

F.No:- DIC/POL/DIR/1/2020-POL-O/o Pr. COMMR-DIC-DELHI

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
Directorate of International Customs

New Delhi, July 31, 2021

To,

All Principal Chief Commissioners/ Chief Commissioners of Customs/ Customs (Preventive),
All Principal Chief Commissioners/ Chief Commissioners of Customs & Central Tax,
Principal Director General/ Director General of DGGI & DGRI,
All Principal Commissioners/ Commissioners of Customs/ Customs (Preventive),
All Principal Commissioners/ Commissioners of Customs & Central Tax

Madam/Sir,

Subject:- Amendment in AEO Programme: Auto-Renewal of AEO-T1 validity for continuous certification based on continuous compliance monitoring- regarding.

The Board has reviewed the AEO programme in the background of reported difficulties being faced by the AEO-T1 entities in renewal of their certification especially during the on-going pandemic.

2. As seen, the renewal of the AEO certification is governed by para 5.1 of Circular No. 33/2016-Customs dated 22.07.2016, as amended vide para 3(viii) of Circular No. 03/2018-Customs dated 17.01.2018, and paras 5.1 and 5.2 of Circular No. 33/2016-Customs dated 22.07.2016, as amended. When read together, these provisions provide that the validity of AEO certificate shall be three years for AEO-T1 and an AEO-T1 entity wishing to continue their AEO status must submit an application for renewal 30 days in advance of the expiry of the validity of the certification. Further, the status of the AEO-T1 entities would be reviewed every three years.

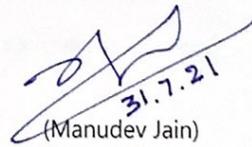
3. Taking into account the reported difficulties faced by the AEO-T1 (including MSME AEO-T1) entities in seeking renewal and with a view to reduce their compliance burden, the Board has decided to allow the facility of continuous AEO certification/auto renewal for AEO-T1 entities. Thus, these entities would no longer be required to seek periodic renewal of their AEO-T1 certification. The facility of continuous AEO certification/auto renewal for AEO-T1 entities is being made available subject to submission of annual self-declaration (enclosed) and review thereof. Such annual self-declaration is to be filed between 1st October to 31st December each year. All AEO-T1 entities certified on or after 01.04.2019 shall stand migrated to the auto renewal process with effect from 01.08.2021.

4. The zonal AEO Programme Manager that had approved the AEO-T1 certification shall take the annual self-declaration, as mentioned above, on record. However, in cases where any change in AEO-T1 compliance as per self-declaration is noticed or any adverse input is received from any field formation/investigation agency, the zonal AEO Programme Manager shall take suitable action in terms of Circular No. 33/2016-Customs dated 22.07.2016, as amended, under intimation (electronically) to such AEO-T1 entity as well as to the National AEO Programme Manager, Directorate of International Customs.

5. On the basis of the annual self-declaration, the concerned zone shall initiate a Comprehensive Compliance Review for the AEO-T1 entities (including MSME AEO-T1), as per para 5.4 of Circular No. 33/2016-Customs dated 22.07.2016, as amended, which is outlined as under:

- a) The review shall be conducted on the basis of at least two annual self-declarations filed after issuance of AEO T1 certificate or from the date of last auto renewal of certification on account of successful review, whichever is later;

