

**Records of Discussion on Annual Meeting of Inspection Agencies and Auditors EIC  
Inspection Agency Recognition Scheme  
4<sup>th</sup> February 2016**

After detailed discussion on the scheme implementation with respect to problems confronted by Inspection Agencies (IA) as well as concerns of the EIC,

**The key concerns of EIC are summarized below:**

- Inspection Agencies (IA) does not proactively inform about any criminal/ civil proceedings initiated against them based on the complaints
- The application submitted for fresh/renewal of recognition under the scheme does not provide clarity on Port of Operation/ Laboratory.
- The inspection agencies shall maintain Laboratory in the same state as per the requirements of clause 2.2.3
- IA are not paying the Annual Recognition Fees as per EIC IARS 2012 on regular basis
- The Awareness on EIC Inspection Agency Recognition Scheme needs to be improved
- Surveillance audits are not conducted regularly

**The key concerns raised by IA and auditors are summarized below:**

- To reconsider the ports situated in close proximity but located in different states e.g. Redi, Kiranpani in Maharashtra, Karwar, Belagere in Karnataka are small barges in closed proximity to Goa
- There are delays in the printing of the notifications, especially in cases of renewals before expiry of recognition
- The details of the Service tax registration number for EIAs are not readily available for the accounting purpose and issuance of codes online.
- To rationalize the testing charges and time for reporting of results by Pilot Test House for Maharashtra region.
- Inspection Agency has requested to consider amending the period of granting recognition to 5 years with surveillance
- Inspection Agency has informed about operation of M/s CCIC India Pvt Ltd at ports in Gujarat such as Jamnagar, Okha, Bedi, Kandla for pre shipment inspection of iron ore, bauxite and zinc concentrates from which is breaching the Indian regulation and at the same time eating up the share of inspection agencies recognized under EIC Inspection Agency Recognition Scheme-2012
- Inspection Agency has requested to take up the matter with AQSIQ for renewal of agreement between EIC & AQSIQ for minerals & ore exported to China in the interest of export trade from India

**Based on the representation made by IAs and EIC concerns following decisions have been agreed by Competent Authority:**

- EIC will take suitable measure to expedite the procedure of recognition and will come up with the charter with defined time lines for different activities which needs to be complied by EIC & Inspection Agencies
- Inspection Agencies may send their formal representation in writing with regard to port of operation in close proximity but in different state for suitable consideration under the provisions of EIC Inspection Agency Recognition Scheme- 2012
- The application for under EIC Inspection Agency Recognition Scheme- 2012 will be amended to incorporate the requirements such as period for which recognition is sought by inspection agency, criminal/ civil proceedings initiated against them etc.
- EIAs including Sub-Offices shall issue codes to IAs on the basis of email request with complete information about the consignment & port and maintain the fees & codes details
- Based on the recommendations of Inspection Agencies, the testing charges for analysis of iron ore and bauxite was fixed to Rs 1500/- and Rs 2000/- respectively by Pilot Test House. The test results may be communicated in 3 working days
- Inspection Agencies may send their request in writing with reasons for proposed amendment of The Export (Inspection & Quality Control ) Rule 1964 (Sub Rule -12) with regard to period of granting recognition to 5 years instead of 3 years
- EIC will consult with the customs authority on the matter pertaining to pre -shipment inspection conducted by M/s CCIC India Pvt Ltd without compliance to The Export (Inspection & Quality Control) Act 1963.
- EIC may take up the matter for renewal of agreement between EIC & AQSIQ for minerals & ore exported to China in the interest of export trade from India to Department of Commerce at same time inspection agencies may send a request explaining potential benefits from renewal.
- Fees for three year recognition shall be submitted to respective EIAs prior to the distribution of the gazette notification to IA
- The application submitted by Inspection Agency shall be accompanied by the consolidated payment receipts of three years annual recognition fees from EIAs/SO
- Wherever applicable, the documentation maintained at central level may be assessed centrally to reduce the time for adequacy audit in various branches of IAs
- The service tax registration number will be updated on EIC website