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OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL REVENUE  
BUILDING, P.B. NO.5400, QUEEN'S ROAD, BANGALORE- 560 001

सी.स./C.No. VIII/09/01/2013 Cus.Tech

दिनांक/Date: 05.09.2013

**STANDING ORDER NO. 25/2013**

Sub: Import of Gold and Gold Dore Bars - Procedure and Guidelines - reg.

-X-X-X-

Attention of all the officers and staff is invited to Board's Circular No. 34/2013-Cus dated 04.09.2013 which was issued consequent to the RBI Circular No. RBI/2013-14/187, A.P. (DIR Series) Circular No. 25 dated 14.08.2013, as revised. The Board has prescribed the procedure for import of Gold and Gold Dore Bars, which may be noted for due compliance.

2. Briefly stated the RBI, vide aforesaid Circular No.25 dated 14-08-2013, has imposed certain restrictions on the import of various forms of gold by nominated banks/nominated agencies/premier or star trading houses/SEZ units/EOUs. It has been, inter-alia, provided that it shall be incumbent on all nominated banks/nominated agencies and other entities to ensure that atleast one fifth, i.e., 20% of every lot of import of gold imported to the country is exclusively made available for the purpose of exports and balance for domestic use. This shall be monitored by Customs authorities, and will be implemented port-wise only. Further, entities/units in the SEZ and EOUs, Premier and Star Trading Houses (irrespective of whether they are nominated agencies or not) are permitted to import gold exclusively for the purpose of exports only. In other words, entities/units in the SEZ and EOUs, Premier and Star Trading Houses are not permitted to import gold for domestic use irrespective of whether they are nominated agencies or not. Further, any authorisation such as Advance Authorisation /Duty Free Import Authorisation (DFIA) is to be utilised for import of gold meant for export purposes only and no diversion for domestic use shall be permitted. The RBI Circular 25 dated dated 14.08.2013, as revised, may be perused and noted for strict compliance.

3. The salient features of the procedure prescribed by the Board for import of gold and their implementation modalities are stated hereinunder:

- (i) All imports shall be routed through customs bonded warehouses only;

- (ii) The Nominated Agencies shall furnish a bond to the satisfaction of the proper officer undertaking to properly account for the warehoused gold and also to discharge duty in accordance with RBI circular dated 14.8.2013, as revised;
- (iii) The Nominated Agencies are required to obtain permission from the Commissioner of Customs, to execute a General Bond for a value involving an estimated amount of effective rate of duty involved in their monthly import. The Bond may also be a revolving bond with a bond amount equal to the estimated duty at the effective rate, on the quantity of Gold to be imported in a month. All the Nominated Agencies are advised to rework the Bond Amounts accordingly, and wherever such amount is higher than the amount of bonds already executed, new bonds with higher amount, may be executed immediately;
- (iv) The Nominated Agencies who are not exempt from furnishing Bank Guarantees (i.e. other than those who are exempt in terms of para 4 (vi) of the Board's Circular dated 4.9.2013) shall submit Bank Guarantee equal to 25% of the estimated amount of duty involved in the import of Gold in a month or the value of Bonds as executed by them, in terms of (iii) above. Wherever the Bank Guarantee already submitted falls short of the revised amount, the Nominated Agencies shall furnish a fresh Bank Guarantee equal to the revised amount immediately;
- (v) Customs officers shall conduct surprise audits/checks on the Nominated Agencies. Random audit at least once in 3 months during the first year and twice in a year subsequently will have to be undertaken. Additional/Joint Commissioner of Customs, ACC will ensure that the audit is conducted accordingly;
- (vi) The Nominated Agencies intending to clear gold to an exporter shall file an ex-bond Bill of Entry clearly stating the name, address and details of owners/promoters/ Managing Director/ Partners etc. of the exporter to whom the gold is being sold, with the jurisdictional customs officer where the gold has been bonded. The Nominated Agencies shall clear gold for domestic use on payment of duty by filing appropriate ex-bond Bill of Entry;
- (vii) The exporters intending to receive precious metal from the Nominated Agencies will register themselves with their jurisdictional Deputy/ Assistant Commissioners who will issue them a one-time Certificate specifying therein the details of their units such as name and address of the unit and the owners/promoters/Managing Director/Partners etc. of the organization. Exporters already registered with the customs authorities under the provisions of circular 28/2009-Cus dated 14.10.2009 need not take a fresh registration. This certificate has to be produced to the Nominated Agencies while taking gold. The units shall submit an undertaking to the Deputy/ Assistant Commissioner without bank guarantee to follow the conditions of notification under which they are receiving duty free gold and export the jewellery made therefrom within the period stipulated in the Foreign Trade

