



**OFFICE OF THE COMMISSIONER OF CUSTOMS, (NS-II)
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA,
TALUKA-URAN, DIST.-RAIGAD, MAHARASHTRA – 400 707.**

F. No. S/26-Misc.-69/18-19/DMC

Date: 11.06.2018

STANDING ORDER NO. 19 /2018.

Sub: Standard Operating Procedure regarding Export Promotion (EP) Schemes Management & Monitoring Cell –reg.

The following standard operating procedure is notified regarding Export Promotion (EP) Schemes Management & Monitoring Cell which has been notified vide P.N. No. 91/2018, dated 30.05.2018.

1) **EPCG Monitoring Cell & DEEC Monitoring Cell**:- In the EPCG Monitoring Cell, the work pertaining to registration of EPCG authorisation, maintenance of record of bond and bank guarantee executed at the time of registration, renewal of bank guarantee and cancellation of bonds and bank guarantee is to be undertaken. Similarly, in the DEEC Monitoring Cell, the work pertaining to registration of advance authorisation, maintenance of record of bond and bank guarantee executed at the time of registration, renewal of bank guarantee and cancellation of bonds and bank guarantee is to be undertaken.

A) **Procedure for Registration of EPCG /Advance Authorisation:-**

i) The registration of the EPCG / Advance Authorisations is to be done in accordance with CBEC Circular No. 58 / 2004-Cus, dated 21.10.2004 as amended read with P.N. No. 140 / 2016, dated 25.10.2016 issued by Commissioner of Customs, NS-IV.

ii) As per para 3.2 of CBEC Circular No. 58 /2004, dated 21.10.2004, the bank guarantee exemption as specified in para 3.1 of the said circular shall not be admissible if the license holder has defaulted in the export obligation in respect of any advance license / EPCG license issued to him in the past. Accordingly, whenever any licensee approaches for registration of advance authorization / EPCG authorization, details of all pending advance authorizations and EPCG authorizations should be examined. In case of advance authorization, if the export obligation period is over and EODC is still pending, the licensees should be asked to submit copy of covering letter along with acknowledgment from the Regional Licensing Authority (RLA), vide which documents for issuance of EODC submitted. It needs to be ensured that the licensee had submitted the requisite documents in the prescribed application (ANF 5B / ANF 4F) along with prescribed documents to the RLA. In case any deficiency memo is issued by RLA, copy of the same along with its compliance should also be submitted by licensee. If any compliance of deficiency memo yet to be submitted, reasons for the same should be asked for. It needs to be ensured that there is no deficiency / compliance pending on behalf of licensee except in the cases where there is no action pending on their part.

iii) In case of pending EPCG authorizations, it needs to be ensured that the installation certificate has been submitted within the period specified in the relevant custom notification, i.e., 06 months in the case of capital goods and 03 years in the case of spares. In addition, it needs to be ensured that the export obligation of the first block has been fulfilled and same is submitted to the RLA as per Standing Order No. 70 / 2016, dated 25.11.2016 issued by Commissioner of Customs, NS-IV.

iv) It needs to be ensured that the name of licensee is not appearing in the list of firms / companies who have gone into insolvency proceedings. The list of such firms / companies is available on www.ibbi.gov.in. If the name of the licensee is appearing in the list, 100 % BG is to be taken invariably.

v) It needs to be ensured that the bank guarantee contains unconditional auto renewal clause as per P. N. No. 140 / 2016, dated 25.10.2016.

vi) In case the EPCG / advance authorisation is registered without prior verification report from jurisdictional GST authorities, post verification of the affidavit given by license holder should be done in accordance with P. N. No. 54/2016, dated 22.03.2016 issued by Commissioner of Customs, NS-IV.

B) Submission of Installation certificate in case of foods cleared under EPCG authorisations:-

i) In case of import of capital goods, the importer is required to submit a certificate confirming installation and use of capital goods in the importer's factory / premises, from the jurisdictional Asst. / Dy. Commissioner of GST or independent chartered engineer as per the condition of relevant custom notification within 06 months from the date of completion of import. In case of spares, the installation certificate is to be submitted within 03 years from the date of import.

ii) In cases of installation certificate issued by chartered engineer, the correctness of the installation certificate should be verified on a random basis through concerned GST division as prescribed in CBEC Circular No. 05/ 2010-Cus., dated 16.03.2010.

C) Maintenance of record of bond and bank guarantee executed at the time of registration :-

i) The bonds executed at the time of registration need to be kept in separate file along with photo copies of bank guarantee, license and all other documents submitted at the time of registration.

ii) Regarding renewal of bank guarantee, the instructions issued vide Standing Order No. 31/2007, dated 24.07.2007 issued by Commissioner of Customs, Export, JNCH should be followed strictly. It needs to be ensured that letter for renewal of all such bank guarantees which do not contain proper auto renewal clause, should be sent to the concerned bank immediately upon receipt of information from B.G. Cell. It needs to be ensured that such renewal letters are received by the concerned bank before the date of expiry of the bank guarantee. Subsequently, it needs to be ensured that the renewal letter from bank is received with proper auto renewal clause failing which the B.G. should be encashed after notice to the license holder / bank.

