Circular No. 37 /2003-CUS.
28th April, 2003

F.NO.434/12/92-CUS.IV
Government of India
Ministry of Finance and Company Affairs
Department of Revenue
Central Board of Excise & Customs

Subject: Standard set of guidelines for appointment of Custodian of EPZs/ICDs/CFSs- reg.

I am directed to refer to Board's Circular No.128/95-Cus. dated 14.12.1995, as amended from time to time on the above mentioned subject.

2. It has been provided at Sl.No. 6 of the Annexure to the Board's Circular referred to above that for the proper discharge of duties, the custodian shall execute a bond equal to the value of the goods likely to be stored in the premises for a period of 30 days, supported by a bank guarantee or a Government bond or cash deposit equivalent to 10% of the value of goods. Following representations from trade and industry, the matter has been examined by the Board and it has been decided that the custodians would, henceforth, be required to execute a bond equal to only the average duty involved on the goods likely to be stored in the premises for a period of 30 days, supported by a bank guarantee or a Government bond or cash deposit equivalent to 10% of such duty. Accordingly, the provision contained at Sl. No. 6 of the Annexure to the Board's aforesaid Circular may be read as under:-

" (6) For proper discharge of duties, the custodian shall execute a bond equal to the average duty involved on the goods likely to be stored in the premises for a period of 30 days, supported by a bank guarantee or a Government bond or cash deposit equivalent to 10% of such duty. However, all Central Government and State Government Undertakings shall be exempt from the requirement of furnishing bank guarantee or cash deposit".

3. The bonds and bank guarantees executed by the Custodians may be revised on the basis of the above instructions.

4. The above instruction my kindly be brought to the notice of all concerned by issuance of suitable Public Notice / Standing Order.

5. Kindly acknowledge the receipt.

6. Hindi version will follow.

D.S. Garbyal
Under Secretary to the Government of India