

# CBIC INTRODUCES "FLAGSHIP LIBERALISED AUTHORISED ECONOMIC OPERATOR PACKAGE" FOR MSMES

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- Recognizing their critical contribution in supporting the economy especially during the present difficult times of the COVID-19 pandemic, the Central Board of Indirect Taxes & Customs (CBIC) has taken a new initiative to introduce its flagship "**Liberalised MSME AEO Package**" for Micro Small and Medium Enterprises (MSMEs).
- In order to attract MSMEs to become Authorised Economic Operators (AEOs) and avail the various benefits, the CBIC has relaxed the compliance criteria provided the MSMEs have a valid certificate from their line-Ministry.
- **The relaxed requirements allow MSMEs who have filed a minimum of 10 Customs clearance documents in one year and who have a clean compliance record over 2 years to apply for the scheme.**
- The documentary requirements have also been appreciably simplified. **Another feature is that the CBIC commits to take a decision on an application for grant of AEO status within only 15 days from the electronic submission of complete documents for AEO Tier T1.**
- Additional benefits, like a **further reduction in Bank Guarantee requirements**, have been introduced for MSMEs and will be expanded subsequently.
- CBIC's flagship "Liberalised MSME AEO Package" scheme is a voluntary compliance program that enables swifter Customs clearance for accredited stakeholders in the global supply chain viz. importers, exporters, logistic service providers, custodians, etc.

The approved AEOs derive various benefits such as, inter alia,

1. The **facility of Direct Port Delivery (DPD) of imported containers,**
2. **Direct Port Entry (DPE) of their Export Containers,**
3. **High level of facilitation in customs clearance** of their consignments thereby ensuring shorter cargo release time,
4. **Exemption from Bank guarantees,**
5. Priority for refund/ rebate/ duty Drawback,
6. A Client Relationship Manager at the customs port as a single point of interaction.

Another important benefit available to specified AEOs is that their payment of Customs duty is deferred and need not be paid before the clearance of the imported goods by Customs.

An added advantage for Tier 2 AEOs is that their exports to certain countries are accorded facilitation by the foreign Customs administration with whom India enters into a Mutual Recognition Agreement/Arrangement.

Through the “Liberalised MSME AEO Package”, CBIC encourages all eligible MSMEs to avail advantages of faster Customs clearances and other related benefits.



**Queries?**

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