



Office of the Commissioner of Customs,
B-Zone, 3rd Floor
12/2/7 & 12/2/8 Village Pipliakumar
Nipania, Indore-452010 (M.P.)

Phone No. (0731) 2920248, 2920243, 2920247
E-mail-indorecustoms18@gmail.com

फा0 संख्या : I(Gen)19-102/Cus/T/19-20/

इन्दौर, दिनांक 19.02.2020

इस पत्र के साथ मंत्रालय से प्राप्त अधिसूचना / परिपत्र / निर्देश व्यापार सूचना / जन सूचना / मुख्यालय इन्दौर से जारी पत्र संख्या **Standing Order No. 8/2019-20 dated 19.02.2020** की प्रति आयुक्तालय, केन्द्रीय उत्पाद शुल्क एवं सीमा शुल्क, इन्दौर के निम्नलिखित अधिकारियों एवं अन्य की सूचना / मार्ग दर्शन एवं आवश्यक कार्यवाही हेतु अग्रेषित की जा रही है :

- 1 मुख्य आयुक्त, केन्द्रीय उत्पाद शुल्क एवं सीमा शुल्क, भोपाल ।
- 2 अपर / संयुक्त आयुक्त, सीमा शुल्क, इन्दौर ।
- 3 अपर आयुक्त (System), सीमा शुल्क, इन्दौर ।
- 4 उप आयुक्त / सहायक आयुक्त, सीमा शुल्क, इन्दौर (SIIB/ Review/ Legal/ Confidential)
- 5 उप / सहायक आयुक्त (सीमाशुल्क), आई0सी0डी0 पीथमपुर/धनन्द/रायपुर/मालनपुर/मंडीदीप/रतलाम/एअर कार्गो, इन्दौर / इन्टरनेशनल एयर पोर्ट इन्दौर ।
- 6 अपर आयुक्त (System), सीमा शुल्क, इन्दौर ।
- 7 ~~श्री राजेन्द्रसिंग~~ (SIIB/ Sr) अधीक्षक वेब मैनेजर, सी.जी.एस.टी. एवं केन्द्रीय उत्पाद शुल्क, मुख्यालय, इन्दौर को वेब साईट पर अपलोड करने हेतु ।
- 8 गार्ड / मास्टर फाईल ।

संलग्न : उपरोक्तानुसार

(Signature)
19/02/2020

अधीक्षक (तकनीकी)
केन्द्रीय उत्पाद शुल्क एवं सीमा शुल्क,
मुख्यालय इन्दौर



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F. No: I(Gen)19-102/Cus/T/19-20

Date: 19.02.2020

STANDING ORDER NO: 08/2019-20

**Subject: Implementation of Risk Management System (RMS) in Imports –
regarding**

The Central Board of Excise and Customs (CBEC) issued two Circular Nos. 42/2005 and 43/2005 – Cus both dated 24/11/2005, for operationalising the Risk Management System (RMS). Kind attention is also invited to CBEC Circular No. 15/2012 –Cus. dated 13.06.2012 on this subject. The detailed procedure for clearance of Bills of Entry on implementation of RMS under the Indian Customs EDI System (ICES) is given below. Certain guidelines to the officers posted in the SIIB for managing the RMS are also given.

2. The implementation of RMS at **ICD Atal Nagar, Naya Raipur** will commence from **02.03.2020** and all Bills of Entry filed in ICES will be processed under the RMS.

3. The **objective** of the Risk Management System is to strive for an optimum balance between the facilitation and enforcement. It seeks to concentrate the department's resources on relatively higher risk areas so that the checks exercised are meaningful and effective. The RMS will reduce the burden of routine assessments so that the officers are enabled to devote more time to transactions that require closer scrutiny, thereby improving the quality of work. It will also significantly reduce the dwell time and transaction costs for compliant importers, while providing stringent enforcement against non-compliant ones. **RMS does not substitute the duties and responsibilities that officers are required to discharge in their functions. It should, therefore, be seen as a tool for improving the performance of the department and a decision support system.**

