

CUSTOMS

Bank Guarantee norms for Advance License/ EPCG Scheme revised

Circular No. 58/2004 - Cus, Dated: October 21, 2004 defines conditions for permitting the clearance of imported goods under Advance License/EPCG Schemes by taking a bank guarantee/ cash security. One condition for admissibility of the Nil or 15% or 25% BG is that the license holder should not have been penalized during the previous three financial years otherwise the exemption (Nil or 15% or 25%) from BG becomes inadmissible and 100% BG becomes applicable.

It has been noted that as per the above mentioned condition exemption from 100% BG becomes inadmissible even if there is absence of risk to revenue. In this regard, CBEC vide *Circular No. 15/2014-Cus., Dated: December 18, 2014* has clarified that in case the license holder has been penalized and the jurisdictional Commissioner of Customs is satisfied, for reasons recorded in the file, that 100% BG is not justified on account of absence of risk to revenue, the exemption of BG can be availed.

[*Circular No. 15/2014-Cus., Dated: December 18, 2014*]

Requirements for availing Deemed Export Benefits by EOU/EHTP/STP/BTP units

Circular No. 19/2007 - Cus, Dated: May 03, 2007 provides that, for self-bonding/warehousing of imported/indigenous goods, the unit shall, within one working day of arrival of goods, send original copy of ARE-3 to the Superintendent-in-charge of his unit, duplicate copy of ARE-3 to the consignor and retain triplicate copy of ARE-3 for his record. The Superintendent-in-charge shall countersign the original copy of ARE-3 received by him within one working day and send it to Superintendent-in-charge of the consignor.

It has been noted that the units under the said procedure are facing difficulty in obtaining deemed export benefits as the ARE-3 is not certified by the Central Excise authorities. In this regard, CBEC vide *Circular No. 16/2014-Cus., Dated: December 18, 2014* has clarified that the Superintendent – in-charge of the unit shall make two legible photocopies of the original copy of ARE-3 (that bears his counter signature) and attest each of them as true copies with his dated signature. One attested copy shall be kept in the Range office for records and the other one shall be handed over (against dated acknowledgement) to the unit for use while applying deemed export benefits.

[*Circular No. 16/2014-Cus., Dated: December 18, 2014*]

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