Circular No. 24 / 2006-Cus

F.No.450/96/2006-Cus. IV

Government of India

Ministry of Finance

Department of Revenue

{Central Board of Excise & Customs}

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25th August, 2006

Subject: Transhipment of import and export cargo through airports- waiver of bank guarantee - Reg.-

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I am directed to invite your attention that as per existing provisions of transhipment of cargo from one Customs location to another location, the transhipper has to execute a bond with bank guarantee in order to safeguard Customs duty in the transhipment operation. Kind attention is also invited to Board's Circular No. 45/2005-Customs, dated 24.11.2005. The Circular waives the requirement of the of bank guarantee to be taken in case of transhipment of cargo from the gateway port to feeder ports/ICDs/CFSs and vice versa, for all carriers of containerized cargo, who are handling more than 1000 TEUs as import containers in a financial year. The waiver is applicable not only to shipping lines but also to ICDs/CFSs/ other carriers and for carriage in all modes of transhipment, irrespective of their movement by road, coastal shipping or rail. Further, jurisdictional Commissioners of Customs may in deserving cases give waiver of bank guarantee requirement for carriage of goods on transhipment.

2. The issue of waiver of bank guarantee in transhipment of air cargo between two Indian airports and transhipment of cargo from/to airport from other Customs location was considered in Inter Ministerial Group) on simplification of Customs procedures in Air cargo and Air ports. It was discussed to provide similar bank guarantee waiver requirement for air cargo transhipment.

3. It has been decided by the Board that airlines/ other carriers having annual transhipment volume above **2500 MT** to/from any airport, the same would be exempt from Bank Guarantee for carriage of goods on transhipment. Further, the jurisdictional Commissioners of Customs in deserving cases may also consider giving waiver of bank guarantee.

4. The above instructions may be brought to the notice of the Trade immediately through appropriate Public Notice.