4. **The RMS Process:** Bills of Entry and the Import General Manifest (IGM) filed electronically in the ICES either through the Service Centre or through ICEGATE mode will be forwarded to the RMS. The RMS will process the Bill of Entry and the IGM through a series of steps and generate an electronic output for the ICES. This output will determine whether the Bill of Entry will be taken-up for action (assessment or examination or both) or be given Out of Charge directly. RMS output will provide specific instructions for the Appraising Officer, Examining Officer or the Out-of-Charge Officer. *The output containing instructions communicated by the RMS on the need for assessment and/or examination shall be followed by officers processing the BE.* One of the prime purposes of RMS is facilitation of a large number of Bills of Entry, which are perceived to be compliant with the Customs Laws and regulations. Such compliant B/Es which are self assessed by the Importers will be processed by the RMS and goods will be ready for out of charge on the basis of the acceptance of importer's declaration and

without any assessment /examination by the officers. Thus, when Bills of Entry are filed through ICEGATE or Service Centre, importers would be able to obtain the assessed copies of their Bills of Entry and Challan, within a short span of time. After payment of duty, goods can be cleared on presentation of required documents to the examination staff at the shed concerned.

Some Bills of Entry will, however, be taken up for assessment and/or examination based on determination by the Risk Management System regarding the perceived risk in the Bill if any, based on the intelligence built in RMS. Similarly bills may get selected for action based on specific intelligence available. Whenever a specific pattern of non-compliance is noticed, the RMS may also select such bills of entry for Assessment and/or Examination. *All such Bills which are selected for action will be processed in the ICES as per the treatment and instructions communicated by the RMS.* After clearance of goods, the details of all such BEs which have been given "Out of Charge" (OOC) for the day will be read by the RMS from the ICES tables for the purpose of selection of Bills for post clearance audit. The list of selected Bs/E will be sent to the ICES. Post clearance audit will be conducted in the ICES only on the basis of selections made by the RMS.

5. As a part of the R.M.S., an Authorized Economic Operator (AEO) programme replacing earlier Accredited Client Programme (ACP) is being implemented. The details of this program are set out in the CBEC circular No 33/2016-Cus dated 22/07/2016. As a matter of course, Authorized Economic Operator (AEO) will be granted self appraisal based on the declarations contained in their bills of entry and the system will generate the Bill of entry Number and print a copy of the Bill of Entry with the TR6 challan for duty payment. The Importer/CHA will make the duty payment (if any) before proceeding to take delivery of the goods. Though self assessment facility and examination waiver are given to the Authorized Economic Operator (AEO), the compulsory compliance requirements (CCRs) applicable to the imported goods must be fulfilled by the importer/CHA before seeking out of charge. The importers/CHAs have been advised to keep ready all certificates, permits, licenses or any other documents which are essential for clearance of goods or for availing any duty exemption. CHAs/Importers have also been advised to submit all such details of certificates in the annexure filed for a B/E at the ICEGATE/Service centre. Soon after goods registration is done in system and the marks and numbers (seal number and integrity of the seal in the case of FCL) are verified, Appraising officer/ Superintendent will give out of charge in the system, after collecting all necessary documents (listed below) and after verifying that compulsory compliance requirements are fulfilled. *If any BE is required to be sent back by OOC officer for assessment on account of any shortcomings in such AEO BE, the permission of the Commissioner of Customs, shall be sought on file before sending it for Investigation or assessment.* The details of such permission obtained, should be entered as "Departmental comments" in the EDI system. In respect of the consignments of AEO importers, officer giving out of charge should verify that the importer is in fact an AEO client and also verify identity of authorized person who signs the checklist while taking out of charge. *A small number of AEO bills may be selected on random basis for action. Similarly bills may be targeted for action by RMS. In all such cases the procedure for processing the non-AEO bills of entry in ICES as given below shall be followed.*

