



**OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE & SERVICE TAX, N-5, TOWN CENTRE, CIDCO, AURANGABAD- 431 030**

**PUBLIC NOTICE No. 3/2011**

**Sub: Execution of a Common Bond for specified Export Promotion (EP) Scheme reg.**

Attention of all members of Trade and General Public is invited towards Circular No. 11(A) 2011 -Cus dated 25<sup>th</sup> Feb 2011 (Copy enclosed) issued vide F.No. 605/39/2010-DBK by the Ministry of Finance, regarding the execution of a Common Bond for specified Export Promotion (EP) Schemes, in respect of fresh authorizations issued on or after 1<sup>st</sup> March 2011. (A copy of the said Circular is enclosed herewith.)

The existing Bond Module in the ICES 1.5 application has been suitably modified to enable the authorization holders to execute a single running bond with Customs authorities for all their imports under the specified Export Promotion(EP) schemes, from any port in India where ICES 1.5 has been implemented and which has been notified as an EDI port by DGFT. The Bond module in ICES 1.5 would continue to cater to requirements of authorization holders who do not wish to opt for the facility of the Common Bond.

On registration of the Common Bond at an ICES 1.5 location, the system would generate a unique 10 digit Bond number. Details of the requisite Bank Guarantee(s) would also be registered in the system. The authorization holder would provide details of the Bond Number and the location where the Bond has been registered, to the assessing officers at other ICES 1.5 locations. The assessing officer at the port of importation would be able to confirm the availability of the Bond and bank guarantee in the system through the Bond Ledger, before clearance of the goods.

In case of any difficulty or queries, Superintendent of Customs, ICD Maliwada (Phone No. 0240-2615678 / 2616188) or Superintendent of Customs, ICD Waluj, Customs and C. Excise Aurangabad (Phone 0240-2564240) may be contacted. They may also be contacted on email at [cexauran@excise.nic.in](mailto:cexauran@excise.nic.in).

F.No.HQ/Comp/04-72/ICES/09/PtII

Aurangabad, dated 16.3.2011

Encl: As Above

**(Madhu Mohan Damodhar)**  
**Commissioner,**  
**Customs, Central Excise and Service Tax,**  
**Aurangabad.**

Copy : As per mailing list.

**Circular No 11(A)/2011-Cus.  
F.No. 605/39/2010-DBK  
Government of India  
Ministry of Finance  
Department of Revenue  
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New Delhi, the 25<sup>th</sup> February , 2011

To,

All Chief Commissioners of Customs/ Customs (Prev)/ Customs & Central Excise,  
All Directors General of CBEC,

All Commissioners of Customs / Customs (Prev)./ Customs & Central Excise.

Sir/Madam,

**Sub: Execution of a Common Bond for specified Export Promotion (EP) schemes-reg.**

The authorization holders operating under the Advance Authorization/Duty Free Import Authorization (DFIA) / Export Promotion Capital Goods (EPCG) schemes are presently, required to execute a bond and a bank guarantee, as applicable, with the Customs authorities at the time of each import. Further, this bond is required to be executed separately for each authorization at different ports in case the goods are being imported from different ports.

2. In this regard I am directed to refer to the report of the Task Force on Transaction Cost in Exports set up by the Government. The report submitted in January, 2011, recommended that the authorization holders may be permitted to execute a single running bond with Customs authorities for all their imports under any Export Promotion (EP) scheme, from any port in India. The recommendation of the Task Force has since been accepted by the Government.

3. Since the authorization holders have to execute bonds against each authorization under specified EP schemes i.e. Advance Authorization / Duty Free Import Authorization (DFIA) and Export Promotion Capital Goods (EPCG) scheme, it has been decided that henceforth the authorization holders may execute only one common bond for all their exports/imports under the above mentioned EP schemes. This bond shall be called the "Common Bond for EP schemes". The bond shall be executed on the stamp paper of requisite denomination. The salient features of the facility of the Common Bond for EP Schemes are as under:-

(i) The facility shall be available to all fresh authorizations issued under the above mentioned EP schemes on or after 1st March, 2011.

(ii) This facility shall be available financial year wise. In other words, the authorization holder shall be required to execute one common bond in each financial year. The authorization holders who avail the facility of common bond by executing a common bond during March, 2011 shall be required to execute a fresh common bond for authorizations issued after 1st April 2011 during the financial year 2011-12.

(iii) The facility of common bond shall be available if the authorization holder imports/ exports all his goods only from Customs ports / airports / ICDs etc. where the ICES 1.5 is fully implemented and the Customs location is duly notified by the DGFT as an EDI port (hereinafter referred to as specified port (s)).

(iv) The common bond should be executed at the port of registration of the first Authorization issued/to be issued in that Financial Year for import of goods from a specified port. The common bond shall be applicable for all authorizations issued in that financial year for imports from specified ports.

(v) The common bonds are required to be executed IEC wise.

(vi) An authorization holder shall have a choice of executing either a common bond for all import clearances from different ports or of continuing with the existing system of executing different bonds at different ports. However, in case the authorization holder opts for the common bond facility then all imports against all authorizations( under the above mentioned EP schemes) issued in that financial year shall be permitted only under the common bond. In other words, the authorization holder can opt for the common bond at any point of time during the financial year; but once the common bond facility has been opted for, the authorization holder cannot execute separate bonds for authorizations registered subsequently in that financial year.

