



MJ & ASSOCIATES
Advocates & Consultants

97732 64217 / 98920 60269 / 79000 46863
contactus@mjassociate.co.in
www.mjassociate.co.in
Off : Office No.12, 18/20, Kachwala Building, V.V.Chandan Street,
Opp. Jai Hind Hotel, Masjid Bunder, Mumbai - 400 003.

INTRODUCTION :- MJ & Associates (*Advocates & Consultants*) is a professionally managed and result-oriented law firm providing holistic Legal Service/Consultancy to Banking & Non-Banking Financial Companies, Corporate, Importers, Exporters, Manufacturers, Service Providers including Logistics/Shipping Agents/CHA on PAN-INDIA basis including Indirect Taxation viz Customs – SVB, GST, IGST SAD Rebate and Refunds (all types of Refunds), Post Clearance Audit, AEO, Import, Export, Valuation, Merchandise Exports from India Scheme (MEIS), IEM from the SIA, New Delhi, Customs Refund and Duty Drawback, Export Promotion Capital Goods Scheme (EPCG), Advance Authorisations/ Self-Declared Advance Authorisations, Restricted Item Licence, RCMC Registration, Star Export House Status, Issuance of Import Export Code (IEC) and modification, Digital Signature Key issuance, Registration/ Authorization of (EPR) Extended Producer Responsibility (Inclusive of Plastic, E-Waste & Batteries), Bureau Indian Standard (BIS), Legal Metrology Packaged Commodity (LMPC), DRI, CESTAT, Settlement Commission, High Court.

STRENGTH :- MJ & Associates (*Advocates & Consultants*) is team of qualified & experienced professionals having grass root level working experience ranging between 5 to 10 years.

EXPERTISE :

Banking & Finance Division: Any matter relating to Company Law, Contracts, Banking Law, SARFAESI Act, Property Law, Alternate Dispute Resolution

(Arbitration) and Civil Law, Legal Notices to defaulters and replies thereto including complaints under section 138 of NI.

Litigation before: High Court, City Civil Court at Bombay and Dindoshi, Debt Recovery Tribunal, National Company Law Tribunal, Family Court, State and District Consumer Redressal Forum, Chief Metropolitan Magistrate Court, Metropolitan Magistrate Court, Small Causes Court, Customs, Excise and Service Tax Appellate Tribunal and Central Administrative Tribunal.

Legal Drafting/Opinion: Drafting, vetting, reviewing and amending various kinds of commercial agreements/ contracts like franchise agreement, service agreement, employment agreement and non-disclosure/ confidential agreement, agreement for sale and purchase, legal document, leave and license agreement, power of attorney, loan agreement, memorandum of understanding, partnership deeds, deeds, indemnity bonds, affidavit, police complaints, Will, probate and declaration.

"Legal Opinion" on any query/doubts in civil matters.

AEO CONSULTANCY : MJ & Associates (*Advocates & Consultants*) also provides Consultancy services for accreditation of AEO (Authorized Economic Operators) certificate issued by Indian Customs to the industry involving the international supply chain that undertakes Customs related activity e.g. Exporters, Importers, Customs House Agents, Custodians or Terminal Operators, Logistics Service Providers (Carriers/Forwarders) & Warehouse Operators related activities.

AUTHORISED ECONOMIC OPERATOR SCHEME (AEO)

1. **Scheme :**

“Authorized Economic Operator” (AEO) which means a company validated and authorized by the respective Customs in accordance to their businesses with an internationally recognized security standard. This programme promotes an AEO certified company as a ‘Secure’ and ‘Reliable’ trade partner.

In light of the international developments, as well as in view of the focus of the Government of India on “Ease of Doing Business”, CBEC has developed comprehensive unified trade facilitation revised AEO Programme to provide businesses with an internationally recognized quality mark which will indicate their secure role in the international supply chain and that their Customs procedures are efficient. An entity with an AEO status can, therefore, be considered a '**Secure**' and '**Reliable**' trading partner. This scheme is available to only those units who are related with Customs Clearance Work and having clean track record. The unit (Importer/Exporter/Customs Broker/Others) is given facilitation in terms of resolving their problems on FAST TRACK i.e. within prescribe time period and without taking the Bank Guarantee etc.