6. **Assessment of RMS selected bills of entry in ICES:** The RMS will not alter the existing process and movement of Bills of entry in ICES but for abolition of concurrent audit and changes

in Bond management. When RMS selected Bs/E are directed for assessment by system, officers concerned are required to perform appraising as per normal procedure under ICES. RMS will generate assessment instructions for each selected Bill of entry depending on the perceived risk. The instructions will appear in the "RMS instructions" portion of the bill of entry in the ICES screen of the Officers and can be accessed by clicking on View ► RMS instructions" keys or RMS details menu in the B/E header. Instructions will be based on risk perception in each Bill of entry and the items declared, the Importer, CHA, Supplier or any other data available in the BE. Officers assessing the B/E shall carefully read each instruction and arrive at a decision to tackle the risk. These instructions form an assist and are intended to guide the officers in assessment. In addition to the Appraising instructions the RMS will send targeting and Intervention related Instructions, in case there are any target/intervention hits on a B/E corresponding to the purpose behind such targets or Interventions in the RMS. Officers are expected to study all the instructions on the screen carefully and assess the B/E. It needs to be noted that the officer need not limit his scrutiny to the strict confines of RMS instructions. The officer has the freedom to go beyond the instructions and scrutinize other sensitive aspects of the B/E which are not referred to in instructions. **Whenever the Officer assessing BE feels that any specific RMS instruction is not in tune with the declaration in the B/E, he/she should enter a detailed comment in the departmental comments and proceed to take decision as per law.** The Risk Management System will also provide to the officers a category of instructions termed **Compulsory Compliance Requirements (CCRs)**. This term refers to compliance requirements that have to be mandatorily fulfilled such as clearance from the Other Governmental Departments (OGDs) like Drug Control authorities, Animal Husbandry authorities, BIS certifications, Plant and Quarantine Authorities etc. Similar instructions would also be provided by the System where any bonds, undertakings certifications etc., are required to be furnished for the purpose of claiming any exemption notifications. It may be noted that while all efforts have been made to make the RMS database containing these instructions as comprehensive as possible, certain requirements might have escaped notice. The officers, therefore, should bear in mind that these are mandatory requirements under the Allied Acts or under the exemption notifications and must be fulfilled before allowing clearance. In case it comes to the notice of any officer that a specific requirement is not listed, then he shall communicate the same immediately to the local Risk Manager, who in turn will inform the Risk Management Project team, for necessary updation of databases.

7. The assessing/examining officers are also required to focus on the '**data quality**' of the B/E declarations. The assessing officer should check the description of the item, besides the correctness of classification, valuation, notification benefit(s) claimed, if any, and also ensure compliance with mandatory requirements prescribed under Foreign Trade Policy and/or allied enactments. They are required to check all critical aspects of description like brand, model, make, number, specification, grade, purity, configuration, capacity, denier etc. which may have a direct bearing on valuation, classification or extension of exemption benefit. They shall make sure that all mandatory fields in the bill of entry are properly filled. While discharging their functions, they would be required to follow all the existing instructions /Standing Orders on the subject. The assessing officers in the Group *will subject the Bs/E to all the required checks in respect of valuation, classification, requirements of the Allied Acts, etc. and in doing this, the officers should also take the assistance of other support systems provided such as NIDB, Alerts, Valuation Bulletin, etc.* Additional information, wherever required may be sought from the

importers. However, frivolous and piece-meal queries should be avoided and the query should be detailed and covering all aspects. The Additional/Joint Commissioners in-charge of the Groups shall monitor the queries closely. **When a B/E comes for assessment, the Appraising Officer after completion of his scrutiny of RMS instructions and B/E declaration shall write a self contained order for examination so as to cover all the critical parameters of examination.**

8. **Amendments:** Introduction of RMS does not change the procedure and practice hitherto being followed with reference to amendments to bills of entry and IGM. But the officers handling amendments should note that any amendment would lead to a change in risk perception and consequent treatment by risk management system as a bill of entry is processed only once processed by RMS. While all critical parameters which have a bearing on duty/levy should not be routinely allowed to be amended and due caution should be exercised while allowing amendments, **it should also be ensured that undue delay should be avoided in the course of allowing or rejecting the same.**

