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# Accredited Client programme (ACP) in Customs - Assured facilitation to importers

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Prior to 1998, Customs used to manually process Bills relating import and export, calculate the duty element manually on paper, collect the same in the Customs premises to be deposited in Banks, check the goods physically for correctness in description declared, check the correctness in quantity and then used to permit the clearance.

This involved time, costs as well as safety of the equipment / items imported as they may get damaged in the process of unloading/handling at clearance points. Customs, liberalised the procedures and introduced EDI processes (implemented in Visakhapatnam Customs during 1998) where-in entire process of assessment and clearance is done on system on the basis of electronic declarations. Even in EDI clearances, the physical inspection/ examination continued.

In 2005, Customs department further liberalised the procedures and implemented Risk Management System (RMS) in Imports which has been one of the most significant steps in the ongoing Business Process Re-engineering initiative of the department. Introduction of Risk Management System (RMS) in imports during 2005, changed the whole clearance process scenario. Accordingly, importers/exporters can make declarations regarding classification, value and the Electronic Data Interchange System processes the bill for assessments on the basis of these self-declarations.

Duty is assessed in less than three minutes on the basis of the declarations and the Challan indicating the amount of customs duty payable would be generated. The duty amount indicated has to be paid through online banking system and then importers/exporters to proceed to the Customs area (port/CFS/Airport) for presenting the documents and for obtaining the clearance from Customs. The RMS procedure was extended to Exports also during 2013.



As part of trade facilitation further, Customs introduced Accredited Clients Programme (ACP) under which assured facilitation is given to importers who are assessed as highly compliant. This special customs clearance procedure is part of RMS and is meant for authorized persons (Accredited Clients) having good track record and who meet specified criteria identified by the Customs. This programme has been introduced at all the EDI (Electronic Data Interchange)-enabled Customs stations.

## What is the Accredited Clients Programme in Customs?

- One of the major elements of Risk Management strategies.
- Importers who are recognised as highly compliant would be given assured facilitation in Import clearances.
- Is meant for creating a climate of voluntary compliance by importers.
- It would develop a relationship of trust between the department and its clients.

## Who can become Accredited Clients?

Any importer can apply for a status as Accredited Client with the following criteria.

### I. Importers who have:

- + Imported goods valued at Rs. 10 Crores [assessable value] in the previous financial year or
- + Paid more than Rs. 1 Crore Customs duty in the previous financial year or
- + paid Central Excise duties over Rs. 1 Crore from the Personal Ledger Account in the previous financial

year or  
+ been recognized as 'status holders' under the Foreign Trade Policy.

II. Minimum 25 Bills of entry in the previous financial

III. No cases in the last three financial years in Customs, Excise & Service Tax.

IV. Amendments not to have been more than 20% of the Bills of Entry filed during the previous financial year.

V. No duty demands pending on account of non-fulfilment of export obligation.

VI. To have good record keeping, internal controls and standard accounting systems

## What are the benefits for ACP Clients?

If you are an importer and an ACP Client,

- ✓ You get assured facilitation in clearing your imported goods.
- ✓ You can clear the imported goods on self-declaration.
- ✓ Your consignments are not examined by Customs
- ✓ Only random checks are done occasionally.
- ✓ Reduction in time taken for clearance
- ✓ Less transaction cost in import clearances.
- ✓ Once approved as ACP Client, eligible for its benefits at all ICES locations in India.
- ✓ Customs reserves the right to stop and examine your consignments if there are valid and adequate reasons for doing so.

## How to apply for ACP Status

- ✓ Fill the application form – available in the CBEC Circular 42/2005 Dt. 24-11-2005 [http://www.cbec.gov.in/htdocs-cbec/customs/cs-circulars/cs-circulars-2005/42-2005-cus]

Attach supporting documentation along with the form.

File with Commissioner of Customs in charge of the port/airport or ICD through which you effect your imports.

✓ The Commissioner, after scrutiny of the application, forwards it to the Risk Management Division

✓ Risk Management Division (RMD) will inform directly about selection and include you in the ACP database.

✓ You will then be eligible to get clearances under the ACP at all the ports/airports/ICDs where EDI is in operation.

