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सीमा शुल्क आयुक्त का कार्यालय नव सीमाशुल्क भवन, पणंबूर, मंगलूर-५७५०१० OFFICE OF THE COMMISSIONER OF CUSTOMS NEW CUSTOM HOUSE, PANAMBUR, MANGALURU - 575 010				
			दिनांक/Date: 08.01.2021	

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लोक सूचना सू. /PUBLIC NOTICE. No.03/2021- दिनांक /DATED:
08.01.2021

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).

- 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, D, E.1-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.
 - VI. 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 resp
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
 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. Action to be taken in terms of decisions taken in this Public Notice will be considered as Standing Order for officers/staff. In case of any difficulty, the specific issue may be brought to the notice of JC, of Shri Joannes George, Joint Commissioner of Customs, New Customs house, Panambur, Mangaluru (Mobile No.9747872349).

(इमामुद्दीन अहमद/ IMAMUDDIN AHMAD)
आयुक्त, सीमा शुल्क/ COMMISSIONER OF CUSTOMS
मंगलौर/MANGALURU

All concerned (as per mailing list)

Copy submitted to: The Chief Commissioner of Customs, Bengaluru Zone for information.