9. **Examination:** The examination of all RMS selected bills shall be carried out as per the assessing officer's examination order and the instructions communicated by the RMS. Certain bills of entry may be directly routed by the RMS for examination without any assessment by officers. In such cases, the RMS instructions for examination should be treated as examination orders. The officers shall bear in mind all existing standing orders and circulars issued by the department, while performing their work. The examining officers must ensure that the goods under examination tally with the declared description, including critical parameters like brand, model, make, number, specification, grade, purity, configuration, capacity, denier etc., which may have a direct bearing on valuation, classification or extension of exemption benefit. The examination of the goods and out of charge (OOC) shall be completed by the officers, only after ensuring that the compulsory compliance requirements (CCRs) mentioned in the examination order column are duly complied with. Whenever the Officers examining the cargo feel that the CCRs figuring on their screen as well as printed on the BE are not applicable to any specific BE, they must enter a departmental comment in the BE in the EDI specifying the reasons thereof before giving clearance. It is also clarified that officers in the shed may examine a consignment even if it is directly selected for out-of-charge by the RMS, if they have a valid reason for doing so. However, such examination should be done only after bringing the case to the notice of the Additional/Joint Commissioner of Customs (Shed). In case of Accredited Clients, it would require written approval of the Commissioner.

10. **Out of Charge:** It may be noted that even though in many cases the R.M.S. decides to give appraisal and examination waiver, the out-of-charge function would not be dispensed with and customs clearance in terms of Section 47 will continue to be given by the proper officer to each and every BE. It must be understood that the OOC officer will have a very important responsibility after introduction of RMS, since he will exercise the last check before the goods are given out of charge. Therefore the OOC officer should scrutinize those documents where "No assessment & examination" was prescribed by RMS and if he has strong reasons to believe that the importer has mis-declared the description or value of the goods, he should send the B/E back to the appraising group, for assessment but only with the approval of the Addl/Joint Commissioner in charge of examination. In many cases, BE containing one or many items in the invoice declared as on Free of charge basis, or of no commercial value or value is declared for

Customs purposes only. In such cases, if the OOC officer finds that the importer did not seek first check, or the payment terms have not been declared correctly in the invoice, he should send such Bill of entry to the appraising group concerned for correct determination of value and duty. It may be noted that some compliance requirements may not figure in the CCR related instructions provided by the RMS. Such requirements would be those which are very general in nature or are applicable to a very wide range of imports. The list below cites illustrative instances of such requirements. The Officer giving the out of charge shall also ensure that the consignment complies with such requirements, besides the CCRs printed in the B/E and appearing in the examination instructions column, before clearance:

- a. As per the CBEC Cir. No. 39/04 dated 3/6/2004 read with the Plant Quarantine (Regulation of Import into India) 2003, phytosanitary certificate is essential for packaging material used in imported goods. This circular is applicable to all goods covering every CTH imported with packaging made of material of agricultural origin.
- b. DGFT Notification No. RE -44 dated 24/11/2000 on labelling and marking rules for imports stipulates that MRP, generic name of the product, month and year of entry into trade channel, name of the importer and address and quantity in standard units must be carried prominently on the "principle display panel" of the packages. This requirement must be met before customs clearance.
- c. Import of beef in any form and any product containing beef in any form is prohibited as per Note 3 of General Note to the Import Policy. A declaration is also required to that effect from the importer as per Note 4 General Note to the Import Policy.
- d. Import of all edibles/ food products, (domestic sale and manufacture of which are governed by PFA Act, 1954) should have a valid shelf life of not less than 60% of its original shelf life, as per provision of General Note 13 to the Import policy (Vol.3).
- e. Import of Meat and Poultry product is allowed only on fulfilment of condition laid down in note 7 of the General notes to the Import Policy.
- f. Import of Jute Bags, Jute products and packaged bales containing raw Jute is allowed only if the Jute batching oil content in the Jute is not more than 3% as per CBEC circular no 21/2002 dated 04/04/2002 issued from F.No.526/76/2001-Cus (TU).

In case of any discrepancy in the declarations with respect to the issues discussed above the OOC officer can send the BE back for assessment with the written permission of the Addl/Joint Commissioner in charge of Examination.

11. **Recall of facilitated bills of entry:** It is expected that officers will act strictly according to the treatment and instructions provided by the RMS. This is especially important for the Accredited Clients' bills of entry as such clients have been promised assured facilitation under the Accredited Clients Programme. Hence recall of bills of entry and subsequent reassessment of the facilitated bills of entry (where no assessment and no examination are prescribed by the RMS), contrary to RMS instructions, should be avoided as a matter of routine. However, under extraordinary circumstances or on the request of the Importer/CHA, the AC/DC in-charge of

Group shall take written approval of concerned Joint / Additional Commissioner before recalling a bill of entry and the details of the same shall be recorded as departmental comments.

