

F.No.605/30/2015-DBK
Government of India
Ministry of Finance, Department of Revenue
Central Board of Indirect Taxes and Customs
(Drawback Division)

4th Floor, Jeevan Deep Building,
Parliament Street, New Delhi
Dated 21st February, 2019

To

All Principal Chief Commissioners/ Chief Commissioners
of Customs/Customs (Preventive)/Customs & Central Tax

All Principal Directors General/Directors General under CBIC

Madam/Sir,

Subject: Discontinuation of printing of Advance Authorisations/Export Promotion Capital Goods (EPCG) Authorisations on security paper by DGFT for authorisations issued with EDI ports as port of registration.

In order to enhance the ease of doing business for exporters, DGFT has decided to discontinue the issuance of Advance/EPCG Authorisations on security paper as was the practice so far. DGFT has issued Policy Circular 19/2015-2020 dated 14.02.2019 notifying this change. This shall come into effect for authorisations issued from 01.03.2019 onwards for cases where the port of registration is an EDI port.

2. Advance/EPCG Authorisations shall continue to be transmitted electronically by DGFT to the Customs server. The details of the said authorisations would be visible in ICES to all officers involved in import/export cycle i.e. registration of the authorisation, assessment of Bill of Entry, examination of imported goods, giving out of charge to imported goods as also assessment of shipping bills, examination of export goods and giving let export order for export goods.

3. The process of registration of authorisations and taking bond/bank guarantee remains unchanged except that no physical copy of the authorisation shall be presented by the authorisation holder. The authorisation holder or his duly authorized representative shall approach the designated officer at the port of registration with details of his authorisation i.e. IEC Number and the authorisation number. The details of the authorisation will be available on ICES, which will include any additional/special condition transmitted on the ICES such as imposition of higher bank guarantee, waiver of bond/bank guarantee etc. The amount of bond/bank guarantee will continue to be determined and the authorisations registered as per the instructions contained in relevant Board's Circulars and ICES.

4. In case any amendment, invalidation etc. in respect of already registered authorisations are made by the Regional Authority of DGFT, the same shall also be transmitted electronically to Customs server and updated. No physical copy of such amendment needs to be sought from the authorisation holder. It may be noted that in terms of the Customs Act 1962, importer/exporter is required to self-assess the Bill of Entry/Shipping Bill. The authorisation holder must ensure that his claims/declarations are correct as per the authorisation.

4.1 Further, the relevant exemption notifications under the Customs Act, 1962 inter-alia prescribe that the authorisation shall be presented before the proper officer of Customs at the time of clearance for debit. Since the authorisation is available electronically in ICES and the view of the authorisation details is available in ICES to officers dealing with import and export, the correctness of the debits made electronically in ICES shall continue to be verified by the appropriate officer. As all debits of the authorisation shall be made in ICES, no physical debits would be required on copy of the authorisation generated by authorisation holder from DGFT website.

5. No TRA facility would be available in respect of Advance/EPCG authorisations issued electronically by DGFT for EDI ports. Consequently, such electronically issued authorisations for EDI ports cannot be used for making imports at non-EDI ports. DGFT shall continue to issue physical copy of Advance/EPCG authorisations on security paper as per current practice for non-EDI ports. The facility of TRA would be available for such physical authorisations for making imports at other EDI/non-EDI ports.

6. Para 3 of Board's Instruction F.No.605/30/2015-DBK dated 28.09.2016 prescribes a procedure for ARO/invalidation of Advance Authorisation. In view of DGFT's above stated Policy Circular wherein it has been prescribed that details of invalidations/ARO shall be electronically transmitted to Customs server, the said procedure for ARO/invalidation by Customs stands withdrawn.

7. There shall be no change in the Board's presently prescribed verification mechanism and procedure for monitoring of export obligation fulfillment after discontinuance of printing of authorisations. However, the work being undertaken by jurisdictional Central Excise such as verification of address etc. will now be dealt by jurisdictional Customs formation.

8. A suitable Trade Notice and Standing Order may be issued for the guidance of the trade and staff. Difficulties faced, if any, in implementation of the Circular may be immediately brought to the notice of the Board.

Yours faithfully,

(Vaibhav Bhatnagar)
OSD (Drawback)
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