Circular No. 18/2014-Cus

F.No.450/90/2010-Cus.IV
Government of India
Ministry of Finance
Department of Revenue
(Central Board of Excise & Custom)

New Delhi, dated the 22nd December, 2014

To
All Chief Commissioners of Customs/Customs (Prev.)
All Chief Commissioners of Customs & Central Excise
All Commissioners of Custom /Customs (Prev.)
All Commissioners of Customs & Central Excise
All Directors General under CBEC.

Subject: **Review of Accredited Clients Programme (ACP) - Reg.**

Sir / Madam,

Attention is invited to Board's Circular No.42/2005-Cus. dated 24.11.2005 and Circular No.29/2010-Cus dated 20.08.2010 on the Accredited Clients Programme (ACP).

2. Board has received a number of representations from the ACP clients whose ACP status has either been withdrawn or not extended on account of them having been served a show cause notice in terms of the amended para 7(iii) of the said Circular dated 24.11.2005. Board observes that on account of such withdrawal or non-extension of the ACP status, the imports of the affected ACP clients are no longer facilitated which reduces the overall facilitation levels. This matter was also discussed during the All India Conference of Chief Commissioners of Customs held in October, 2014 and a view emerged that there is justification to review the ACP to allow a graded re-entry.

3. Board has reviewed the ACP on the basis of the representations received and the recommendation of the Chief Commissioners of Customs. Accordingly, it is decided that as a trade facilitation measure the ACP status of ACP clients which has either been withdrawn or not extended on account of them having been served a show cause notice in terms of the amended para 7(iii) of the said Circular dated 24.11.2005 may be restored as follows:

(i) Restored after 3 months if the entity pays the duty demanded with interest and 25% penalty within 30 days of the Show Cause Notice or if the entity's application is allowed to be proceeded with by the Settlement Commission.

(ii) Restored after 6 months if the entity pays the duty demanded with interest.

The restoration of the ACP status in terms of (i) and (ii) above would be subject to the condition that if another case of the type mentioned in paragraph 7(iii) of the said Circular dated 24.11.2005 is booked within the 3 months or 6 months period, as the case may be, against the said entity the period of exclusion would be 1 year. If another (or more) case(s) is booked during the 1 year period, the exclusion period would be 3 years.

4. Board has also decided that the ACP status would not ordinarily be denied to an entity if, in the category of cases specified above, the Customs/Central Excise duty or Service Tax involved is up to Rs. 50 lakhs and Rs. 25 lakhs, respectively.

5. Board also desires that outstanding disputes with ACP clients that are pending in adjudications and appeals shall be expeditiously finalized. Furthermore, in order to encourage greater participation in the ACP, the Risk Management Division (RMD) shall *suo moto* identify importers eligible for the ACP and approach them to enroll in the programme on 6-monthly basis.

6. Board's Circular No.42/2005-Cus. dated 24.11.2005 and Circular No.29/2010-Cus dated 20.08.2010 stand modified to the aforementioned extent.

7. Chief Commissioners of Customs / Customs and Central Excise are requested to issue suitable trade notice/ Public notice for guidance of trade/staff.

8. Difficulty faced, if any, may be brought to the notice of the Board.

Yours faithfully

(P.K. Khetan)
OSD (Cus.IV)

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