

Circular No. 27/2018-Customs

F.No. DGEP/EOU/GST/Misc/24/2017

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes & Customs
(Directorate General of Export Promotion)

New Delhi, Dated: 14th August, 2018

To,

All Pr. Chief Commissioners/ Chief Commissioners of Customs/ Customs (Prev.)
All Pr. Chief Commissioners/ Chief Commissioners of Central Tax and Central Excise
All Pr. Commissioners/ Commissioners of Customs/ Customs (Prev.)
All Pr. Commissioners/ Commissioners of Central Tax and Central Excise

Subject: Clarification regarding bank guarantee requirement for bond executed by EOUs-reg.

Madam/Sir,

Various representations have been received regarding difficulties faced by EOUs with respect to requirements of bank guarantees in view of Circular no. 48/2017-Customs dated 08.12.2017 issued by CBIC. The matter has been examined.

2. Clarification issued vide Circular no. 48/2017-Customs dated 08.12.2017 is with respect to Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 notified vide Notification no. 68/2017-Customs (NT) dated 30.06.2017. Vide the said Circular, various norms have been prescribed with respect to requirement of bank guarantee/ cash security/ surety for various categories of importers which is required to be furnished for the bond to be executed as per sub-rule (2) of Rule 5 Customs (import of goods at concessional rate of duty) Rules, 2017. No specific reference has been made to EOUs in these norms.

3. The confusion is arising on account of the requirement of EOUs to follow Rule 5 of Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 to be eligible for claiming exemption of duties/ taxes on the import of goods under Notification no. 52/2003 dated 31.03.2003. As the EOUs have already been executing B-17 bond, hence it was clarified vide Circular no. 29/2017-Customs dated 17.07.2017 that the said B-17 bond will serve the requirement of continuity bond as required under Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 and there is no requirement to submit a separate continuity bond by EOUs. As B-17 bond is serving the purpose of continuity bond for EOUs, hence various circulars issued by the Board extending the facility of exemption from furnishing bank guarantee/ surety by EOUs namely Circular no. 54/2004-Customs dated 13.10.2004 and circular no. 36/2011-Customs dated 12.08.2011 will continue to hold good, as these circulars are in line

with the Para 6.12 of the Foreign Trade Policy which lays down the conditions for EOUs to be exempted from furnishing of bank guarantee.

4. In view of above, it is reiterated that waiver of bank guarantee/ surety to EOUs would continue to be governed by various circular issued from time to time by CBIC with regard to B-17 bonds executed by EOUs and will not be guided by the Circular no. 48/2017-Customs dated 08.12.2017 which governs the general importers and not the EOUs.

5. Difficulties, if any, may be brought to the notice of the Board.

6. Hindi version will follow.

Yours faithfully,

Sd/-

(Saroj Kumar Behera)

Joint Director