

F.No.305/138/2003- FTT
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs

Subject : Administrative control over 100% (EOUs)/EHTP/STP and SEZ Units – regarding

I am directed to say that doubts have been raised regarding the jurisdiction over EOU/EHTP/STP/SEZ Units, particularly in connection with investigation and adjudication of cases. Doubts have been raised as to whether the show cause notices will be issued by the Commissioner having jurisdiction over the port/airport of import/ export from where the imports/exports have taken place or by the Commissioner having administrative control over the EOU/EHTP/STP/SEZ Unit. Similar problems arise where goods, including raw material, are obtained by such units from DTA Units located in the jurisdiction of another Commissionerate.

2. The matter has been examined by the Board. The procurement certificates (for imported goods) and CT-3 (for domestic goods) are issued from such Units under the strength of a general B-17 Bond. The B-17 Bond is executed before the officer having jurisdiction over the unit. In case of any contravention the B-17 Bond can be invoked for recovery of duty. Attention in this regard is also invited to Board's Circular No.76/99-Cus dated 17.11.99 wherein it was clarified, in para 5(iv), that if the Assistant Commissioner in charge of the port of import does not receive the re-warehousing certificate, the Assistant Commissioner in charge of the port of import shall inform the Asstt. Commissioner Customs or Central excise, as a case may be, in charge of the Unit, for issuing a demand notice to recover the duty/penalty etc.

3. Keeping the above aspects in mind, it is hereby clarified that in all cases of short levy or evasion of either Customs or Central Excise duties, or both, it is the Commissioner of Customs or Central Excise, as a case may be, who has administrative control over the EOU/EHTP/STP/SEZ Unit, who will be the proper officer for investigation, issue of show cause notice and adjudication. For administrative control over EOUs/EHTP/STP units please refer to Board's Circular No 31/2003-Cus dated 7-4-2003.

4. This will not effect the investigations conducted by organizations like the DGRI, DGCEI etc who have all-India jurisdiction.

5. Field formations may be suitably informed.

6. Receipt of this Circular may kindly be acknowledged.

7. Hindi version will follow.

A.K. Sinha
Technical Officer
Telephone No: 23093859