



सीमा शुल्क (निवारक) के आयुक्त का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS (PREVENTIVE)
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C.No. VIII/09/02/2017-Cus.Tech

Date: 26.12.2017

STANDING ORDER No. 11 /2017-Cus.

Subject:- Clarification on Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 - Regarding.

Attention of all the Customs Officers of Hqrs. Office, CPC, Vijayawada and the Officers working in field formations i.e. Krishnapatnam Customs House, ICD, Marripalem and Kakinada Customs House, Customs Preventive Divisions and the CFSs is invited to CBEC's Circular No. 48/2017-Customs, dated 08.12.2017 issued from F.No.450/28/2016-Cus IV on the above subject.

2. Kind reference is drawn to Notification No. 68/2017-Customs (N.T.) dated 30.06.2017, notifying Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.
3. As per sub-rule (2) of rule 5 of Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, an importer in order to avail exemption provided vide notification issued under sub-section (I) of Section 25 of Customs Act is required to submit such surety or security as deemed appropriate by the Deputy Commissioner of Customs or Assistant Commissioner of Customs having jurisdiction over the premises where the imported goods shall be put to use for manufacture of goods or for rendering output services.
4. CBEC has received various references stating that the provision of submission of surety or security in the rules, is posing a major challenge for domestic industry

particularly electronic hardware manufactures as submission of surety increases the transaction cost hampering their efforts to optimise the manufacturing capacity.

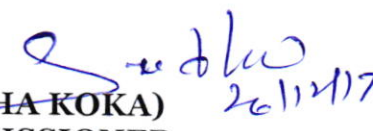
5. In this regard, it is worthwhile to mention that the option to furnish surety or security along with the Bond is given, in order to facilitate manufactures and services providers keeping in view the different business environments in which the entrepreneurs function and also to protect the interest of revenue. However, keeping in view the objective of the Government to further simplify the business procedures and to reduce the burden of compliance cost, CBEC has decided to further ease the norms for taking security/surety along with the Bond.

6. In view of the above, Bank Guarantee/cash security/surety shall be taken as per the following norms for the purpose of extending the benefit under the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.

Category of Importer	Quantum of Bank Guarantee/cash security and requirement of Surety
a) All importer (s) who are either a department of Central Government or a State Government or a Union Territory or a Public Sector Undertaking or an autonomous institute under the said governments.	Bank Guarantee/Cash Security- Nil Surety-Not required.
b) All importers who are Authored Economic Operators.	
c) All importers who are manufactures or service providers registered under GST and have been filing prescribed GST returns without fail and whose annual turnover in the preceding year is above Rs. 1 crore.	Importers shall give surety for the amount of duty foregone, However, where the importer is not able to provide the surety, a Bank Guarantee/Cash Security equivalent to not more than 5% of duty foregone shall be furnished.
d) Importers, not covered under (a), (b) & (c) above.	Bank Guarantee/Cash Security-Not more than 25% of the duty foregone amount.

Explanation: Duty foregone would be calculated by reckoning the duty application if the importer were not to follow the procedure prescribed in the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.

7. The upper limit of Bank Guarantee/Cash Security to the extent of 5% and 25% respectively has been fixed unless the Deputy Commissioner or the Assistant Commissioner has reasons to demand a higher quantum of Bank Guarantee/Cash Security, in which case the matter shall be referred to the jurisdictional Commissioner who may order for higher quantum of Bank Guarantee or Cash security, subject to limit of 100% of the total duty foregone, after recording the reasons thereof in writing.
8. In order to avail above exemption/relaxation from furnishing Bank Guarantee/Cash security or surety, prosecution should not have been initiated or launched against the importer under, any Act administered by the Central Board of Excise & Customs or State Goods & Service Tax Act or integrated Goods & Service Tax Act or Union Territory Goods & Service Tax Act during the previous three financial years.
9. Where an importer so requests, the bank guarantee/cash security may be taken consignment-wise to obviate the financial burden, Further, all bank guarantee(s) should have self-renewal clause.
10. Difficulties, if any, in implementation of this Standing order may be brought to the notice of the Commissioner of Customs (Preventive), Vijayawada.


(SUDHA KOKA)
COMMISSIONER

To

1. The Joint Commissioner of Customs, Krishnapatnam Customs House, Mutukurru, S.P.S.R., Nellore District.
2. The Joint Commissioner of Customs, Kakinada Customs House, Kakinada, E.G. District.
3. The Assistant/Deputy Commissioner of Customs, ICD, Marripalem, Guntur.
4. The Assistant/Deputy Commissioner of Customs, Customs Preventive Divisions, Ongole/Kakinada/Visakhapatnam.

5. Copy to Computer Section, CPC, Hqrs. Office, Vijayawada to upload into website.
6. Copy Submitted to
The Chief Commissioner of Customs & Central Tax, Visakhapatnam Zone,
G. S.T. Bhavan, Port area, Visakhapatnam.

Notice Board