Circular No. 78 /2001-CUS.
7th December, 2001

F.NO.450/54/99-CUS.IV
Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Excise & Customs

S**ubject: Bank guarantee for transhipment of cargo from gateway ports to feeder ports/ICDs/CFSs-reg.**

I am directed to invite your attention to the Board"s Circular No. 34/20001-Cus. dated 13/6/2001 on the above-mentioned subject. In the said Circular, it has been provided that for transhipment of cargo from the gateway port to feeder ports/ICDs/CFSs, a bond with bank guarantee of 15% bond value would be taken from the carriers. In this connection, a number of references have been received from the trade seeking removal of the requirement of bank guarantee for transhipment, as it causes huge financial burden on carriers.

2. The matter has been examined and following decisions have been taken:-

(a)	All the Central Government and State Government Undertakings carrying the transhipment cargo shall be exempt from the requirement of bank guarantee for transhipment.
(b)	The custodians of ICDs/CFSs operating as carriers of transhipment cargo between gateway ports and their ICDs/CFSs shall amend the terms and conditions of their bank guarantees executed with Customs for custodianship of ICDs/CFSs to cover safety and security of cargo being transhipped by them. The details of such bank guarantee shall be informed to the Commissioner of Customs having jurisdiction over the gateway port. The custodians of ICDs/CFSs shall be allowed to tranship the cargo against the said bank guarantee and they will not be required to execute a separate bank guarantee for transhipment.
(c)	For other carriers, the existing provision for 15% bank guarantee shall continue.

3. The above said instructions may be brought to the notice of all concerned by issuing suitable Public Notice and Standing Order.

4. Difficulties, if any, in implementation of this circular may be brought to the notice of the Board. Kindly acknowledge receipt of the circular.

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