,2017 may be followed while conducting checking at any suspected premises.
 - iv. Wherever such goods mentioned at paras 5(i), 5(ii) and 5(iii) are found to be linked to the canvassing process or for use during election, the cost of such goods should be communicated to Pr. DG, DRI/ DGGSTI along with the District Election Officer and Returning Officer with a copy to the ECI Observers for their further necessary action.
 - v. Account for expenditure on food, hotels, parties, tent house etc. during the election process by the candidates and parties.
 - a. Extensive Checking by GST teams of Restaurant/Eateries, Marriage Hall/Conference Hall/Farm Houses/Gardens, Shamiana, Tent House, Chair and Table providers, Slaughter House/Meat House in the poll bound area. Due procedure of search/inspection under Section 67 of CGST Act,2017 may be followed while conducting checking at any suspected premises.
 - b. Wherever services availed are found to be linked to the canvassing process or for use during election, the cost of such good should be communicated to the District Election Officer and Returning Officer with copy to the ECI Observers for their necessary action.
6. The DRI should increase its vigil along the international border/ airports and its information gathering mechanism to check the flow of foreign currency/ gold/ narcotics etc. that could potentially be used for malpractices during the elections.
7. Pr. Commissioner/ Commissioner of Customs in-charge of Customs Airports in the concerned States shall furnish a daily report on the declaration of foreign currency in the format given at **Annexure-B** to the Nodal Officer of DRI. This report shall also be given by all other Pr. Commissioners/ Commissioners of Customs-in-charge of Customs Airports to the Nodal Officer of DRI, in the State concerned but only in respect of passengers whose place of stay is in one of the poll bound states.

8. Further, it is also expected that all officers/officials concerned would proactively check any misuse and mischief. The measures mentioned above must be strictly complied with without fail. Any suggestions for further tightening the monitoring to effectively check any misuse may be immediately communicated to Commissioner (Investigation-Customs), CBIC and Commissioner (Investigation-GST) and action taken regarding preparedness and any seizure effected may please be communicated on the same day.

9. Hindi version will follow.

Yours faithfully,

Encl. As above



(Suraj Kumar Gupta)
Additional Commissioner (Inv-Cus),
CBIC, New Delhi

Copy to:-

- i. Principal Secretary, Election Commission of India,
- ii. Commissioner- Customs Policy Wing,
- iii. Commissioner- GST Policy Wing,
- iv. Commissioner (Investigation-GST),
- v. Webmaster with a request to put also under Election matter under Departmental Officers.

ANNEXURE-A**SEIZURE DETAILS**

S. No.	Name of State and District	Constituency	Date & time of Seizure	Cash seized (in lakhs)	Seizure (like Drugs, Narcotics, Gold or other Precious metals, illicit liquor/ FICN, and Other misc. items including freebies)	Unaccounted storage/ stock of goods kept for inducing voters		Whether items are found to have link with any political party or candidate (name of the party and Party affiliation)	Action taken so far in respect of seized item (in brief)
						Item & Qty.	Value (in lakhs)		

ANNEXURE-B**CURRENCY DECLARATION DETAILS**

S. No.	Name of the passenger	Passport Number	Nationality	Value of Foreign Currency	Likely place of stay/visit