12. **Documents Collection:** While discharging the Out of Charge responsibility, the following documents should be collected from the importer by the officer giving out of charge *after affixing his signature on the important documents i.e. at serial numbers b), c), d), e) and f) listed below, and any other crucial document decided by the OOC officer.*

- a. Duty paid challan
- b. First check copy of the Bill of Entry assessed under first check assessment scheme
- c. Finally assessed Bill of Entry
- d. Invoice / packing list. *Fax / E-mail copies of Invoice and other documents duly certified by the Importers may also be accepted for clearance of consignments in view of CBEC Circular No. 40/98-Cus, dated 11.06.98 issued from F.No.450/81/98-Cus.IV.*
- e. Certificate of origin, wherever required
- f. Exemption Certificate where required, when concession in duty has been claimed, based on any condition under any exemption notification
- g. Bill of Entry declaration with GATT declaration, duly signed by the importer and CHA declaration
- h. Master Bill of Lading
- i. House Bill of Lading
- j. Technical literature etc., wherever required
- k. ADC clearance, wherever required
- l. Other documents specified in the Compulsory compliance instructions generated by the RMS
- m. Any other documents submitted by the Importer/CHA.

All these documents should be neatly kept in a docket, which will have a check list on the top, containing the documents listed supra. The Check list shall be signed by the OOC officer and the representative of the CHA/Importer. While signing the documents, the OOC officer shall put his name stamp under his signature.

13. **Changes in Bond management:** For B/Es filed in Groups other than Export Promotion Groups (Group VII), the importer/CHA has to specify the running EDI bond number, if any, at the time of filing a BE for all bills which require submission of Bond to Customs before clearance. Bond debits will be system driven. The existing system of approval of quantum of bond debit during assessment by Appraising officer in the Group will be dispensed with. In all those cases where running bonds are not available at the time of filing B/E, the importer/CHA will come to the Bond Clerk in the Appraising Group soon after the BE is submitted in ICES for bond registration and debits. If the BE is selected for assessment by officers, the necessary debits can also be made by the concerned officers in the groups. No Bill of entry can be registered for examination unless all necessary bonds are debited. At the time of filing a BE the CHA/Importer can submit in the annexure filed for the BE with data regarding the following:

- i. Details of double duty bond if any for Warehouse Bills of entry

- ii. Details of Undertaking, if any
- iii. Details of End-use Bonds, if any.
- iv. Details of Re export Bond, if any.
- v. Details of Miscellaneous Bond data for example certificates required to avail certain SL Nos of Notification 021/2002.
- vi. Details of Central Excise bond, if any, under Customs (Import of Goods at Concessional Rate of Duty for Manufacturing of Excisable Goods) Rules 1996.

14. **Out of Charge of all Facilitated Bills:** Even if a bill of entry is neither picked up for Appraising nor for Examination, all documents required to be submitted along with bill of entry shall be collected invariably by the Officer before giving Out of Charge (OOC). Marks and Numbers should be checked by the Out of charge officers for all the facilitated Bills of entry. *In case of Full Container Load Cargo covered by facilitated bills, the out of charge officer should check the Container No and verify whether the Container Seal is intact or not before clearance.* The officer shall ensure that all Compulsory Compliance requirements are fulfilled before clearance. It is also clarified that whenever the decision of the OOC officer is at variance with the CCRs printed in respect of a particular BE, he should record the reasons for his view in the EDI.

15. **Debit of Customs Duty Exemption Certificates etc.:** If the BE is selected for assessment and/or examination, the officers shall verify these details in the system before clearance. For all Facilitated Bills of entry the Out of Charge officer will be responsible to verify the entry in the system. If bond related details are not correct or if any critical document is not available, BE can be referred to assessment group with the permission of the Additional/Joint Commissioner in charge of the Shed. It is further stated that the EDI system will take care of debits in respect of all existing running bonds and where the importer specifies the bond number by system-driven debits. The trade will approach the Bond Clerk in the Appraising Group and AC/DC in-charge of the Group for Bond or UT acceptance. Further, activities like defacing/manual debiting of certificates issued by various authorities like Central Excise, AEPC, TEXPOCIL etc, which were hitherto being handled by the Appraising Group will now have to be discharged by OOC officers, in all such cases where the bill of entry has not been marked to Groups by RMS. Please note that the CHA/Importer can give all the relevant details of the Undertaking/Duty exemption certificate/Central excise certificate etc in his annexure to the BE. In all such cases the BE is allowed to go for goods registration. However the OOC officer is expected to verify all the relevant documents as well as the details given in the ICES and allow clearance only after defacing/debiting the documents manually, if already not done by the assessment officers.