D) Cancellation of bonds and bank guarantee :-

i) In cases of EPCG authorisation, where Export Obligation Discharge Certificate (EODC) issued by O/o Jt. /Addl. DGFT is received, the procedure specified in Standing Order No. 70 / 2016, dated 25.11.2016 read with S.O. No. 36 / 2017, dated 10.11.2017 should be followed for cancellation of bond and bank guarantee.

ii) In case of advance authorisations, where EODC issued by O/o Jt. /Addl. DGFT is received, the procedure specified in Standing Order No. 09/2011, dated 10.02.2011 should be followed for cancellation of bond and bank guarantee.

iii) In cases where bond and BGs are cancelled manually, the same should also be cancelled in system by the Asst. / Dy. Commissioner, immediately.

E) Correspondence with offices of Jt./ Addl. DGFT regarding status of pending advance authorisation / EPCG authorisation :-

i) The list of pending advance authorisation / EPCG authorisation where export obligation period is over should be sent to the concerned office of Jt. /Addl. DGFT to inform the status. In this regard, regular persuasion needs to be done with the offices of Jt. / Addl. DGFT. Where default is noticed by office of Jt. DGFT and any action initiated against the licensee, SCNs should be issued to all such license holders immediately and BGs, if any, should be encashed. Also, alerts should be inserted in system against all such defaulters.

F) **NOC granted by Asstt. /Dy. Commissioner in cases of alerts:-**

i) As per Para 3 of Instruction No. 03/2016, dated 21.07.2016 issued by the Commissioner of Customs NS-IV,

“In cases where importers (hits by IEC Alerts) are required to seek NOC from ‘Monitoring Cell’ for clearance of live imports, DC/AC, ‘Monitoring Cell’ being satisfied with the submitted documents shall grant NOC for the period of three months at a time. However, in case request for NOC is received from same importer/licence holder more than 03 times, the file should be put up before Commissioner for prior approval.”

ii) In this regard, it needs to be ensured that while giving NOC, the Assistant/Deputy Commissioner should ensure that there is no delay/deficiency on behalf of the concerned importer in submitting information / documents to Jt. DGFT. Only when it is confirmed that no amount of duty along with interest is to be deposited by the importer as per deficiency memo of RLA and no other action is pending on behalf of importer, then only the NOC should be granted by the AC/DC. In case where SCN is issued to the license holder for default in export obligation, NOC can only be granted by Commissioner considering the facts of individual case.

G) Now, Group-7(D) and 7(G) have been discontinued. Therefore, all the arrears pertaining to erstwhile 7D shall be monitored by DEEC Monitoring Cell and all the arrears pertaining to erstwhile 7 G shall be monitored by EPCG Monitoring Cell. All pending cases along with O-in-O registers shall be transferred accordingly. DEEC Monitoring Cell and EPCG Monitoring Cell shall follow S.O. No. 34 / 2017, dated 02.11.2017 regarding maintenance of O-in-O registers and recovery of arrears.

2) **DFIA, EOU etc. Monitoring Cell:-**

i) The work pertaining to receipt of re-warehousing certificates in case of EOUs, EHTPs, STPIs and Bio-Technology Park Units till 12.08.2016 shall be monitored by this unit. All pending cases wherein re-warehousing certificates are not received, would be dealt by this cell. All other work except clearance of live consignment shall be attended by this cell.

ii) The work pertaining to DFIA wherein EODC not submitted, shall be attended by this cell. In this regard, instructions issued by P.N. No. 86 / 2011, dated 10.06.2011 should be followed. All pending cases would be attended by this cell on priority.

iii) The arrears pertaining to DFIA, EOU, undue benefit of DEPB scheme including imports as well as exports shall be monitored by this cell. All pending cases along with O-in-O registers shall be transferred accordingly. Now, this cell shall follow S.O. No. 34 / 2017, dated 02.11.2017 regarding maintenance of O-in-O registers and recovery of arrears. Any other arrears pertaining to export promotion schemes except DEEC, EPCG and Drawback shall be monitored by this cell.

Sd/-

(M.R. Mohanty)

Commissioner of Customs, NS-II
JNCH, Nhava Sheva

Copy to :

- 1) Chief Commissioner of Customs, Zone-II, JNCH.
- 2) All Commissioner of Customs, JNCH.
- 3) All Addl. / Jt. Commissioner of Customs, JNCH.
- 4) All Asst. / Dy. Commissioner of Customs, JNCH.
- 5) Asst. Commissioner of Customs, EDI for uploading on website.
- 6) Office copy.

Please see noting on pre-page.

As directed, fair copy of Standard Operating Procedure is placed opposite for kind perusal and approval please.

Submitted please