

Circular No. 711/27/2003-CX

30th April, 2003

F. No. 209 /34/2001-CX-6

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise & Customs

Subject:- Furnishing of security/surety by merchant exporters- Board's Circular No. 586/23/2001-CX dated 12.9.2001- regarding.

I am directed to refer to the New Central Excise Manual released on 1.9.2001 and Board's Circular No. 586/23/2001-CX dated 12.9.2001 wherein it was directed that Merchant Exporters, other than the Status holders (Super Star Trading House, Star Trading House, Trading House and Export House) have to, along with the bond executed for purpose of exports, furnish a security of 25% of bond amount and surety of full bond amount. Later in the background of representations received from the trade stating that the new dispensation is adversely affecting the exports by way of increase in the cost of compliance, the instructions to insist on a security of 25% of the bond amount and surety of full bond amount were kept in abeyance vide Board's circular No. 608/45/2001-CX dated 24.12.2001 and 613/4/2002-CX dated 31.1.2002.

2. Now, in the light of fresh reports received about the default in exports by merchant exporters, the matter has been re-examined by the Board and in the interest of facilitating exports, it has been decided to do away with the requirement of furnishing of security of 25% of bond amount or surety of full bond amount in respect of merchant exporters who are registered with recognised Export Promotion Councils. Accordingly, it is clarified that specified categories of merchant exporters namely status holders (Super Star Trading House, Star Trading House, Trading House, Export House) and exporters registered with recognized Export Promotion Councils would be exempt from furnishing security and/ or surety with the bond executed by them for export of goods without payment of duty unless they have come to the adverse notice of the Department.

3. Trade and field formations may please be informed suitably.

4. Receipt of the same may be acknowledged.

5. Hindi version will follow.

Vijay Mohan Jain

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MINISTRY OF FINANCE
OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE
CHENNAI – II COMMISSIONERATE
M.H.U. COMPLEX, 692, ANNA SALAI, NANDANAM, CHENNAI 600 035

TRADE NOTICE NO . 34 / 2003.

Dated : 16 -06-2003.

Subject : Furnishing of security/surety by merchant exporters-Board's Circular No. 586/23/2001-CX dated 12.9.2001- Reg.

Attention is invited to the New Central Excise Manual released on 1.9.2001 and Board's Circular No. 586/23/2001-CX dated 12.9.2001 wherein it was directed that Merchant Exporters, other than the Status holders (Super Star Trading House, Star Trading House, Trading House and Export House) have to, along with the bond executed for purpose of exports, furnish a security of 25% of bond amount and surety of full bond amount. Later in the background of representations received from the trade stating that the new dispensation is adversely affecting the exports by way of increase in the cost of compliance, the instructions to insist on a security of 25% of the bond amount and surety of full bond amount were kept in abeyance vide Board's circular No. 608/45/2001-CX dated 24.12.2001 and 613/4/2002-CX dated 31.1.2002.

Now, in the light of fresh reports received about the default in exports by merchant exporters, the matter has been re-examined by the Board and in the interest of facilitating exports, it has been decided to do away with the requirement of furnishing of security of 25% of bond amount or surety of full bond amount in respect of merchant exporters who are registered with recognised Export Promotion Councils. Accordingly, it is clarified that specified categories of merchant exporters namely status holders (Super Star Trading House, Star Trading House, Trading House, Export House) and exporters registered with recognized Export Promotion Councils would be exempt from furnishing security and/ or surety with the bond executed by them for export of goods without payment of duty unless they have come to the adverse notice of the Department.

The contents of this Trade Notice may please be brought to the notice of all the constituent members of your Association and the manufacturers in particular.

{Issued from file C. No.IV/16/ 217/2003-CX. POL(PFII)}

(Authority: Circular No. 711/27/2003-CX dated 30th April, 2003 from File F. No. 209 /34/2001-CX-6)

(K.R. UDAY BHASKAR)
ADDITIONAL COMMISSIONER (TECH)

To
As per mailing list(Both Trade and Deptt.)