

31– 07 – 2024

News: Pradhan Mantri Awas Yojana

- Recently, the Prime Minister approved aid for building three crore houses under PMAY, with two crore under PMAY-Gramin and one crore under PMAY-Urban.

Pradhan Mantri Awas Yojana (Urban) (PMAY-U)

- Pradhan Mantri Awas Yojana (Urban) (PMAY-U) is launched by **the Ministry of Housing and Urban Poverty Alleviation**.
- It seeks to provide the provision for **Housing for All by 2022**, as the Nation completes the 75 years of Independence.
- The **beneficiaries are poor people living under EWS, LIG and Middle-Income Group categories of India**. The annual income cap is up to **Rs 3 lakh for EWS, Rs 3-6 lakh for LIG and Rs 6-18 lakhs for MIG**.
- The government is providing an interest subsidy of 6.5% on housing loans which can be availed by beneficiaries for 15 years from the start of loan date.

- For identification as an EWS or LIG beneficiary under the scheme, an individual loan applicant will submit self-certificate/ affidavit as proof of income.
- A beneficiary family will comprise husband, wife, unmarried sons and/or unmarried daughters.
- The beneficiary family should not own a pucca house either in his/her name or in the name of any member of his/her family in any part of India to be eligible to receive central assistance under the mission.
- States/UTs, at their discretion, may decide a cut-off date on which beneficiaries need to be resident of that urban area for being eligible to take benefits under the scheme.
- Finance Minister announced a sub-scheme to PMAY-U that provides affordable rental housing to about 3 lakh urban migrants.

News: Authorised Economic Operator (AEO)

- Recently, the gem and jewellery sector has been granted Authorised Economic Operator (AEO) status by the Ministry of Finance, easing export-import processes with shorter cargo release times and reduced bank guarantees.

Authorised Economic Operators (AEO) Programme

- Authorised Economic Operators (AEO) is a programme (2007) under the aegis of the World Customs Organization (WCO) SAFE Framework of Standards to secure and facilitate global trade.
- It aims to enhance international supply chain security and facilitate the movement of goods.
- Under this, an entity engaged in international trade is approved by WCO as compliant with supply chain security standards and granted AEO status.
- An entity with an AEO status is considered a 'secure' trader and a reliable trading partner.
- Benefits of AEO status include expedited clearance times, fewer examinations, improved security and communication between supply chain partners.
- AEO is a voluntary programme.

Indian AEO Programme

- The AEO Programme was **introduced as a pilot project in 2011**.
- The security standards detailed in WCO SAFE Framework are the basis of the Indian AEO programme.
- There is a **three tier AEO Status for Exporters and Importers**. The three tiers are **AEO T1, AEO T2, AEO T3**, where **AEO T3** is the highest level of accreditation.

Aim of Indian AEO Programme

- To provide **business entities with an internationally recognized certification**.
- To recognize business entities as “**secure and reliable**” trading partners.
- To incentivize business entities through defined benefits that translates into savings in time and cost.
- Secure supply chain from point of export to import.
- Enhanced border clearance.
- **Reduction in dwell time and related costs**.
- Customs advice/assistance if trade faces unexpected issues with Customs of countries.

- The Central Board of Indirect Taxes & Customs (CBIC) recently has inaugurated the online filing of Authorised Economic Operators (AEO) applications.
- The web application is designed to ensure continuous real-time and digital monitoring of physically filed AEO applications for timely intervention and expedience.

World Customs Organization (WCO)

- World Customs Organization was established in 1952 as the Customs Co-operation Council is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of Customs administration.
- The WCO has divided its Membership into six regions. Each of the 6 regions is represented by a regionally elected Vice-Chairperson to the WCO Council.
- India is a member of WCO since 1971. Ministry of Finance is the nodal ministry representing India in WCO.
- As of today, the World Customs Organization has a total of 183 members.
- The following United Nations member states are not members of the WCO:
Saint Kitts and Nevis, Saint Vincent and the Grenadines, Grenada, Dominica, Equatorial Guinea, Liechtenstein, Monaco, San Marino, North Korea, Palau, Solomon Islands, Micronesia, Kiribati, Marshall Islands, Tuvalu, and Nauru.

- WCO and Interpol conducted Operation Thunder 2020.
- World Customs Organisation along with Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); United Nations Office on Drugs and Crime (UNODC); Interpol; and World Bank forms International Consortium on Combating Wildlife Crime (ICCWC).

SAFE Framework

- In June 2005 the WCO Council adopted the Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework) that would act as a deterrent to international terrorism, to secure revenue collections and to promote trade facilitation worldwide.
- The SAFE Framework has emerged as the global Customs community's concerted response to threats to supply chain security, equally supporting facilitation of legitimate and secure businesses.
- It prescribes baseline standards that have been tested and are working well around the globe.
- Authorised Economic Operators programme is launched under SAFE Framework.

Central Board of Indirect Taxes and Customs (CBIC)

- Central Board of Indirect Taxes and Customs (CBIC), previously known as the Central Board of Excise and Customs (CBEC), is a key administrative authority in India that oversees the management and implementation of indirect taxes and customs duties.
- Established under the Central Board of Revenue Act, 1963, CBIC operates as a part of the Department of Revenue under the Ministry of Finance, Government of India.
- Its primary objective is to ensure effective revenue collection, trade facilitation, and compliance with customs and indirect tax laws.

