



सीमाशुल्कप्रधानआयुक्तकाकार्यालय
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
हवाईअड्डाऔरएयरकार्गोकॉम्प्लेक्सआयुक्तालय /
AIRPORT AND AIR CARGO COMPLEX COMMISSIONERATE
एयरइंडियासाट्सएयरफ्रीटर्मिनल, दूसरातल, देवनहल्ली, बंगलूर
AIR INDIA SATS AIR FREIGHT TERMINAL 2ND FLOOR: KIAP: DEVANAHALLI
BENGALURU- 560300

PUBLIC NOTICE. NO.40/2020, DATED:21.07.2020

DIN- 20200772MP00005R227F

Subject: Monitoring of Export obligation under EPCG/ AA schemes & obligations under other bonds- Reg

Attention of the Importers, Exporters, Customs Brokers and all other Stakeholders is invited to the conditions of Customs Notifications regarding implementation of Export Promotion Capital Goods (EPCG) and Advance Authorization (AA) schemes. The relevant Customs Notifications governing implementation of EPCG/AA scheme, provides that the Exporter should discharge the export obligation within the specified time limit or within such extended period as may be permitted. Further, under EPCG Scheme, the installation certificates are required to be submitted within six months of completion of imports. The Notification issued under the EPCG scheme also stipulates that in case of non-fulfillment of block-wise export obligation (EO), the Importer should pay the proportional duty of unfulfilled portion of EO along with applicable interest from the date of clearance of the goods to date such payments.

2. In this context, in para 3 of the Board's Circular No 16/2017-Cus, dated 02.05.2017, it has been provided that in view of the time taken by DGFT in issuance of EODC, the practice of issuance of SCN at the 1st stage itself may be replaced by issuing simple notice to defaulters. Accordingly, it has been directed that the field formation may issue a simple notice to the licensee/authorization holders for submission of proof of discharge of export obligation. It is further directed that in case where the

licensee/authorization holder submits proof of their application having been submitted to DGFT, the matter may be kept in abeyance till the same is decided by DGFT. Institutional mechanism set up in terms Instruction No F.No-609/119/2010-DBK, dated 18.01.2011, for regular interaction with RA's of DGFT should be used to pursue such cases.

3. However, in cases where the licensee/authorization holder fails to submit the proof of their application for EODC/redemption certificate, extension/clubbing, norms fixation etc., action for recovery may be initiated by enforcement of Bond/BG executed by the Importer at the time of Import. In other words it is but obvious that when the licensee/Authorisation holder submits evidence that there is no action pending on their part and the action is pending on the part of DGFT, recovery action should be kept in abeyance. In all other cases where either EODC/ Redemption letter or evidence of having applied for EODC with DGFT office is not submitted, recovery action in terms of Bond is to be initiated as instructed vide Board's Circular No.16/2017-Cus, dated 02.05.2017.

4. For this purpose, if such amount is not paid immediately on demand by customs, the same is to be recovered in terms of section 142 of the Customs Act 1962, which also includes such amount that can be recovered by detaining and selling any goods which are under the control of officer of Customs.

5. It is impressed here that by execution of the bond the Importer has admitted the liability of duty under his freewill and committed that any non-compliance of conditions of the bond executed and the duty benefit availed can be recovered from them in terms of section 142 of Customs Act, 1962. Therefore, failure on the part of the Importer to complete export obligation and obtain EODC from DGFT and to furnish details of the obligations completed to the Customs Department are in violation of the Bond executed. As such the amount debited in the bond has to be recovered along with interest by enforcing the bond executed from the Importer in terms of Section 142 ibid including encashing the Bank Guarantee's given by the Importer at the time of execution of the Bond. Therefore, the importer is advised to furnish details of the Export Obligation in respect of all bonds executed within the Export Obligation period to avoid deterrent actions.

6. Action to be taken in terms of decisions conveyed in this Public Notice should be considered as Standing Order for the purpose of Departmental Officers.

7. The above is brought to the notice of all the concerned. Difficulties, faced, if any, in implementation of these instructions may be brought to the notice of the Additional / Joint Commissioner of Customs, Air Port and Air Cargo Complex Commissionerate, Devanahalli, Bengaluru, in e-mail id : blraccbonds@gmail.com.



(ASHOK)

PRINCIPAL COMMISSIONER

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Copy submitted to:

The Chief Commissioner of Customs, Bengaluru Zone, C.R. Building , Bengaluru

Copy to:

- 1) All the ADCs/JCs/DCs/ACs, Airport & ACC Commissionerate, Bengaluru
- 2) Federation of Karnataka, Chamber of Commerce & Industry (FKCCI), No.9996, Kempegowda Road, Gandhinagar, Bengaluru
- 3) Bangalore Customs Brokers Association, No.71, Cargo Village, B-Block, Bengaluru International Airport, Devanahalli, Bengaluru
- 4) All Airlines through Association.
- 5) Federation of Indian Export Organization (FIEO), IstFloor, VITC Building, Kasturba Road, Bengaluru
- 6) All Custodians.
- 7) Bengaluru Customs Website
- 8) Notice Board.
- 9) All Courier Agencies Operating at Bengaluru (through Courier Association)
- 10) Master file.