On-site Post Clearance Audit at the Premises of Importers and Exporters Regulations, 2011

[Notification No.72/2011-Customs (N.T.),dated 4th October, 2011]

G.S.R.--(E). - In exercise of the powers conferred by clause (d) of section 157, read with clause (ii) of sub-section (2) of section 158, of the Customs Act, 1962 (52 of 1962), the Central Board of Excise and Customs hereby makes the following regulations, namely:-

1. Short title and commencement.-

(1) These regulations may be called the On-site Post Clearance Audit at the Premises of Importers and Exporters Regulations, 2011.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.-

In these regulations, unless the context otherwise requires,-

(a) **'audit'** means examination of bills of entry, shipping bills, invoices, packing lists, import licences, books of account, and other records of transaction relating to imported and export goods, and may include inspection of goods at the premises, if available and where necessary, drawl of samples;

(b) **'books of account'** includes ledgers, day-books, cash books, account-books and other accounts whether kept in the written or printed form and data stored on a floppy, disc, tape or any other form in electro-magnetic data storage device;

(c) **'premises'** includes the place at which imported or export goods and connected books of account, records of transaction and other documents are ordinarily kept by an importer or exporter, as the case may be, and his registered office or the premises indicated in his Importer Exporter Code (IEC) issued by the Ministry of Commerce and Industry and the places wherever the imported or export goods, as the case may be, are ordinarily kept;

(d) words and expressions used and not defined herein but defined in the Customs Act, 1962 shall have the same meaning respectively, assigned to them in the said Act.

3. Importers and exporters to make available relevant documents.-

(1) The importer or exporter, as the case may be, shall make available in a timely manner the books of account, records of transaction and other relevant documents maintained by him for a period of five years from the date of import or export, as the case may be, relating to imported or export goods, as the case may be, as required by the proper officer.

(2) The importer or exporter, as the case may be, shall provide true and correct information to the proper officer.

(3) The importer or exporter, as the case may be, shall render assistance to the proper officer in the discharge of his official duty and shall in no case refuse or obstruct the proper officer in discharge of official duty.

4. Manner of conducting audit.-

(1) The proper officer shall give not less than fifteen days advance notice to the importer or exporter, as the case may be, to conduct audit.

(2) The proper officer shall, where considered necessary,

- (i) obtain from the importer or exporter, as the case may be, prior information relating to imported or export goods, as the case may be, before conducting audit;
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- (ii) visit the premises to gather relevant information relating to imported or export goods, as the case may be.

(3) The proper officer shall conduct the audit in the premises of the importer or exporter, as the case may be.

(4) The proper officer shall inform the importer or exporter, as the case may be, of the objections, if any, before preparing the draft audit report to provide him an opportunity to offer clarifications with supporting documents.

(5) Where the importer or exporter as the case may be, is in agreement with the audit findings, in part or in full, he may make voluntary payments of duty due, if any, and the proper officer shall record the same in the audit report.

(6) The proper officer may, where necessary, inspect the imported or export goods, where such goods are available during the course of audit.

(7) The proper officer may take samples of imported or export goods in the presence of the importer or exporter as the case may be and copy of relevant documents to verify the correctness of assessment of duty.

5. Penalty.-

Any importer or exporter, who contravenes any provision of these regulations or abets such contravention or fails to comply with any provision of these regulations with which it was his duty to comply, shall be liable to a penalty which may extend to fifty thousand rupees.

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