**EXPORT PROMOTION COUNCIL FOR EOUs AND SEZs**

**(Setup by Ministry of Commerce, Government of India)**

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**Anand Giri** EPC/SEZ/AM18/F-4

**Dy. Director General**  October 12, 2020

**EPCES CIRCULAR NO.371 DATED 12.10.2020**

**Subject : Procedure for inspection of ICDs/CFSs/AFSs**

Central Board of Indirect Taxes and Customs (CBIC), Department of Revenue, Ministry of Finance, vide Circular No. 44/2020-Customs dated 8/10/2020 has informed that the Board as decided to put in place a proper system for regular inspection of ICDs/CFSs. Such a system would ensure better functioning of ICDs/CFSs in future and would be of great benefit to the importers and exporters using these facilities. Periodical inspections and remedial actions would also avoid audit objections. It will bring accountability, standardization and better facility for cross-border trading and in term improve ease of doing business. The following procedure for inspection of ICDs/CFSs/AFS are introduced vide CBIC Circular No. 44/2020-Customs dated 8/10/2020:-

1. The jurisdictional Commissioner at the beginning of every financial year shall chalk out an action plan to conduct inspection of ICDs/CFSs in their jurisdiction, by an office of rank of Deputy/Assistant Commissioner or above (who is not in-charge of such ICD/CFS) once every financial year probably in the first quarter of the financial year.
2. A report on the inspection conducted shall be submitted to the jurisdictional Commissioner of Customs with copy of Chief Commissioner concerned in the proforma given as per Annexure of the Circular.
3. The first inspection, wherever required, shall be completed by 31.12.2020.
4. The jurisdictional Commissioner of Customs upon receipt of the inspection report shall take remedial action wherever deficiencies are noticed including penal action on the defaulting ICDs/CFSs.
5. Normally the operations and records in respect of the previous financial year shall be covered in the inspection.
6. For the ICDs/CFSs, which have not been inspected/audited so far, the initial inspection shall be for the period of last five years or from the date of commencement whichever is earlier.
7. The Directorate General of Performance Management during the inspection of field commissionerates, done by them shall also examine the records relating to the inspections of ICDs/CFSs.

Copy of CBIC Circular No. 44/2020-Customs dated 8/10/2020 is available at the below link:-

[**https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-44-2020.pdf;jsessionid=544D993A61437032E7C151ED15AA78BA**](https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-44-2020.pdf;jsessionid=544D993A61437032E7C151ED15AA78BA)

This issues with the approval of Director General EPCES.

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