CIRCULAR NO. 45/2005-Cus

F.No.450/66/2004-CUS-IV
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

November 24th, 2005

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

I am directed to invite your attention to Board's Circular No. 78/2001-Customs, dated 7.12.2001. The above circular prescribes the bond and amount of bank guarantee to be taken in case of transhipment of cargo from the gateway port to feeder ports/ICDs/CFSs and vice versa. It also provides for the category of persons who are exempt from executing bank gurantee

**2.** It has been brought to the knowledge of Board that that the present exemption for bank guarantee should be reexamined and extended to all agencies-ICDs/CFSs/carriers undertaking transhipment of cargo, so that cargo could be moved faster from ports and congestion avoided in ports.

**3.** The matter was re-examined**.** It has been decided by the Board to waive the requirement of execution of bank guarantee for the purpose of transhipment for all carriers of containerized cargo, who are handling more than 1000 TEUs as import containers in a financial year. This waiver would apply 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.

**4.** Further, there could be some carriers who may be having annual transhipment volume below the limit of 1000 TEUs, but may have good track record, requesting for considering exemption from BG on merits. Such requests can be considered by the jurisdictional Commissioners of Customs in deserving cases for giving waiver of bank guarantee requirement for carriage of goods on transhipment.

**5.** The Board's Circular No. 52/2004-Cus, dated 7.10.2004 and No.78/2001-cus. dated 7.12.2001 would stand modified to the above extent. The above instructions may be brought to the notice of the Trade immediately through appropriate Public Notice.

**6.** Receipt of this Circular may kindly be acknowledged.