Three-tier AEO Scheme :- For the importers and the exporters, there are three tiers of certification (i.e. AEO-T1, AEO-T2 and AEO-T3). For the economic operators other than importers and the exporters, the new programme offers only one tier of certification AEO-LO. All existing ACP clients have opportunity to apply within **90 days** for grant of AEO certificate and shall continue to avail the benefits of **AEO-T1** till decision is taken on their application. They can directly apply for **AEO-T2** status. There is no visit for physical verification by the AEO team for AEO-Tire-1 applicants.

2. **Advantages/ Benefits:**

For AEO- T1:

- **Status – Use of AEO Logo – Recognition by Govt. Agencies**
- ID Cards to Authorised Personnel for hassle free entry to Custom Houses, Ports, CFSs and ICDs.
- Direct Port Deliveries of imports (**DPD**) – Huge cut in time of delivery
- Direct Port Entry of factory stuffed containers for exports (**DPE**)
- Shorter cargo release time
- Separate space earmarked in Custodian's premises
- **50% of normal Bank Guarantee**, if required
- Wherever feasible, they will get separate space earmarked in Custodian's premises
- Investigations, if any, in respect of Customs, Central Excise and Service Tax cases would be completed, as far as possible, in six to nine months
- **Faster Adjudications of pending cases**
- Not subjected to regular transactional PCA, instead of that onsite PCA will be conducted once in two years only
- E-mail communication regarding arrival/departure of the vessels carrying their consignments
- **24/7 clearances** and without Merchant Overtime Fee

3. **For AEO-T2:**

- **All the Benefits offered in AEO-T1 and**
- Faster Customs clearance and simplified Customs procedure
- Container seal verification/scrutiny of documents would be waived
- Facility of deferred payment of duty will be provided, from a date to be notified

- **Faster refunds/rebate/drawback (within 72 hrs EGM Submission), SVB, Bill of Entry/SB Assessment**
 - Facility of self-sealing of export goods
 - **25% of normal Bank Guarantee**, if required
 - Facility to paste MRP stickers in assessee's premises
 - No regular Audit but only onsite PCA - once in three years only
 - On-site inspection/examination per request
 - Access to import/export data through ICEGATE
 - Facility of submitting paperless declaration with no supporting documents in physical form
 - **"Client Relationship Manager" (CRM)** at the level of Deputy / Assistant Commissioner as a single point of interaction with them, who will render all assistance to the assessee's in getting issues resolved
 - Faster completion of Special Valuation Branch ('SVB') proceedings in case of related party imports and monitoring of such cases for time bound disposal in terms of new guidelines
 - Trade facilitation by a foreign Customs Administration with whom India enters into a Mutual Recognition Agreement
 - **The refund/Rebate of Customs/Central Excise duty and Service Tax would be granted within 45 days of the submission of complete documents**
 - They will get trade facilitation by a foreign Customs administration with whom India enters into a Mutual Recognition Agreement/Arrangement
4. **For AEO-T3:**
- **All the Benefits offered in AEO-T2 and**
 - Highest level of facilitation as compared to AEO-T2, in imports and export of their consignments.

- Normally, containers will not be selected for scanning. If selected, on basis of specific intelligence, top most priority will be given for scanning.
- Self-certified documents suffice, no insist upon original documents
- **No Bank Guarantee required to be furnished in normal case**
- An approach on Risk based interventions, in case of requirements originating from the Acts administered by other Government Agencies/ Departments, will be adopted for providing better facilitation in impor & exports of their consignments.
- On request, will be provided on-site inspection/examination.
- **Faster refunds/rebate of Customs/Central Excise duty & Service Tax would be granted within 30 days.**

5. **For AEO-LO:**

(i) **Customs Brokers:**

- Waiver of Bank Guarantee to be furnished under regulation 8 of the CBLR, 2013.
- Extended validity (till validity of AEO status) of licenses granted under regulation 9 of the CBLR, 2013.
- Waiver from fee for renewal of license under sub clause (2) of regulation 11 of CBLR, 2013.
- **Facility of Execution of running bond**
- Exemption from permission on case to case basis in case of transit of goods.
- In case of international transshipped cargo (Foreign to Foreign), for the pre-sorted containers wherein Cargo does not require segregation, ramp to ramp transfer of cargo can be effected without Customs escorts.

(ii) Logistic Service Providers:

- Waiver of bank Guarantee in case of transshipment of goods under Goods imported (Condition of Transshipment) Regulations, 1995
- Facility of Execution of running bond.
- Exemption from permission on case to case basis in case of transit of goods
- In case of international transshipped cargo (Foreign to Foreign), for the pre-sorted containers wherein Cargo does not require segregation, ramp to ramp transfer of cargo can be effected without Customs escorts.