Policy. The same procedure will be followed by the EOU/SEZ units intending to receive gold from the nominated agencies;


- (viii) The customs officer shall permit clearance of the gold for export production under the relevant exemption notification after submission of the documents stated above and shall make necessary entries in the Register in the form prescribed in Annexure-I. This register shall be maintained separately for each of the nominated agency importing gold;
- (ix) The Nominated Agencies shall also maintain an account of the goods released to the exporters (exporter-wise) on day-to-day basis. This account shall be liable for inspection by any Customs authority as the account of a bonded warehouse;
- (x) Proof of export by the exporter shall be furnished in accordance with para 4A.8(a) of the Hand Book of Procedures, Vol. I, to the nominated agencies as a proof of having exported the jewellery made from the duty free gold released to them within the period prescribed in the Foreign Trade Policy. The Nominated Agency shall furnish a self-certified copy of the same to the customs officer where the gold was bonded;
- (xi) Wherever such proof of export is not produced within the period prescribed in the Foreign Trade Policy, the Nominated Agency shall (without waiting for its recovery from the exporter) deposit the amount of duty calculated at the effective rate leviable on the quantity of precious metal not exported, within 7 days of expiry of the period within which the jewellery manufactured out of the said quantity of gold was supposed to be exported. The Nominated Agencies will settle their claim with the exporter at their own level. The Nominated Agencies shall also report the cases of failure to export the jewellery made out of gold released to the exporter, to the Commissioner of Customs in whose jurisdiction the gold was originally warehoused;
- (xii) The customs officer shall ensure that all clearances of gold from the customs bonded warehouse are in accordance with the RBI circular, especially that the quantity of gold imported by the Nominated Agency, in the third consignment onwards from the date of notification of the RBI Circular dated 14.8.2013 , as revised does not exceed five times the quantity of gold contained in the exported products for which the proof of export and realisation of payments related thereto, has been submitted to the customs officer;
- (xiii) The reconciliation of exports and calculation of quantities for subsequent imports shall be done nominated agency wise and port wise by the jurisdictional customs officer.

4. In order to ensure centralised monitoring and to facilitate trade, all the Private Bonded Warehouses of the Nominated Agencies in the jurisdiction of this Commissionerate are placed under the Administrative Control of the Air Cargo

Complex (ACC), Bangalore with effect from 06.09.2013, instead of the Customs Division. Any fresh applications for Private Bonded Warehouse licences shall also be handled in ACC. Further, the Deputy/Assistant Commissioner of Customs, Group-4, ACC shall be the nodal officer for clearance of gold consignment, monitoring of bonds and export obligation, recovery of duty (wherever required), maintenance of records etc. The Assistant/ Deputy Commissioner, Bonds Section, ACC shall look after the licensing aspects of the bonded warehouses. Respective formations will ensure that all relevant documents are immediately handed over/taken over so that the trade is not inconvenienced in any manner.

5. A Public Notice No. 31/2013 dated 05.09.2013 has been separately issued, in this regard.

6. All the Officers and Staff should note the above for strict compliance. The difficulties, if any, may be brought to the notice of this office immediately.



(संदीप प्रकाश) (Sandeep Prakash)

आयुक्त / Commissioner.

Copy to:

1. The Chief Commissioner of Customs, Bangalore Zone, Bangalore.
2. The Additional/Joint Commissioner of Customs, Air Cargo Complex/ICD/Airport, Bangalore.
3. The Deputy/ Assistant Commissioner of Customs, Custom Division/PAD/IAD/Preventive/Adjudication.
4. Notice Board.

Copy also to:

1. The Chief Commissioner of Central Excise, Bangalore Zone, Bangalore.
2. The Commissioners of Central Excise, Bangalore I/II/III/LTU/Service Tax Commissionerates.