

F.No.305/75/2000-FTT (Vol. V)
Government of India
Ministry of Finance & Company Affairs
Department of Revenue
Central Board of Excise & Customs

**Sub:- Administrative Control over Export Oriented Units (EOUs)/Special Economic Zones–
Instructions Reg.**

I am directed to invite your attention to Board's Circular Nos. 72/2000-Customs, dated 31-8-2000 and 87/2000-Customs, dated 2-11-2000 on the above subject. As per existing instructions, EOUs and STP/ EHTP units situated/ located within the municipal limits of the port cities are under the administrative control of jurisdictional Commissioner of Customs and in other cases, under administrative control of jurisdictional Commissioner of Central Excise.

2. The matter has been re-examined by the Board. It has been decided that in the port cities, the administrative control over all the EOUs including EHTP and STP units falling within the territorial jurisdiction of Commissioner of Customs shall be with the Commissioner of Customs. At other places, the administrative control over EOU/EHTP/STP units shall be with jurisdictional Commissioner of Central Excise. **The only exception will be in respect of Bangalore Customs.** The Commissioner of Customs, Bangalore will continue to have administrative control over all such units within his territorial jurisdiction.

3. As regards Special Economic Zones, the administrative control would continue to be with the jurisdictional Commissioner of Customs. Further, in case of new Special Economic zone that are likely to come up in future, the administrative control shall be exercised by the jurisdictional Commissioner of Customs.

4. Board's Circular Nos. 72/2000-Customs, dated 31-8-2000, 87/2000-Customs dated 2-11-2000 and other administrative instructions issued in the past in the matter stand superceded by this Circular.

5. Further, Board has also reviewed the matter regarding collection of cost recovery charges from EOU/EHTP/STP units. It has been decided as a measure of trade facilitation, that EOUs and EHTP/STP units will be given an option of either using the services of Customs/ Central Excise Officers on payment of cost recovery charges or on payment of Merchant Over time (MOT). The existing units should indicate their intention to opt out of the scheme of cost recovery charges by 31-6-2003. Once they opt out of the cost recovery charges Scheme, such units shall be required to pay MOT for Customs / Central Excise related work **even during office working hours.**

6. In case of a unit opting out of the cost recovery Scheme, the Customs / Central Excise officers already promoted against the cost recovery post will not be reverted back, but will continue to function in the higher cost recovery post till these officers get promotion against a permanent post in their own cadre. Till such time these cost recovery posts continue, the concerned existing units that are presently availing services of cost recovery officer (s) will have to continue to bear the cost recovery charges.

7. Difficulty, if any faced in implementation of the above said instruction, may please be brought to the notice of the Board at the earliest.

8. Wide publicity may please be given to the above said instruction by way of issuance of public notice.

9. Please acknowledge receipt.
10. Hindi version follows.

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