Subject: Measures taken to simplify tax administration by CBEC - Reg.

It is brought to the notice of all the Importers, Exporters, Customs Brokers and Members of the Trade that the following measures/initiatives have been taken by the Central Board of Excise & Customs, New Delhi to simplify Tax administration with the objective of improving ‘ease of doing business’.

- Introduction of an electronic messaging system for electronic Delivery Order, instead of a paper based Delivery Order introduced.
- In order to increase coverage of digitally signed documents and subsequent phasing out of physical/manual submission of documents, Board has enabled that all importers, exporters, shipping lines and airlines shall file Customs documents under digital signature with effect from 1.1.2016. Wherever the Customs documents are digitally signed, the Customs will not insist on the user to physically sign the said documents.
- Customs Clearance Facilitation Committee (CCFC) set up at every major Customs seaport and airport. At Central level, a “Central Customs Clearance Facilitation Committee” under the Chairmanship of Revenue Secretary has been set up to address the issue relating to Customs Clearance and infrastructure impacting clearance of goods.
- Single Window Project whereby electronic online message exchange system between Customs and FSSAI, Plant Quarantine, Textile Committee, Drug Controller established to provide for speedier hassle free clearance. This project includes:
  - Integrated declaration
  - Online clearances
  - Integrated Risk Management
- The online message exchange extended to imports at 13 Customs stations (Ports/Airports/ICDs). Thereafter, it will gradually be extended to all other locations where the systems of FSSAI and DPPQ & S are operational.
- 24 x 7 Customs clearance facilities extended to 19 sea ports and 17 Air Cargo complexes.
- Deferred duty payment for select categories of importers and exporters. This provision will enable release of cargo without payment of duty, which shall enable speedier clearance and improved liquidity in hands of the businesses.
- Special Valuation Branches: The procedure for handling related party transactions and those involving special relationships completely
revamped. Extra Duty Deposits waived and the provisions for renewal of SVB orders have also been dispenses.

- **Warehousing**: The system of physical control and locking of public & private warehousing by Customs to be dispensed and replaced with record based controls. The period of warehousing to be extended till de-bonding or consumption of goods in respect of EOU/STPs/Manufacturing Units under Customs Bond, such as ship building yards which shall reduce transaction costs and burden of documentation. Power for extending warehousing periods in respect of other classes of importers to be delegated to Principal Commissioner/Commissioner.

- The guidelines relating to valuation of second hand machinery revised. In order to achieve nationwide standardization, formats for certification by Chartered Engineers (Indian & Overseas) devised.

- **Temporary Imports for exhibitions**: Exemption notification issued for enabling temporary importation of goods for display/exhibition/demonstration. The requirement of ITPO certification dispensed. The revised process is simplified, predictable and reduces transaction costs.

- Under the India-ASEAN FTA, Rules or initiating investigations by DG, Safeguards issued.

**Export Promotion (Drawback)**

- 100% disbursal of Drawback electronically
- Provisional payment of drawback to exporters pending fixation of brand rate
- Full transferability of duty credit scrips to pay dues under all three indirect taxes
- Exemption to payment of excise duty in the case of locally procured excisable goods against advance authorization which shall improve cash flow of exporters.

- Owing to the difficulties faced by the trade in sealing of bulk cargo for exports under Bond, rules amended to grant exemption from self-sealing of bulk cargo for export.

- Electronic monitoring of export proceeds realization, which shall obviate need for submitting documentary evidence by exporters. As a measure of facilitation verification of export obligation discharge certificates limited to 5% cases.

- Installation certificates from private chartered engineers allowed.

**Dispute Resolution:**

- Penalty provisions in Customs, Central Excise and Service Tax rationalized to encourage compliance and early dispute resolution
- Instructions issued to withdraw all cases in High Court and CESTAT where there is precedent Supreme Court decision, against which no review is contemplated.
- Pre show cause notice consultation mandatory at the level of Principal Commissioner/Commissioner in all the cases where duty involved is above Rs.50 lakhs.

- The requirement of mandatory audit of units with prescribed periodicity based on duty payment done away with. Now the selection of units done
based on scientific risk parameters which also takes into account past track record of the unit. Further, concept of integrated audit implemented in all the three tax as against three separate audits being conducted.

- Instructions issued specifying the threshold for filing of Appeals by the department as Rs.25 lakhs, Rs.15 lakhs and Rs.10 lakhs before Supreme Court, High Court and CESTAT respectively. This is expected to reduce appeals and help in de-clogging of indirect tax matters in courts and CESTAT.
- Proceedings against the co-notices to close where the proceedings against the main notice has been closed.
- Prosecution proceedings in cases older than fifteen years involving duty of less than Rs.5 lakhs to be withdrawn
- For early settlement of disputes pending in appeal before the Commissioner (Appeals) as on 1st March, 2016, payment of tax dues along with interest and 25% of the penalty imposed by the adjudicating authority has been prescribed subject to certain conditions.

(D. K. SRINIVAS)
Commissioner of Customs (NS-I & III),
JNCH, NHAVA SHEVA

COPY TO:

1. PA to the Pr. Chief Commissioner of Customs, Mumbai Zone-II, JNCH
2. The Pr. Commissioner / All the Commissioners of Customs, JNCH.
3. All the Addl. / Jt. Commissioner of Customs, JNCH.
4. All the Dy. / Asstt. Commissioner of Customs, All Groups, JNCH.
5. Notice Board and Website, JNCH.