16. Consequent to introduction of RMS, concurrent audit will be abolished and replaced by **Post Clearance Compliance Verification (Audit)**. The objective of Post Clearance Verification Programme is to monitor, maintain and enhance compliance levels, while reducing dwell time of cargo. The selection of Bs/E for Post Clearance Audit will be done by the RMS and

communicated to the ICES which will populate the selected Bs/E onto the Auditors screens. The Auditors would be required to audit the Bs/E after referring to the documents submitted in the Shed at the time of out-of-charge vis-à-vis the declarations made in the BE. For this purpose, *the Shed would be provided with a list of Bs/E selected by the RMS and shed would be required to forward the documents in respect of this Bs/E to the Audit Branch for distribution to the Auditors concerned in Audit Branch.* The endeavor should be to complete audit of all BEs selected by RMS, within 48 hours of Out of charge. After the audit is over, these documents may be forwarded to CRA as per the normal procedure. The documents in respect of Bs/E which are not selected for audit will continue to be sent to CRA as per present procedure. An audit section will be constituted for managing the PCA program. While the audit will be conducted in the ICES, it will be managed through the RMS – PCA module.

17. PCA Process in the ICES: All BEs which are given out-of-charge on a particular day in ICES are sent to RMS at the end of the day. RMS will select BEs from this lot, on a daily basis depending upon the criteria entered in the system. The NIC has released an abridged version of PCA module. The work flow of documents in PCA module is given below:

The selected BEs are processed in the following manner:

- i. BEs will be pooled before Audit Officer (AO/ Superintendent) who has to pick BEs for audit, from the pool, in the manner dictated inter alia by availability of customs docket for the said BE. The Auditor's screen in ICES will be very similar to the appraiser's interface, currently available. A limited facility for changing duty related aspects of the BE has been provided in auditor's screen. The Auditor can change rate of duty, deny a notification and differential duty will automatically be computed by system. The auditor is also given specific audit instructions by the RMS. These audit instructions can be accessed by clicking on the *View ► RMS instructions* menu. These instructions form an assist and are intended to guide officers in conducting audit. It needs to be noted that auditors need not limit their scrutiny to the strict confines of these audit instructions. The auditor has freedom to go beyond audit instructions and scrutinize aspects of the BE which may not have been referred to in the instructions.
- ii. During the course of audit, the auditor may find it necessary to elicit additional information from importer or seek clarifications from him. It needs to be realized that the ease of eliciting such information from the importer will be considerably diluted, during PCA stage as compared to the promptness with which replies to queries raised during live processing of Bills are received. Thus queries during the audit process have to be limited to the minimum and should be resorted only where there is a real information gap. The abridged version of PCA does not have a facility for raising queries through ICES. The queries have to be raised, manually by the auditor, from audit files, after obtaining approval of AC / DC (Audit). The queries have to be despatched by post to the CHA / Importer and may also be sent by email.
- iii. After receipt of reply from CHA / Importer, if the audit officer decides that there is no audit point apparent in the BE, then he will mark the BE to AC/DC (Audit). If AC/DC (Audit) concurs then the BE will be sent to history after generation of an EOD message to

the RMS. If the AC/DC (Audit) finds it necessary to revisit the bill of entry, he may send it back to Audit Officer with his comments.

