Circular No. 55/98- Customs

dated 3/8/1998

F.No. 450/ 72/ 97 - Cus. IV

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise & Customs, New Delhi

Subject : Duty free clearance of goods imported for display or use at fair, exhibition, etc. - submission of bond & bank guarantee - regarding.

I am directed to refer to customs notification No. 3/89- Cus., dated 9.1.89 as amended from time to time, which provides for duty free clearance of goods imported for display or use at fair, exhibition, demonstration, seminar, etc. on the basis of a reference received from M/s. India Trade Promotion Organisation, a study was conducted to ascertain the practice of clearance of such goods at major Customs Houses.

2. It has been observed that the Customs Houses insist for Bank Guarantee as follows -

S. No.	Name of the Custom House	Extent of B. G.
(i)	Delhi	115% of value in case of OGL goods and 150% of value in case of restricted goods.
(ii)	Calcutta	No Bank Guarantee
(iii)	Mumbai	150% of value.
(iv)	Chennai	100% of value.
(v)	Sahar Airport, Mumbai	No import noticed.

3. Some of the Custom Houses insist for Bank Guarantee for 150% of value which is quite on higher side. The matter was examined by Board. In order to maintain uniformity in practice of assessment & to safeguard government revenue in such cases the clearances of goods imported for fair, exhibition etc. under Notification 3/89-Cus., dated 9.1.89 may be allowed after accepting re - export bond for 150% of the value of the goods to be backed by Bank Guarantee for 100% of the duty amount.

4. The above instructions are applicable only for the goods imported for display at fairs, exhibition, demonstration or similar event which is duly approved and certified by an Under Secretary in the Ministry of Commerce of an officer of India Trade Promotion Organisation duly authorised by its Chairman in this behalf.

5. Instances have come to notice where equipment by foreign venders have been imported to solicit business from Indian Companies and such goods have been allowed clearance duty free under this notification. The notification 3/ 89 is however not applicable for the goods imported for display at exhibitions, fairs, or display to individual customers etc. organised for private purposes in shops or business premises etc. with a view to promote the sale of foreign machinery and goods even if recommended by ITPO & some Government Departments. In such cases the importers should pay full customs duty at the time of clearance & can claim

drawback under section 74 of the Customs Act, 1962 at the time of the re-export of the goods.

6. The receipt of this circular may kindly be acknowledged. The departmental officers and the trade may be informed suitably.

Sd/-
(Vijay Kumar)
Under Secretary to the Government of India

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