- b) The review process has to be completed before the commencement of the due date for submission of the 3rd annual self-declaration (i.e. before 31st October) from the date of certification or from the date of last auto renewal of certification on account of successful review, whichever is later.
- c) During the review process, the Zonal AEO Programme Manager may seek additional documents/information, if required for completion of the review process.
6. As the review process would rely on the two annual declaration bringing out the details for the last two financial years, for the AEO-T1 entities certified between 01.04.2019 and 31.12.2019, the AEO-T1 (including MSME AEO-T1) entity would be required to submit the details of the previous two financial years as their first annual self-declaration for the current year i.e. between 01.10.2021 and 31.12.2021. Similarly, the AEO-T1 entities (including MSME AEO-T1) certified between 01.01.2020 to 31.12.2020 would be required to submit the details of the previous two financial years as their first annual self-declaration for the next year i.e. between 01.10.2022 and 31.12.2022. Such annual declarations would be scrutinized by the zone concerned within 60 days i.e. by the end of February, 2022 and February, 2023 respectively. All other AEO-T1 (including MSME AEO-T1) entities would be required to submit one annual self-declaration for previous financial year only, each year.
7. Based on the Comprehensive Compliance Review exercise done as per para 5 above, the concerned zone shall approve or revoke, as the case may be, continuous certification of the AEO-T1 entity and inform the National AEO Programme Manager, Directorate of International Customs. Only in case of adverse findings, the entity would be informed, for taking action as per Circular No. 33/2016-Customs dated 22.07.2016, as amended. Once revoked, a new AEO-T1 (including MSME AEO-T1) certification would only be granted through fresh filing of application for AEO certification as per Circular No. 33/2016-Customs dated 22.07.2016, as amended, read with Circular No. 54/2020-Customs dated 15.12.2020 (for MSME AEO-T1).
8. The annual self-declaration for the AEO Auto Renewal process will be submitted by the applicant through the AEO online web portal <aeoindia.gov.in>. The necessary implementation to this effect is being carried out on the AEO web portal.
9. The AEO entities certified between 1st January to 31st December of each year shall be exempted from filing the annual declaration for that year. Accordingly, AEO-T1 entities certified on or after 01.01.2021 for the present year will not be required to submit annual self-declaration for the present year.
10. For ensuring continued compliance monitoring, all field formations of Customs and GST zones, DGRI and DGGI shall communicate any non-compliance noticed (SCN issued or proceeding launched for any offence) by an AEO status holder in terms of para 3.2 (legal compliance) of Circular 33/2016-Customs dated 22.07.2016, as amended, to the concerned AEO Customs zone and to National AEO Programme Manager, Directorate of International Customs on priority. The list of AEO status holders is updated every month on the CBIC website and is available at URL <https://www.cbic.gov.in/htdocs-cbec/home_links/india-aeo-prgm>.
11. The Circular No. 33/2016-Customs dated 22.07.2016, as amended, read with Circular No. 54/2020-Customs dated 15.12.2020 (for MSME AEO-T1), stands suitably modified to this effect.
12. Wide publicity may be given to this Circular by way of issuance of Facility Notice. Difficulties, if any, in the implementation of this Circular may be brought to the notice of this office.
13. Hindi version will follow.


31.7.21
(Manudev Jain)
Deputy Commissioner
Directorate of International Customs

ANNUAL SELF-DECLARATION

(A) General Information

Entity Legal Name	
Whether the AEO Status Holder is a Manufacturer or Trader?	
Whether the AEO Status Holder is an MSME or not?	
AEO Certificate Number and Validity	
Name of Primary Point of Contact	
Contact Details & E-mail Address	
Relevant Period (Financial Year)	
Date of Submission	

(B) Compliance Information

S. No	Compliance Parameter	Yes	No
1.	Whether there is any case of infringement/Show Cause Notice/Order-in-Original of Customs or GST (erstwhile Central Excise and Service Tax) Laws booked against the AEO status holder and / or the directors / partners / sole proprietor / persons in charge of the applicant's business for Customs related matter, during the last financial year? If yes, please provide the details of the SCN/OIO issued.	<input type="checkbox"/>	<input type="checkbox"/>
2.	Whether the Net Worth and Net Current Assets as per the Balance Sheet/IT returns duly audited/filed, are positive during the last financial year?	<input type="checkbox"/>	<input type="checkbox"/>
3.	Whether any Insolvency, Bankruptcy or Liquidation proceeding has been initiated against the AEO Status holder during the last financial year?	<input type="checkbox"/>	<input type="checkbox"/>
4.	Whether any new location/site is added during the last financial year?	<input type="checkbox"/>	<input type="checkbox"/>
5.	Whether the details of such new location/site (at point 4) was communicated to the Zonal/National AEO Programme Manager within 14 days of such addition. If no, please provide the details and site plan of the site added. <i>Note: Please leave this blank in case there is no new addition of location/site during the last financial year.</i>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Whether the existing system for back-up, recovery, archiving and retrieval of company's records and information continues to ensure that there is no breach or intrusion or dysfunction noticed in the procedures related to back-up, recovery, archiving and retrieval of the company's records and information and same is secured against misuse, loss and unauthorized access.	<input type="checkbox"/>	<input type="checkbox"/>
7.	Whether, if required, the relevant commercial/financial records for the last financial year can be presented to Customs immediately.	<input type="checkbox"/>	<input type="checkbox"/>

Period of Submission of this Annual Self-Declaration is between 1st October and 31st December, each year.