



ಭಾರತಸರ್ಕಾರ, ಹಣಕಾಸು ವಿಭಾಗ, ಕಂದಾಯ ಇಲಾಖೆ

भारतसरकार, वित्तमंत्रालय, राजस्वविभाग  
Government of India, Ministry of Finance, Department of Revenue,  
ಆಯುಕ್ತರ ಕಛೇರಿ, ನಗರ ಸೀಮಾಸಂಕ,

ಅಂಚೆಸಂ.5400, ಕೇಂದ್ರೀಯ ರಾಜಸ್ವಭವನ, ಕ್ವೀನ್ಸ್ ರಸ್ತೆ, ಬೆಂಗಳೂರು

सीमाशुल्कआयुक्तकाकार्यालय, बेंगलुरु सिटी सीमाशुल्कआयुक्तालय, पी.बी.सं 5400, बेंगलूर  
Office of the Commissioner of Customs, City Customs Commissionerate,  
P.B. No. 5400, C.R. Building, Queen's Road, Bengaluru – 560 001

**PUBLIC NOTICE NO: 65/2020 dated 24.12.2020**  
**(DIN- 20210172MR0000999 B54)**

**Subject:- Customs:-** Special measures to facilitate MSME for AEO T1 & T2 accreditation- reg..

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Attention of all Customs Brokers, Exporters, Importers, Members of the Trade and other stake holders is invited to CBEC Circular No. 33/2016 dated 22.07.2016 as amended, hereinafter referred to as the "Master Circular" regarding the Authorized Economic Operator (AEO) programme. Para 3.1.9 of the Master Circular states that "In particular, the AEO Programme Manager shall take into account the possible difficulties for MSMEs in meeting with these eligibility conditions and criteria under paras 3.3 and 3.5 with a view to make the above AEO certificates more available to MSMEs."

**2.** In line with the Prime Minister's Aatma Nirbhar Bharat Abhiyaan to support MSMEs against the challenges of the COVID-19 pandemic, CBIC has examined the difficulties faced by MSMEs while applying for AEO accreditation. Accordingly, the Board has decided to relax the entire gamut of compliance and security requirements for MSMEs. The relaxation has been carried out to ensure that the MSMEs are facilitated through rationalized compliance requirements (MSME Annexure 1 & 2) and minimum but effective security requirements (MSME Annexure 3).

**3.** Accordingly, the Board has decided to facilitate MSMEs by further relaxing the current accreditation process and reducing the compliance burden for their AEO accreditation. The procedural modifications/relaxations for AEO accreditation of MSMEs are as under:

1. The eligibility requirement of handling a minimum of 25 documents during the last financial year has been relaxed to 10 documents, subject to handling at least 5 documents in each half year period of the preceding financial year (Ref.: Para 3.1.7 of the Master Circular).

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- II. The requirement for the applicant to have "business activities for at least three financial years preceding the date of application" has been relaxed to two financial years. (Ref.: Para 3.1.6 of the Master Circular).
  - III. The qualifying period for legal and financial compliance has been reduced from 'the last three financial year' to the last two financial years'. (Ref.: Paras 3.2 & 3.4 of the Master Circular).
  - IV. For AEO T1 and T2 accreditation, the present annexures i.e., Annexure A, B, C, O, E.I-E.4 have been supplanted with two annexures viz. MSME Annexure 1 and 2. Similar rationalized annexures 1 and 2 are presently being utilized for AEO T1 accreditation only in accordance with the CBIC Circular No. 26/2015-Customs dated 10.05.2015.
  - V. For AEO T2 certification, the present annexures i.e., Annexure E.5.1-E.5.7 for physical verification have been rationalized to a single annexure viz. MSME Annexure 3. The rationalization has been carried out to ensure that the security requirements for an MSME are objective and cover the minimum verifiable security criteria. (Ref.: Para 3.5 of the Master Circular).
  - VI. The time limit for processing of MSME AEO T1 & AEO T2 application has been reduced to fifteen working days (presently one month) and three months (presently six months) respectively after the submission of complete documents for priority processing by customs zones.
  - VII. The benefit of relaxation in furnishing of Bank Guarantee for AEOs has been further relaxed to 25% from 50% and 10% from 25% of that required to be furnished by an importer/exporter who is not an AEO certificate holder, for MSME AEO T1 and MSME AEO T2 entities respectively (Ref.: Para 3.5 of the Master Circular).
4. The aforesaid relaxations shall apply only to an applicant who has a valid MSME certificate from the Line-Ministry. Further, the approved MSME must ensure their continuous MSME status during the validity of its AEO certification, if granted.

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5. Thus, the AEO accreditation for MSMEs now requires submission of only two annexures for AEO T1 and three annexures for AEO T2 applicants respectively. The two common annexures for AEO T1 and AEO T2 are: MSME Annexure 1 (General Compliance), MSME Annexure 2 (Legal, Managing Commercial Records, and Financial Solvency Compliance). Further, the third annexure for AEO T2 is MSME Annexure 3 (Safety and Security Requirements). These annexures have been designed to fulfil the aspirations of simpler application procedure with reduced documentation requirement for AEO accreditation of MSMEs.

6. The Board Circular 33/2016- Customs dated 22/07/2016 as amended stands modified to the above extent.

7. Any difficulties faced by the Trade may be brought to the notice of the Joint Commissioner of Customs, City Customs Commissionerate, Bengaluru.

8. Action to be taken in terms of decisions taken in this Public Notice will be considered as Standing Order for officers/staff.

Signed by Baswaraj

Nalegave

Date: 24-12-2020 15:57:15

Reason: Approved

**(BASAWARAJ NALEGAVE)  
COMMISSIONER.**

To

All the concerned (As per mailing list)

Copy to: -

1. The Chief Commissioner of Customs, Bengaluru Zone.
2. The Joint Commissioner of Customs, ICD Whitefield, Bengaluru.
3. Customs Website.