Mission

- The mission of the Central Board of Indirect Taxes and Customs (CBIC) is to effectively administer and facilitate indirect taxes and customs operations in India.
- CBIC aims to create an environment that promotes legitimate international trade, ensures compliance with tax laws, and fosters economic growth.

Its mission encompasses the following key aspects:

- **Efficient Revenue Collection:** CBIC strives to ensure efficient collection of customs duties, excise duties, and Goods and Services Tax (GST) revenues, which play a vital role in government finances and funding public services.
- **Trade Facilitation:** CBIC is committed to simplifying customs procedures, reducing bureaucratic hurdles, and implementing technology-driven solutions to expedite cargo clearance and facilitate smoother cross-border trade.
- **Effective Policy Implementation:** CBIC aims to implement customs, excise, and GST policies in a manner that balances revenue goals with trade promotion, taking into consideration the needs of businesses, consumers, and the government.
- **Enhanced Compliance:** CBIC seeks to ensure voluntary compliance with customs and indirect tax laws by raising awareness, providing guidance, and taking appropriate enforcement measures against evasion and illicit trade practices.
- **Modernization and Technology:** CBIC is dedicated to embracing modern technologies to streamline processes, enhance transparency, and offer user-friendly digital platforms for taxpayers and traders.
- **International Collaboration:** CBIC strives to collaborate with international customs and tax authorities to share best practices, enhance cross-border trade,

and combat global trade-related challenges such as smuggling and counterfeiting.

- **Transparency and Accountability:** CBIC is committed to **maintaining transparency in its operations, ensuring accountability, and fostering a culture of integrity among its officers and staff.**
- **Stakeholder Engagement:** CBIC aims to **engage with various stakeholders, including businesses, industry associations, and trade bodies, to understand their concerns and align its policies and operations accordingly.**

CBIC Members

- The CBIC **Chairperson holds the highest position among Indian Revenue Service (IRS – Customs & Indirect Taxes) officers** in the country. In addition to being the controlling authority of the IRS (C&IT) cadre, the **Chairperson also serves as the ex officio Special Secretary to the Government of India. The appointment of the Chairperson is made by the Appointments Committee of the Cabinet (ACC).**
- In addition to the Chairperson, **CBIC includes members responsible for various domains, including Customs, Information Technology & Taxpayer Services, Central Excise, Service Tax & Legal matters, Goods and Services Tax (GST) & Tax Policy, Administration & Vigilance, and Investigation.**

Regulatory Functions of CBIC

- The Central Board of Indirect Taxes and Customs (CBIC) carries out **various regulatory functions related to indirect taxes, customs, and trade**. These functions are aimed at ensuring compliance with tax laws, facilitating legitimate trade, and safeguarding national interests.

Some of the key regulatory functions of CBIC include:

- **Customs Regulations:** CBIC **formulates and enforces regulations governing customs duties, procedures, and documentation for goods entering or leaving the country**. It ensures that customs laws are followed to prevent smuggling, counterfeiting, and other illegal trade activities.
- **Goods and Services Tax (GST) Compliance:** CBIC plays a pivotal role in **overseeing GST compliance**. It develops guidelines, clarifies tax-related issues, and ensures that businesses adhere to the GST law by timely filing returns and paying taxes.
- **Tariff Classification:** CBIC is **responsible for classifying goods under the Harmonized System of Nomenclature (HSqN) for customs and GST Rate Schedule for GST**. Proper classification determines the applicable duties and taxes.

- **Trade Facilitation:** CBIC focuses on simplifying customs procedures to facilitate the movement of goods across borders. It promotes paperless clearance processes, electronic data interchange, and other measures to expedite trade.
- **Risk Management:** CBIC employs risk-based strategies to identify and target high-risk shipments for detailed inspection. This helps in optimizing resources and ensuring efficient trade flow while mitigating security risks.
- **Anti-Evasion Measures:** CBIC takes measures to prevent tax evasion and illicit trade practices. It conducts audits, investigations, and surveillance to detect non-compliance and unauthorized activities.
- **Valuation Control:** CBIC ensures that the valuation of imported and exported goods is accurate and consistent with international valuation standards to prevent under or over-valuation.
- **Intellectual Property Rights (IPR) Protection:** CBIC collaborates with relevant authorities to enforce IPR protection, preventing the import and export of counterfeit goods that violate intellectual property rights.
- **Trade Policy Implementation:** CBIC administers trade policy measures, such as duty drawback, export incentives, and trade agreements, to promote exports and bolster the country's trade competitiveness.

- **Legal Framework:** CBIC is responsible for drafting and amending regulations, circulars, and notifications related to customs, GST, and other indirect taxes to align with evolving trade dynamics and policy objectives.
- **Stakeholder Engagement:** CBIC engages with trade associations, industry bodies, and other stakeholders to gather feedback, address concerns, and incorporate inputs into regulatory frameworks.