

Circular No. 4 /2016-Customs

F. No. 465/12/2010-Cus V
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

New Delhi, the 9th February 2016

To,

All Principal Chief Commissioners of Customs / Customs & Central Excise
All Chief Commissioners of Customs,
All Chief Commissioners of Customs & Central Excise,
All Directorate-Generals, Chief Departmental Representative,
All Principal Commissioners of Customs,
All Principal Commissioners of Customs & Central Excise
All Commissioners of Customs
All Commissioners of Customs & Central & Excise

Sub: Procedure for renewal of SVB orders and ongoing SVB inquiries under circular no. 11/2001 – Cus dated 23rd February 2001 - reg.

The Board has comprehensively revised instructions for the examination of related party transactions and those involving royalty, licence fee etc. vide circular no. 5 /2016 dated 9th February 2016. In view thereof, the Board has decided that the following procedure shall be followed with respect to pending SVB cases initiated in terms of circular 1/98 – Cus dated 1.1.98 & 11/2001-Cus dated 23.2.2001 and those involving renewal of SVB orders.

2. In order to facilitate quick disposal of cases currently pending with SVBs for **renewal**, a system of one-time declaration is being provided. Importers, in respect of whom SVB orders are pending renewal, shall submit to the jurisdictional SVB, a declaration in the prescribed formats (Annexure 1 & 2) by 31st May 2016.

2.1 Each SVB shall maintain a consolidated record of such declarations and allot a reference no. to each declaration received. The SVB shall provide to the importer a duly acknowledged receipt of the declaration.

2.2 The SVBs shall promptly scrutinize the declarations and in cases where the importer files declaration in Annexure 1, the process of renewal would be treated as dispensed with. The SVB shall immediately inform the Custom stations where provisional assessments have re-started due to the process of renewal to immediately discontinue obtaining Extra Duty Deposit and finalize the related provisional assessments, without any further reference to the importer.

2.3 In all such cases, the communication from the SVBs to the Customs formations / Appraising groups must be sent by 30th June 2016, under intimation to Chief Commissioner, DGoV, RMD and the importer.

3. In cases where a change in circumstances surrounding the sale has been stated in the declaration (Annexure 2), the SVB inquiries shall be initiated in terms of the procedure stated in circular 5/2016 dated 9th February 2016 by serving upon the importer questionnaires at Annexure A and Annexure B. If EDD is being obtained in such cases, the same shall be reviewed and the sequence provided in para 3.2 of the circular no. 5/2016 dated 9th February 2016 shall be followed.

Pending SVB Investigations

4. All pending SVB investigations (other than renewal cases), where Extra Duty Deposit is being obtained are required to be reviewed in terms of para 3.2 of the circular no. 5/2016 dated 9th February 2016. In cases, where the importer has provided information & documents, requisitioned by the SVB, EDD shall be discontinued forthwith. This exercise shall be completed by 31st May 2016.

4.1 In cases, where EDD has been enhanced to 5%, due to the importer not having provided information or documents necessary for SVB inquiries, the Commissioner shall immediately take recourse to appropriate provisions under the Customs Act for obtaining the necessary documents for investigations and subsequently dispense with the EDD.

5. Chief Commissioners / Principal Commissioners /Commissioners having jurisdiction over the existing SVB at Bangalore, Chennai, Delhi, Kolkata, and Mumbai shall draw up an action plan for completing investigations in all pending cases, forthwith. Where required, additional officers may be deputed to complete pending investigations. Pendency should be brought down by 10% in each month so that all existing cases (commenced upto 31.12.2015) are disposed of latest by 31.10.2016.

6. In so far as the procedure for completing pending SVB investigations, instructions contained in circular no. 5 / 2016 dated 9th February 2016 shall be followed.

(S.Kumar)
Commissioner (Customs)

ANNEXURE – 1

(One-time Declaration in lieu of pending renewal by SVB)
(on the letterhead of the importer)

To,
Commissioner of Customs (Bengaluru, Chennai, Delhi, Kolkata, Mumbai (as applicable)

I (Name of the person) , (Designation) , of M/s (Name of Company) do hereby declare & confirm that, –

- (i) This declaration is in relation to the SVB order (s) - in- original No.____ dated_____
- (ii) We have made an application for renewal of SVB orders on _____ (date) to_____ (customs House)
- (iii) During the period_____ (date of issue of order) to _____ (date of declaration),
 - (a) there are no changes in the circumstances surrounding the sale of the goods between us and our related supplier (s).
 - (b) there is no change to the terms & conditions contained in the agreement (s) between us and our related supplier (s).
 - (c) we have not entered into an agreement with any new related supplier or their associates since the issuance of the earlier SVB order
 - (d) there is no change in rate of Royalty payment or Licence Fee / or any other payment made to the supplier of imported goods.
 - (e) There are no post-import price adjustments with our supplier.

The above statements are true and correct to the best of my knowledge.

Company Seal

(Signature of Authorised Representative)/ Director (Finance)/CFO

Name:

Designation:

Tel no. / email:

ANNEXURE – 2

(One time Declaration in lieu of pending renewal by SVB)
(on the letterhead of the importer)

To,
Commissioner of Customs
Bengaluru, Chennai, Delhi, Kolkata, Mumbai (as applicable)

I (Name of the person) , (Designation) , of M/s (Name of Company) do hereby declare & confirm that, –

- (i) This declaration is in relation to the SVB order (s) - in- original No. _____ dated _____
- (ii) We have made an application for renewal of SVB orders on _____ (date) to _____ (customs House)
- (iii) During the period _____ (date of issue of order) to _____ (date of declaration*),
 - (a) there is a change in the circumstances surrounding the sale of the goods between us and our related supplier (s)
 - (b) there is a change to the terms & conditions contained in the agreement (s) between us and our related supplier (s).
 - (c) We have entered into a new agreement with our existing related supplier / new related supplier / or their associates
 - (d) there is a change in the rate of royalty payment / licence fee / or other payment being made to the supplier of the imported goods.
 - (e) There are post-importation price adjustments with our supplier.

(*Please strike out, which ever are not applicable; please provide supporting documents in respect of (a) to (e), as applicable)

The above statements are true and correct to the best of my knowledge.

Company Seal

(Signature of Authorised Representative)/ Director (Finance)/CFO

Name:

Designation:

Tel no. / email: