

Circular No. 17/2021-Customs

F. No. 450/142/2020-Cus.IV

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes & Customs

Room No. 229 A, North Block
Dated the 23rd July, 2021

To

All Principal Chief Commissioner/Chief Commissioner of Customs/Customs (Preventive),
All Principal Chief Commissioner/Chief Commissioner of Central Tax and Customs,
All Principal Commissioner/Commissioner of Customs /Custom (Preventive),
All Principal Commissioner/Commissioner of Central Tax and Customs.

Subject: Efforts required to Reduce the compliance burden for citizens and business activities -reg.

The Government of India has been focussing its efforts to reduce compliance burden for citizens and business activities. With this endeavour, various procedures and requirements stated under various provisions in the Customs Act, 1962 are being revisited so that compliances under these laws can be simplified or dispensed with, in order to enhance ease of doing business and minimize regulatory compliances.

2. It is to mention that, CBIC has undertaken a series of next generation reforms under the umbrella of 'Turant Customs' initiative to enable Faceless, Paperless and Contactless clearance, leading to enhanced Ease of Doing Business.

3. One key area which imposes compliance is the necessity of seeking periodic renewal of the licenses/registrations issued under the Customs Act. As seen, the period of validity of licenses/registrations under the respective regulations is for a certain period after which such licenses/registrations are required to be renewed. Such renewals are legacy requirement, essentially a ground to review the compliance behaviour of the license holder/registration holder. However, the compliance behaviour is in any case can be confirmed transaction-wise. It can also be checked in a systemic manner by DGARM as already done in several cases. Also, the renewal exercise is an avoidable interface between the licensee and Customs officers, which is not in sync with the objective of our 'Contactless Customs' programme. Finally, it is indeed a burden on the licensee/registration holder to get it renewed every time. Thus, for all these reasons there is justification to dispense with the periodic renewals. The implication of this would be that the licenses/registrations once issued would be valid for lifetime.

4. As aforementioned, the need to reduce compliance burden justifies making the license 'lifetime' but in certain situations say, when the business is wound up, the


licensee may wish to surrender the license/registration. Such applications for surrender of license/registration may be accepted once it is confirmed that the licensee/registration holder has paid all dues to the Central Government and no proceedings are pending against the licensee. This is especially needed when the license is valid in perpetuity. Also, it may so happen that the person is not active for a long time, which may be misused. Hence, provision for voluntary surrender of the license/registration as well as automatic invalidation of the Licence/Registration in case of inactivity for a long period (exceeding 1 year) becomes necessary to prevent misuse of licenses/registrations. However, there may arise situations where in a licensee/registration holder may not make any transactions for a long period due to genuine reasons such as lack of business. These situations are especially applicable in the current pandemic era. In such situations, it seems appropriate to empower the Principal Commissioner or Commissioner of Customs to renew a license/registration which has been invalidated due to inactivity. It is also clarified that there is no change in present procedure undertaken by the field formations to verify the eligibility of license holder for renewal may be continued.

5. Accordingly, The Board has decided to abolish renewals of Licence/Registration in Customs Brokers Licensing Regulations, 2021 and Sea Cargo Manifest and Transhipment Regulations, 2018 incorporating the following changes:

- a. To provide lifetime validity of the licenses/registrations;
- b. To enable provision for making the licenses/registrations invalid in case the licensee/registration holder is inactive for the period exceeding 1 year at a time;
- c. To empower Principal Commissioner or Commissioner of Customs to renew a license/registration which has been invalidated due to inactivity; and
- d. To provide for voluntary surrender of license/registration.

6. Considering the far implications of these measures, it has been decided that above changes will be reviewed after six months (i.e. January 2022) by the Board for its impact and bring changes, if necessary.

7. Any difficulties faced or doubts arising in the implementation of this Circular may please be brought to the notice of Board.


(Manish Kumar Choudhary)
Under Secretary (Cus.IV)