

**Circular No. 18/2019-Customs**

F.No. DGEP/G&J/22/2018  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes & Customs  
(Directorate General of Export Promotion)  
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New Delhi, Dated: 05th July, 2019

To,

All Pr. Chief Commissioners/ Chief Commissioners of Customs/ Customs & Central Tax/ Customs (Preventive)

All Pr. Commissioners/ Commissioners of Customs/ Customs & Central Tax/ Customs (Preventive)

**Subject: Partial discharge of bonds executed by nominated agencies/ banks under notification No. 57/2000-Customs dated 08.05.2000.**

Madam/ Sir,

Circular No. 25/2018-Customs dated 08.08.2018 has prescribed standard operating procedures for the expeditious discharge of the bonds executed by nominated agencies/ banks under notification No. 57/2000-Customs dated 08.05.2000, as a measure of trade facilitation.

2. Presently, bonds are credited and closed only after entire imported goods (meant for export after prescribed value addition/wastage norms) have been used and exported as finished goods. These bonds and corresponding bank guarantees some times remain outstanding in full due to non availability of facility of partial credit against that quantity of import of gold for which export obligations have been fulfilled. This hinder the expeditious discharge of bond leading to capital blockage of exporter. Thus puts unnecessary burden on the exporters.

3. Various representations were received from Gems & Jewellery export promotion council that partial crediting of Bonds and Bank Guarantees, submitted at the time of import of gold, may also be facilitated in proportion to the export obligations fulfilled for which necessary prescribed documentation evidencing the same has been provided to the jurisdictional customs authorities.

4. The matter has been examined, in consultation with Directorate General of Systems. In order to address the above said issue a new provision has been developed in ICES 1.5 to proportionately credit the Bond and Bank Guarantee online as and when the exports are being made, partially against the said Bond and Bank Guarantee. Directorate General of Systems will issue system advisory giving details of the new functionality regarding partial crediting of RE bond in ICES.
5. The procedure and the timeline prescribed vide Circular No. 25/2018-Customs dated 08.08.2018 will apply mutatis-mutandis to partial discharge of bonds also.
6. Difficulties, if any, may be brought to the notice of the Board.
7. Hindi version follows.

Yours faithfully,

Sd/-  
(Saroj Kumar Behera)  
Additional Director