Circular No. 42/2016-Customs

F. No. 450/114/2015-Cus IV
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

Room No. 227-B, North Block,
Dated 31st August, 2016

To,

All Principal Chief Commissioners/Chief Commissioners of Customs/Customs (Preventive),
All Principal Chief Commissioners/Chief Commissioners of Customs & Central Excise,
All Principal Commissioners/Commissioners of Customs/Customs (Preventive),
All Principal Commissioners/Commissioners of Customs & Central Excise

Sir/Madam,

Subject- Courier bond executed CCSPs -Regarding

Kind attention is drawn to the Board’s Circular no. 32/2013-Customs dated 16.08.2013, wherein, with regard to Regulation 5(1)(iii) of the Handling of Cargo in Customs Area Regulations, 2009 (hereinafter referred to as HCCAR), it was laid down that the amount of insurance to be provided by Customs Cargo Service Provider (CCSPs) should be equal to the average value of goods likely to be stored in the Customs area for a period of 30 days (based on projected capacity) and for an amount as Commissioner of Customs may specify having regard to the goods that are already insured by the importers or exporters.

2. It has been represented to the Board that for calculation of insurance amount and Bond amount under HCCAR, dwell time for clearance of imported goods and transit time for export goods should be taken in to account. It has been brought to the notice of the Board that CCSPs are being asked to give bond and insurance for an amount equal to the average value of goods likely to be stored, in 30 days, in the Customs area based on the projected capacity. It is further informed that the dwell time for imported goods is 10 days and transit time for export container is less than 24 hours.

3. The matter has been examined. Board is of the view that for calculating average value of goods likely to be stored in Customs area, under Regulation 5(1)(iii) of HCCAR, average time taken for clearance of goods should be a relevant factor in deciding amount of insurance. As a measure of ease of doing business, it has been decided to partially modify the earlier Circular No. 32/2013-Customs dated 16.08.2013 with regard to Regulation 5(1)(iii) of HCCAR, to lay down that the amount of insurance to be provided by CCSPs should be equal to the average value of goods likely to be stored in the Customs area for a period of 10 days (based on projected capacity) and for an amount as Commissioner of Customs may specify having regard to the goods that are already insured by the importers or exporters. Changes have also been carried out in HCCAR, 2009 vide notification No.115-Customs (N.T.) dated 26.8.2016 to reduce the value of bond being furnished in respect of imported/export goods to the extent of 10 days storage from the current 30 days.

4. Suitable Public Notices may be issued by the jurisdictional Chief Commissioners.

5. Difficulty faced in this regard, if any, may be brought to the notice of the Board.

Yours faithfully

(Zubair Riaz)
Director (Customs)