Circular No. 16 /2013 - Customs

F.No.450/41/2010-Cus.IV(Pt)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
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Dated the 10th April, 2013

To;

All Chief Commissioners of Customs / Customs (Prev)
All Chief Commissioners of Customs & Central Excise.
All Director Generals of CBEC
All Commissioners of Customs / Customs (Prev)
All Commissioner of Customs and Central Excise

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Sir/ Madam,

References have been received by the Board requesting for fixation of norms for waiver of payment of cost recovery charges for Customs staff posted at Seaports, Air Cargo Complexes, Courier Terminal, etc. in like manner of the norms in force for ICDs/CFSs.

2. The matter was examined by the Board and a view emerged that in the manner of ICDs/CFSs other Customs facilities - Seaports, Air Cargo Complexes, Courier Terminals and Diamond Plazas - would merit similar exemption from the payment of cost recovery charges for the Customs staff posted therein once they satisfy certain performance criteria that confirm their continued viability. The Board also noted that the Ministry of Civil Aviation's Greenfield Airport Policy required the Airport operators to pay the cost recovery charges for the Customs staff (amongst others). However, the Board observed that unlike ICDs/CFSs the staffing norms for these other Customs facilities including Airports had not been finalized. In this background, the Board constituted a Committee of Chief Commissioners of Customs to recommend the norms for staffing of the Customs staff at the various Customs facilities. The Committee of Chief Commissioners was also entrusted with the task of identifying the performance benchmarks that would make a particular facility eligible for the grant of exemption from the payment of cost recovery charges for the Customs staff posted therein.

3. Based on the report of the Committee of Chief Commissioners, the Board has obtained the approval of the Competent Authority for the staffing norms for sanction of posts on cost recovery basis at various Customs facilities and also for the performance norms that would make a facility eligible for consideration of grant of exemption from the payment of cost recovery charges. The facility-wise (**Sea Port, Air Cargo Complexes, Courier Terminals and Diamond Plaza**) staffing norms for the posting of Customs staff on cost recovery basis as well as the norms for eligibility for grant of exemption from payment of cost recovery charges for such Customs staff are as follows:

Staffing norms:

Customs Facility	Dy./Asst. Commissioner	Appraiser/ Superintendent	Inspector/ Examiner	STA/TA	Sepoy
Sea Port	2	4	12	2	12
Air Cargo Complex	2	8	12	4	5
Courier Terminals	4	9	12	4	8
Diamond Plaza	1	2+2	8	2	4

Norms for eligibility for grant of exemption from the payment of cost recovery charges:

Facility	Minimum Annual Volume/Value of Import & Export Cargo	Minimum Annual Number of Documen Bills of Entry/Shipping Bills
Sea Port	6 Lakhs MTs.	3,000
Air Cargo Complex	12,000 MTs	35,000
Courier Terminals	1.5 Lakh Packages	20,000
Diamond Plaza	Rs. 15,000 Crores	12,000

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Note: Both performance norms (cargo and documents) would be reduced by 50% for facilities that handle only import or export cargo.

4. The staffing norms for **Airports** will be determined on the basis of the Class of the Airport (Class A, B or C) as per the criteria of minimum number of international flights and passengers. Also, it is envisaged that there would be 4 shifts at Class A and B Airports and 2 shifts at Class C Airports. The norms for identifying the Class of an Airport, the staffing norms for the posting of Customs staff on cost recovery basis, and the norms for eligibility for grant of exemption from payment of cost recovery charges for such Customs staff are as follows:

Norms for identifying the Class of an Airport:

Class of Airport	Minimum No. of international flights per annum (incoming and outgoing)	Minimum No. of passengers p annum (incoming and outgoing)
Class A	12,000	10 lakhs

Class B	6,000	5 lakhs
Class C	3,500	3 lakhs

Staffing norms for Airports:

Class of Airport	Staffing Norms				
	Dy./Asst. Commissioner	Superintendent	Inspector	Sepoy	
Class A	4	38	78	24	
Class B	4	29	48	16	
Class C	-	8	16	4	

Norms for eligibility for grant of exemption from the payment of cost recovery charges:

Minimum number of international flights is 3500 (both incoming and outgoing) and the minimum number of passengers is 3 lakhs (both incoming and outgoing) in each of the preceding two financial years.

5. The **conditions** for grant of exemption from payment of cost recovery charges for all facilities viz. **Sea Ports, Air Cargo Complexes, Courier Terminals, Diamond Plazas** and **Airports** shall be as follows:

(a) Both performance norms i.e. volume/value and number of documents in case of Sea Ports, Air Cargo Complexes, Courier Terminals, Diamond Plazas and number of international flights and number of passengers in case of Airports must be met in each of the preceding two financial years.

(b) Exemption from cost recovery charges shall be prospective; and

(c) No cost recovery charges should be outstanding.

6. It has also been decided that based upon the aforementioned norms, jurisdictional Commissioners would review the existing facilities and send proposals for waiver of cost recovery charges for eligible facilities within 60 days. The proposal shall be sent to DG, HRD, CBEC. Thereafter, similar review would be undertaken in April each year and proposals for waiver of cost recovery charges sent to DG, HRD, CBEC by 30th April. DG, HRD, CBEC will process the proposals to ensure the necessary orders for exemption of cost recovery charges and regularization of posts are got issued in a time bound manner.

7. These instructions may be brought to the notice of the custodians, Airport operators by issuing Trade/Public Notices. Suitable internal orders/instructions may be issued for the guidance of the officers.

8. Difficulties faced, if any, in implementation of the Circular may please be brought to the notice of the Board.

Yours faithfully,

(M.V. Vasudevan)
Under Secretary to the Government of India (Cus.IV)

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