(iii) Custodians or Terminal Operators:

- Waiver of bank Guarantee under Handling of cargo in Customs Area Regulations 2009
- Extension of approval for custodians under regulation 10(2) of the 'Handling of cargo in Customs Area Regulation 2009' for period of 10 years

(iv) Warehouse Operators:

- Faster approval for new warehouses within 7 days of submission of complete documents
- Waiver of antecedent verification envisaged for grant of license for warehouse under circular 26/2016
- Waiver of solvency certificate requirement under circular 24/2016
- Waiver of security for obtaining extension in warehousing period under circular 21/2016
- Waiver of security required for warehousing of sensitive goods under circular 21/2016

6. **Disadvantage :**

There is no disadvantage for AEO unit except that the unit has to face the 'On Site Post Clearance Audit' once in two year for AEO-T1 and once in three year for AEO-T2. Even if any irregularity is noticed, there shall be no penalty.

7. **Who can apply :**

Any person who is related with Customs and fulfilling the criteria stated below can apply for AEO registration. Following type of unit can apply for registration i.e. :-Importer (Actual User/Manufacture/Trader), Exporter, EOU, Logistics viz Customs Broker/CHA, ICD/CFS, Freight Forwarder, Warehouse, Transporter, Steamer Agent/Shipping Company, Logistic and Multi Model Company and Supply Chain Units.

8. **Eligibility:**

- (i) **Minimum 25 documents (Bill of Entry + Shipping Bills) should have been filed in the preceding financial year.**

AND

- (ii) **No case involving serious offence relating to Customs, Excise or Service Tax should be pending. This criteria can be relaxed for new units and for those involve in minor cases.**

9. **Legal Compliance:**

Criteria for making application:-

- 1 The Applicant must be established in India
- 2 No SCN issued during last 3 financial years
- 3 No case of prosecution launched or contemplated
- 4 If the duty/drawback demanded in SCN to Total Duty paid/ DBK claimed is more than 10%, status shall be reviewed.
- 5 System to identify and disclose any irregularities or error to customs
- 6 Maintaining Standard Accounting Practices
- 7 Trained Manpower
- 8 Security of the computer system
- 9 Financially solvent during last 3 financial years
- 10 Safety and security of the business premises
- 11 Management of flow of goods
- 12 Procedures in place for handling of licenses and authorizations connected to export/import;

10. **Application Form** :

The Application for AEO is required to be made to D.G. Performance Management, I.P. Estate, New Delhi 110002 containing 10 Annexures given below:-

Sl. No.	Subject	Application for grant of			
		AEO-T1	AEO-T2	AEO-T3	AEO-LO
1	Application Form	YES	YES	YES	YES
2	Security Plan	NO	YES	YES	YES
3	Process Map	YES	YES	YES	YES

4	Site Plan	YES	YES	YES	YES
Self-Assessment Form					
5	General Compliance	YES	YES	YES	YES
6	Legal Compliance	YES	YES	YES	YES
7	Managing commercial and (where appropriate) transport records	YES	YES	YES	YES
8	Financial Solvency	YES	YES	YES	YES
9	Safety and Security	NO	YES	YES	YES
10	Business Partner Details	NO	NO	YES	NO

11. **Validity of AEO Certificate :**

The validity of AEO certificate shall be *three years* for AEO-T1 and AEO-T2, and *five years* for AEO-T3 and AEO-LO.

12. **Basic Documents required :**

The List of the documents required to prepare the application for AEO and which are required to be annexed with application are:-

- 1 Copy of the company incorporation/partnership/etc
- 2 Copy of IE Code
- 3 List of Office/site/warehouses
- 4 Copy of PAN card
- 5 Copy of Service Tax, C. Excise Registration, if any
- 6 Summary of documents filed during last 3 years (port/ airport wise)
- 7 Balance Sheet for last 3 years

- 8 Solvency Certificate by Auditor
- 9 Site Plan/Google Map/Location
- 10 Business Profile
- 11 Self-Declaration
- 12 SOPs (Standard Operating Procedure)
- 13 KYC Documents
- 14 Contract Copy with Business partners
- 15 Details of partners and address of Chartered Account
- 16 Flow Chart
- 17 List of Branch Offices etc
- 18 List of clients

13. **Time Schedule** :

Normal time period is 90 days. First the deficiency memo is issued after the scrutiny of the **AEO application within 30 days**. Thereafter the AEO status is granted within **60 days after removal of deficiencies**. There is no visit or physical verification by the AEO team for AEO-Tire-I applicants.

