

**[F.No. 305/107/86-FTT]**

Government of India  
Ministry of Finance  
Department of Revenue, New Delhi

**Subject :** Customs and 100% EOUs and Units in EPZs - Execution of a single bond in lieu of the different bonds being executed at present regarding.

I am directed to refer to the Board's instructions issued under this office letter of even number dated 23rd March, 1992 wherein the the format of a single bond required to be executed by the 100% EOUs or units in the Export Processing Zones STP / EHTP was forwarded. Similar instructions were issued by the Central Excise, Wing, for execution of bonds for the goods procured under CT-3 Certificate by such units vide Nof. No. 1/ 95-CX dated 4th January, 1995 Instructions also exist for execution of bond when the goods are in-transit from the port of import to the unit. The goods sent out for job work, are also required to be covered by the bond coupled with the bank guarantee as per. Board's instruction.

2. The Trade and the Industry has been persistently representing that the number of bonds to be executed with the Customs and Excise Wing of the Department may be reduced and a single all purpose bond for covering liability of duty etc. under Excise and Customs Acts may be formulated to obviate the difficulties faced by the units. The issue has also been echoed in the meeting of Export Promotion Board Chaired by the Cabinet Secretary.

3. An in- depth examination of the issue was undertaken by the Board in consultation with Ministry of Law and a new format of the bond covering liabilities both under Customs & Central Excise Acts to be executed by 100% EOUs and the units situated in EPZ / FTZ or STP / EHTP Schemes or stand alone 100% STP / EHTP units has been notified vide Notification No. 6 / 98-CE (NT), dated 2.3.1998. This Bond is called B-17 (General Surety / Security).

4. Kindly ensure that in future only one bond is taken from the above said units for all purposes. All previous instructions issued in this behalf may be treated as modified to this extent. This bond will be executed before the Assistant Commissioner of Customs/ Central Excise or Assistant Commissioner of Customs & Central Excise in whose jurisdiction the unit is situated. Although the bond is devised to be executed as surety or security bond, it has also been decided that only surety bond has to be taken from such units. The bond amount has to be equivalent to double the amount of duty calculated on the goods to be imported / procured duty free from the manufacturing unit.

5. The Assistant Commissioner of Customs or Central Excise before whom the above bond will be executed would issue a certificate in the format enclosed stating that the bond has been executed by the unit in his charge. On the strength of this certificate the goods will be allowed clearance under the exemption Notification from Port of import /Airport /ICD/ another EOU/ STP/ EHTP/ unit in EPZ or Bonded Warehouse to the unit. Also on the strength of this bond, the Bond Officer will permit goods for job work outside the unit. In case the rewarehousing certificate is not received within 90 days of the issue of the certificate, the Assistant Commissioner incharge of the port/ Airport/ ICD/ EOU/ STP/ EHTP etc. or the manufacturing unit shall write to the A.C. incharge of the EOU to issue demand notice to EOU for recovery of duty.

6. For procurement of duty free goods from the domestic manufacturers, however, the certificate appended in annexure-II of the Notification No. 1/ 95-CE would continue to be used. The existing procedure of Bill of Entry and AR-III. A accompanying the goods shall continue. You are requested to give wide publicity to the above changes by issue of a suitable public Notice / Trade Notice.

7. Kindly acknowledge receipt of this letter.

Sd/  
(S.C. Choudhury)  
Director (Customs)

Sr. No.....

**Certificate for procurement and movement of imported goods/  
excisable goods without payment of duty.**

This is to certify that :-

(1) M / s..... (Name & Address) ..... is/ are  
registered in this range of division ..... of Central Excise / .....  
Commissionerate.

(2) The said registrant has executed a bond prescribed for them for Rs. ....with appropriate  
surety.

(3) This registration authorities him/her/them to obtain/ clear (name of the product) falling under Chapter  
No .....heading No. ....of the Central Excise Tariff/Customs Tariff at nil rate of duty  
under Notification No. ....dated ..... 1998 from .....Port/ ICD/ EOU/ EHTP/ STP/ EPZ  
unit or Bonded warehouse for the manufacture of ...../use at..... .

(4) The said goods may be allowed clearance of at nil rate of Duty under intimation to undersigned.

Supt. Customs / Central Excise

To

**(Address of the Officer / Custom Officer)**

(Name and Seal)  
Dated .....