Circular No. 34 /2001-CUS.
13th June 2001

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

Subject: Bank Guarantee for transhipment of cargo from gateway ports to Feeder ports/ICDs/CFSs-Regarding.

I am directed to invite your attention to the Board's Circular No. 34/2000-Cus. dated 3/5/2000 as amended by Circular No. 47/2000-Cus. dated the 19th May 2000 and No.56/2000-Cus. dated the 5th July 2000 regarding transhipment of cargo from gateway ports to other ports and from gateway ports to ICD/CFS respectively. In the said Circulars, it has been provided that for such transhipment, a bond with security of 25% of bond value shall be taken from the carrier/custodians. In this connection, a number of references has been received from trade, Ministry of Commerce and the Ministry of Surface Transport for reducing the amount of security, as such security causes heavy financial burden on the carriers/custodians.

2. The matter has been examined by the Board. Having regard to the suggestions made, recommendations of the Conference of Commissioners on Tariffs and Allied matters held in November 2000 at Goa and as a measure of trade facilitation, it has been decided to reduce the amount of security for transhipment of cargo from the existing level of 25% of bond value to 15% of the bond value. It may, be noted that, all the existing bond and securities furnished by carriers/custodians shall also be governed by this Circular. The differential amount of security executed earlier (i.e. 25%) and the required security under the instant Circular (i.e. 15%) may be returned to the carrier/custodians. As an alternative, the old security may be discharged after a fresh security @ 15% of bond value is taken from the carriers/custodians.

3. These instructions may be brought to the notice of all concerned by way of issuance of suitable Public Notice/Standing Orders.

4. Difficulties, if any, in implementation of these instructions including instances of non-accountal of cargo allowed to be transhipped where duties are not being paid up and there are difficulties in recovery due to inadequacy of security deposit may be brought immediately to the notice of the Board.

5. Kindly acknowledge receipt of the Circular.

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