14. **'Scope of Work' of MJ & Associates (Advocates & Consultants)** :

Preparation of Application & 10 Annexures for AEO Certification is highly technical in nature. In addition to the advisory consultancy on the subject, **MJ & Associates (Advocates & Consultants)** will also do all type of documentation as given below:

- (i) **Visit to Applicant Office** :- A qualified officer from **MJ & Associates (Advocates & Consultants)** team will visit to your office, if required for

preparation of various documents from time to time. It requires 7 to 10 days to prepare the application.

- (ii) **Documentation** :- Proper documentation to avoid rejection/query from AEO Registration Office.
- (iii) **Compliance** :- **MJ & Associates (Advocates & Consultants)** will draft & submit further submission/clarification to any query/objection raised by AEO Registration Officer.
- (iv) **Follow up** :- **MJ & Associates (Advocates & Consultants)** will follow up the matter with concerned departments till AEO Certification is granted.
- (v) **Audit/Inspection** :- **MJ & Associates (Advocates & Consultants)** can also provide consultancy at the time of ‘On Site Audit/Inspection’ by AEO Team, if required.

Clientele:-

Few of the esteemed clientele getting expertise legal consultancy from MJ & Associates are:-

Sr. No.	Corporate clients
1.	M/s. UPL Limited
2.	M/s. Aarti Drugs Limited
3.	M/s. Safari Industries India Ltd
4.	M/s. Glenmark Life Sciences Limited
5.	M/s. ATC Tires Pvt. Ltd
6.	M/s. Toshiba Johnson Elevators (India) Pvt Ltd.
7.	M/s. Morde Foods Pvt. Ltd
8.	M/s. Tinna Rubber And Infrastructure Limited
9.	M/s. MKC Agro Limited
10.	M/s. Elantas Beck Limited
11.	M/s. DCM Shiriram Limited
12.	M/s. TDS Lithium-Ion Battery Gujarat Pvt Ltd
13.	M/s. Virgo Aluminium Limited (Virgo Group)

14.	M/s. Starcke Abrasive India Pvt Ltd
15.	M/s. Schindler India Pvt Ltd
16.	M/s. GM Modular Pvt Ltd (GM Group)
17.	M/s. Ahura Mazda Manufacturing Co. Pvt. Ltd
18.	M/s. A1 Fence Products Co. Pvt Ltd
19.	M/s. ICP Hi-Tech Coatings Pvt Ltd
20.	M/s. Novozymes South Asia Pvt Ltd
21.	M/s. Vitesco technologies India Pvt Ltd
22.	M/s. Senior India Pvt. Ltd
23.	M/s. PI Industries Limited
24.	M/s. Sany Heavy Industry India Pvt Ltd (Sany Group)
25.	M/s. Cadchem Laboratories Ltd
26.	M/s. Agarwal Metal Works Pvt Ltd
27.	M/s. P.A.R.K. Industries Private Limited (Park Group)
28.	M/s. Sanstar Biopolymers Ltd
29.	M/s. Orient Press Ltd
30.	M/s. Gardex India Pvt Ltd
31.	M/s. Syntegon Technology India Pvt. Ltd.
32.	M/s. Deloitte Haskins & Sells LLP
33.	M/s. Roha Dye Chem Pvt Ltd
34.	M/s. EPL Ltd
35.	M/s. TCPL Packing Ltd
36.	M/s. Mani Precision Products Ltd
37.	M/s. Everest Kanto Cylinder Ltd
38.	M/s. BTL EPC Limited
39.	M/s. Century Enka Ltd
40.	M/s. Hyva India Pvt. Ltd
41.	M/s. Nippon Paint Holdings Co. Limited
42.	M/s. GMT Industries Ltd.
43.	M/s. Gayatrishakti Paper & Boards Limited
44.	M/s. Supreme Kraft Pvt Ltd
45.	M/s. Navitasys India Pvt Ltd
46.	M/s. Diebold Nixdorf India Pvt Ltd
47.	M/s. Baerlocher India Additives Pvt Ltd
48.	M/s. KSPG Automotive India Pvt Ltd
49.	M/s. Sheel Oil & Fats Pvt Ltd
50.	M/s. Shiva Pharmachem Ltd