(vii) In order to use the common bond facility, the authorization holder shall execute the bond at the time of registration of the first authorization for imports through specified ports. The authorization holder shall indicate to the Customs authorities, at the time of registration of authorization, whether a common bond has already been registered with the Customs authorities. If so, then the unique number and the location where such common bond was registered shall be indicated to the assessing officer. This unique bond number shall be entered in the system and shall link the authorization with the common bond. If the common bond has not been executed, then the authorization holder may choose to do so; or else continue with the present practice of executing different bonds for different authorizations. The authorization holder shall give an undertaking to the Customs authorities, at the time of registration, that the authorization is not registered elsewhere.

(viii) The bond value shall be decided by the authorization holder keeping in mind the likely imports against authorizations issued in that financial year. Once a common bond has been executed and the authorization registered against it, the imports against such authorization shall be permitted as per the time limits prescribed in the concerned EP scheme. If the bond value is exhausted, it shall be topped up by the authorization holder at the port where the common bond was executed. At the time of topping up, the authorization holder shall ensure that the stamp duty applicable to new bond is paid. For this purpose, the authorization holder shall furnish a crossed stamp paper of requisite denomination to the Customs authorities.

(ix) In case any Bank Guarantee is required, the authorization holder need not furnish the entire Bank Guarantee at the time of executing the bond. The Bank Guarantee may be furnished as and when the goods are imported and the benefits of concessional duties availed. While executing the bond, the authorization holder shall indicate whether the benefits of reduced Bank Guarantee is being claimed in terms of circular number 58/04-Customs (as amended). The Customs authority accepting the bond shall check the eligibility of the authorization holder and indicate the applicable quantum of Bank Guarantee. The assessing officer at the port of import shall independently arrive at the quantum of Bank Guarantee to be furnished by the importer / authorization holder and shall satisfy himself that the authorization holder / importer has furnished adequate Bank Guarantee before the imports are permitted. In case it is felt that the importer has to furnish some more bank guarantee, the importer / authorization holder shall be so advised by the assessing officer. The additional Bank Guarantee thereafter shall be furnished by the importer.

(x) The Bank Guarantees shall be furnished by the authorization holder only at the port where the common bond has been executed. This is considered mandatory so as to ensure that the common bond and the Bank Guarantees linked to the common bond are all kept physically together. The Bank guarantees linked to a Common Bond would not be accepted at Customs locations other than the location where the Common Bond is executed. The authorization holder shall ensure that the Bank Guarantee furnished by him to the Customs authorities remains alive during the life of the bond. The Customs authorities at the port where the common bond has been executed shall also monitor the bank guarantees and take action in case the bank guarantee expires.

(xi) Once a Common Bond has been executed along with the first authorization at a particular Customs port, the subsequent authorizations need to be registered at the port mentioned on the authorization. This port may be different from the port where the common bond was executed.

(xii) The authorization holder, at the time of import, shall indicate the authorization number against each item in his Bill of Entry. The EDI system shall check whether the IEC number of the

importer, the IEC of the bond holder (the person who has executed the bond) and the IEC of the Authorization holder are same and shall only permit imports, thereafter. The system shall debit the common bond Authorization wise.

(xiii) The authorization holder, at the time of export, shall indicate the authorization number in his Shipping Bill. The authorization holder shall fulfill the export obligation and comply with all the conditions stipulated in relevant Customs notifications and the Foreign Trade Policy under which the goods have been imported. Although the primary responsibility of monitoring the EO under the above mentioned schemes lies with the RA/DGFT officials, the Customs officers at the port where the authorizations have been registered shall also monitor the Export Obligation (EO) under these schemes in terms of the conditions of the relevant Customs Notifications and the Board's circulars and instructions issued from time to time. Once the Export Obligation Discharge Certificate (EODC) is received from the DGFT for an authorization the Customs officials at the port where the authorization is registered shall, if required, check the import / export details, close the authorization and inform the Customs authorities at the port where the common bond was executed so that the Bank Guarantee can be released and the bond discharged to that extent. The common bond shall be alive till all the EODCs against all the authorizations registered against that common bond have been received.

(xiv) In case of default in fulfillment of Export obligation or non-compliance of the terms and conditions of Customs Notification(s), the requisite action to safeguard Government revenue shall be taken by the Customs authorities at the port of registration of the authorization. For this purpose, the Customs authorities at the port of registration of the authorization may seek details of the common bond and/ or bank guarantee from the port where they were executed. The action to safeguard revenue may include denial of the benefit of exemption from the bank guarantee for future imports under the above mentioned schemes in terms of para 3.2 of the circular No. 58/2004-Cus dated 21-10-2004(as amended).

(xv) The opinion of Law Ministry on legal implications of a single Bond across different customs locations was sought in a similar issue. The Ministry of Law and Justice had clarified that since the Bond is executed in favour of President of India, the same is enforceable by any authorised Commissioner (Customs).

(xvi) The format of "Common Bond for EP Scheme" is annexed herewith.

5. The existing Bond sections in the Custom Houses may be suitably strengthened to implement these instructions.

6. The ICES 1.5 has been suitably modified to support the proposed scheme. The Directorate of Systems shall be issuing separate instructions in respect of the new module for the convenience of the staff.

7. These instructions may be brought to the notice of the officers and trade by issuing suitable instructions / public notice. Difficulties faced, if any in implementation of the Instructions may please be brought to the notice of the Board at an early date.

8. Receipt of this Circular may kindly be acknowledged.

Click here for Annexure (in [pdf format](#)) | (in [MS\\_Word format](#))

Yours faithfully

(M.V.V.Suryanarayana)  
OSD (DBK)