✓ Decision on your application, ordinarily, within a month of your application.

## What is the validity of ACP Status

ACP accreditation is initially valid for a period of one year and is renewable thereafter upon a review by RMD screening Committee of the compliance record of the Accredited Client.

## Are there any conditions for an ACP Client?

Yes. Continued maintenance of the required compliance levels is an essential condition for you to enjoy the benefits of ACP.

- Importing firm to authorise a person/persons from their company for obtaining clearance from Customs.
- The benefit would be withdrawn if Customs detect a deliberate and serious noncompliance.
- Customs would be monitoring your compliance by subjecting your consignments to a small percentage of system generated random checks.
- There is a requirement on the part of ACP Client to adhere to the standards of completeness, accuracy and validity in respect of declarations filed / specified through public notices or circulars etc from time to time.
- ACP Clients to pay Customs duty mandatorily through online in bank only.

## Responsibilities of ACP Clients ....

ACP Clients are expected to comply with all laws relating to importation which include not only the Customs Act, 1962, the Rules and Regulations framed under it, but a host of other

enactments which impose the responsibility of border control on Customs. While the legislative framework assigns the responsibility of enforcement to Customs, the responsibility for compliance rests on the trading community.

Customs look to the Accredited Clients to share the responsibility and look upon them as partners in compliance management. Some of the specifics of the compliance requirements include, declaration of details in complete, precise and un-ambiguous manner.

The details such as Tariff Headings, Item Description, Generic description, Manufacturer name, Supplier details, Model/Specification/grade/Brand, Country of Origin, Number of units/Total quantity, Unit quantity code, Unit Price, Notifications and Serial numbers, SVB details if any need to be declared correctly.

Customs expect the Accredited Clients to play a more pro-active role in supply chain security to provide assurance against unauthorized use of the facility granted to them and the risk of contraband being smuggled. The Accredited Clients are required to take due care in the selection of Agents and personnel engaged in the supply chain. The Accredited Client Programme is designed for clients who have a corporate commitment to compliance and have in place people, processes and systems that are designed to ensure compliance.

It is a fact that in many companies, the functions relating to Customs processing are outsourced to Customs Brokers. While Customs do not wish to interfere with Importer's choice of agents, the department wishes all importers to keep in mind that the performance of the Agents which has a vital bearing on importer's continued enjoyment of the benefits under the ACP.

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Please send in your comments/ thoughts to jmkishore@gmail.com or info@viscan.in.

## Government initiates Concor disinvestment process

The Government has initiated the process of divesting 5% stake in Container Corporation of India Ltd. (Concor).

The Department of Disinvestment has invited bids from the merchant bankers to take forward the proposal to disinvest an additional 5 per cent in the Navaratna public sector unit, said a document on the Ministry's website. The Government holds 61.8 per cent in Concor, the only listed public sector unit of the Railway Ministry.

The stake sale is to be undertaken through Offer-for-Sale (OFS) of shares by the promoters.

The Government is also considering allotting shares to Concor employees at a discount of 5 per cent to the issue/discovered price (lowest cut-off price).

The employees will be eligible to apply for shares up to Rs. 2 lakh only, says the official document. CONCOR provides logistics support such as Inland Container Depots, Domestic Container Terminals, transportation by rail and road, warehousing, storage and other value added solutions.

## Revamped Gopalpur Port set to begin operations

### VIS News Service

Odisha's Gopalpur Port, which had become inactive after cyclone Phailin hit the state's southern coast in October 2013, incurring damages to the tune of Rs. 250 crore, is now revamped and ready to restart commercial operation, the port authority said.

"We

have

communicated to the government that the port is now fit for commercial operation. We have also intimated the prospective users about reopening of the port shortly," Mr M. M. Moharana, Director (Operations) of Gopalpur Port Ltd, said.

It is expected that the first vessel may anchor at the revamped Gopalpur

Port within a fortnight after the government gives its approval following the inspection of facilities and security by the authorities, he added.

Located between Paradip and Visakhapatnam ports, Gopalpur is the third port on the Odisha coast after Paradip and Dhamra.