- iv. On the contrary if the Audit Officer detects an audit point he will be in a position to alter the parameters like value, quantity, notification claimed, item description etc., (in very much the same manner as is currently done by the appraiser during assessment of a live BE) by himself, or mark the BE to the AC/DC (Audit) for confirmation and issue of a consultative letter or demand note. The CL or a demand note will be issued only if the same is further approved by ADC/ JC (Audit). In the abridged version , the facility of changing the parameters is restricted to duty linked parameters like notifications, rates of duty etc., Value linked parameters like loading (item level/invoice level), quantity, enhancement of unit price, are not currently available . Thus if the consultative letter/ SCN requires a change in the parameters that are currently not available on the system, then the duty computation has to be done offline in the file. However such details should be entered in the departmental comments field in the ICES. It is reiterated that issue of a consultative letter / SCN will happen only with the prior approval of Additional/Joint Commissioner (Audit). The abridged version also does not currently have the provision for system generated issue of consultative letter / SCN with duty quantification. The duty computation and issue of consultative letter/ SCN should be done, manually from the audit files after obtaining the necessary approvals.
- v. The PCA workflow in the ICES also envisages generation and issue of advisories to the importer. Monitoring and improving the data quality of declarations by the importer is one of the important functions of the Audit in the post-audit regime. Audit officers can issue advisories to the importer with a view to improving data quality of declarations. An advisory will work in a manner similar to a query and will be issued only after approval by AC/DC (Audit). The key difference between a query and an advisory is that while a query is a request for information/documents from the importer, and holds up the BE from further processing until a reply is received, no reply is envisaged for an advisory. Advisories should be resorted to in cases not involving revenue implications.
- vi. If the Audit Officer decides to raise an audit point which has revenue implications he can propose one of the following options to the AC/DC (Audit) for approval:
 - a. Issue of a consultative letter (Compliance advisory)
 - b. Issue of a demand note

A consultative letter is a mechanism to promote the culture of voluntary compliance by importers in the audit process. It is a tool to operationalize the benefits to the importer by paying up the duty/ interest indicated in the consultative letter. The consultative letter has to be approved by AC/DC (Audit) and further by ADC/JC (Audit) before it gets issued to the importer. On receipt of the Consultative Letter the importer is expected to comply with the same within 30 days of issue. If he agrees to pay the amount indicated in the consultative letter, then the ICES will generate a challan for the differential duty with interest, and provides for capture of payment details also. After the payment details are captured, a message will be sent to the RMS and the BE will move to history in the ICES. If the importer does not agree with the consultative letter, or simply refuses to respond within the stipulated period, the Audit Officer can propose issue of a demand note, which may be issued after consideration and approval by AC/DC (Audit) and ADC/JC (Audit). These activities have to be done manually .

The Audit Officer can, instead of proposing issue of a consultative letter upon detection of short levy or non-levy or short payment or non-payment, propose immediate and direct issue of a demand note. This may be necessary in cases where wilful misdeclaration, fraud, suppression clauses have to be invoked and where a consultative letter may not be the right course of action and a demand note could be issued directly. The demand note will have to be issued manually .

- vii. Upon issue of a demand note, the adjudication takes place offline and the net result of first adjudication will also be captured on the ICES. The details of demand confirmed/dropped, penalties and fines imposed will be captured in the ICES and sent to the RMS. After sending the details to the ICES the BE will move into history.

18. Ensuring Availability of dockets for PCA: As is apparent from the above, effective working of PCA depends critically on availability of dockets with the audit officers. The designated officer in the audit section will generate a report of daily list of BE selected for PCA, using the report made available on the LRM for this purpose. Copies of this report should be sent to AC/DC shed. AC/DC should nominate an officer under his charge and entrust him with the responsibility of segregating dockets as per the list circulated by audit. The dockets (with the checklists) selected for PCA should be aggregated and sent to Audit section with a covering note giving the list of BEs being sent. The receipts of the dockets will be acknowledged by audit section by an officer designated for this purpose by the AC/DC (audit). The rest of the dockets should be sent to the CRA with a forwarding memo listing the BE No's as per existing practice.

19. Ensuring un-interrupted messaging between the ICES and RMS: The ICES System Manager will designate officers in the EDI section for monitoring flow of EOD messages from the ICES to the RMS and also the reverse flow of PCA messages from RMS to ICES. Any interruption in the same should be brought to the notice of the LRM or the Addl / Joint Commissioner of Audit as the case may be. The system manager will ensure that all the B/Es which have been given out of charge, are submitted to the RMS in the EOD files. If BEs are not selected for PCA by the RMS, such BEs will be sent to history. Only the selected BEs will be queued by the ICES to the audit officers for PCA. ICES will send to history all BEs for which no PCA message is received.

