

# **Circulars- Customs**

**Circular No. 02/2019-Customs**

**Date – 8th January 2019**

## **Customs Post Clearance Audit- reg.**

A new audit approach is envisaged in view of the experience gained over the past years in implementation of Customs Post Clearance Audit, as well as the exposure to international best practices. Further, under the WTO's Trade Facilitation Agreement, it has been inter-alia provided that with a view to expediting the release of goods, each member shall adopt or maintain post clearance audit to ensure compliance with customs and other related laws and regulations; each member shall select a person or a consignment for post-clearance audit in a risk-based manner; each member shall conduct post clearance audits in a transparent manner. Customs Post Clearance Audit (PCA) is an initiative based on global best practices which promotes a culture of voluntary compliance. It is aimed at creating an environment of increased compliance while allowing the Department flexibility to enhance the facilitation for importers and exporters. PCA allows Customs to reduce border controls by shifting compliance checks from the clearance stage to the post clearance stage.

PCA was first introduced in 2005 (when the Risk Management System was operationalized). It replaced the conventional system of concurrent audit, which formed a part of the assessment process, by separating the audit function from assessment function, thereby facilitating expeditious clearance of goods. Onsite Post Clearance Audit (OSPCA) was also introduced in 2011, which envisaged a more comprehensive audit carried out at the premises of importers and exporters. Hitherto, OSPCA was conducted under section 17(6) of the Customs Act, 1962 as the provisions empowered the proper officer to audit the assessment of duty on the imported goods or export goods at his office or at the premises of the importer or the exporter.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2019/Circular-02-2019-Customs.pdf;jsessionid=EF66E0976603F0C4558CA8E28F83309F>