20. Provisional Assessment: Whenever there is a relationship between the importer and the supplier, as defined in the Customs valuation rules, the importer/ CHA may indicate this requirement in the relevant SVB columns in the Annexure filed at the service centre / through ICEGATE. The ICES will assess the BE provisionally based on this indication. The LRM should designate officers under his charge to monitor SVB issues. Such officer should analyze and track all such Importers Bills which do not have necessary SVB declaration. *Similarly whenever any BE is selected for assessment or Examination the officers processing all such bills should ensure that the declaration if any regarding SVB aspect is properly declared.* It may be noted that goods registration can not be done without proper debit of bonds. For expeditious clearance of goods the importer /CHA has been advised to equip himself to comply with all the bond – related requirements before filing the BE.

21. Risk Management System administration: The Additional/Joint Commissioner in charge of SIIB is designated as LRM (ADMIN) and he will be the System Administrator of LRM. SSO- Ids of SIIB, PCA and other Officers having role in RMS application need to be

mapped before the launch of RMS. This can be done by forwarding the SSO Ids of concerned officers in the prescribed template to SI team with a request to map for RMS application. A mail in this regard may be sent to sihelpdesk@icegate.gov.in. LRM (ADMIN) will in turn assign the roles of all other LRM users in RMS application. The users must change their passwords in LRM at regular intervals. In addition to handling the Targeting and Intervention activities assigned to them, all LRM users should be vigilant about all such bills of entry which are getting facilitated and are being sent for clearance without any assessment or examination. Discrepancy, if any found in respect of such bills should be immediately brought to the notice of the LRM for further action. Detailed instructions are being separately issued for the guidance of officers required to manage the LRM.

22. **Feedback:** The process of Risk management is incomplete without feedback. Officers are advised that any Appraising/Examination instructions, CCRs or any other aspect of the RMS which in their understanding is either not suitable or seemingly out of context in respect of any BE under their scrutiny, it should be immediately reported to the Local Risk Manager(LRM). Similarly if any of the CCRs are perceived to be incomplete and if any instructions are perceived to be inadequate, it should be reported to the LRM. Such feedback shall be routed to the NRM through the office of Local Risk Manager and will be used for updating the NRM.

23. It must be noted that the prime objective of the RMS is to enhance facilitation for compliant importers and compliant consignments. Therefore, all officers, while being vigilant against abuse, must at all times act with a sense of responsibility and avoid doing anything that would cause undue delay or harassment to legitimate trade.

24. In case of any difficulties faced in the implementation of the Risk Management System, the Local Risk Manager (LRM), whose address and contact particulars are given below, may be contacted:

Shri Devesh Gupta,
Joint Commissioner of Customs,
Customs Circle, Raipur
B-Zone, 3rd FLOOR, 12/2/7 & 12/2/8:
Vill: Pipaliakumar, Nipania, Indore- 452010 (MP)
Phone No. (0731) 2920251
Email id: indorecustoms18@gmail.com

NEERAV KUMAR MALLICK
COMMISSIONER OF CUSTOMS INDORE

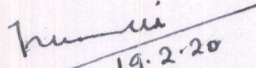
mapped before the launch of RMS. This can be done by forwarding the SSO Ids of concerned officers in the prescribed template to SI team with a request to map for RMS application. A mail in this regard may be sent to sihelpdesk@icegate.gov.in. LRM (ADMIN) will in turn assign the roles of all other LRM users in RMS application. The users must change their passwords in LRM at regular intervals. In addition to handling the Targeting and Intervention activities assigned to them, all LRM users should be vigilant about all such bills of entry which are getting facilitated and are being sent for clearance without any assessment or examination. Discrepancy, if any found in respect of such bills should be immediately brought to the notice of the LRM for further action. Detailed instructions are being separately issued for the guidance of officers required to manage the LRM.

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Phone No. (0731) 2920251
Email id: indorecustoms18@gmail.com


19.2.20
(Neerav Kumar Mallick)
Commissioner