

**OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT),
JAWAHARLAL NEHRU CUSTOM HOUSE, SHEVA,
TAL URAN, DIST RAIGAD, MAHARASHTRA 400 707.**

F. No. S/26-Misc- 86 / 2008 EPCG JCH

Date :13 .03.2008

FACILITY NOTICE NO. 25 / 2008

(Referred / amended vide P.N.No. [79/2009](#))

Subject : Procedure to be followed in case of EPCG scheme reg.

Attention of all Importers / Exporters / CHAs and EPCG Licence Holder and all concerned is invited to procedure to be followed under [Facility Notice No. 01/2007](#) dated 02.01.2007 & Circular Nos. 58/2004 dated 21.10.2004 & 38/97-Cus. dated 19.09.1997 in case of EPCG scheme. A compilation of the procedure under various Facility Notices and Circulars is given under this Facility Notice. No changes in existing procedures envisaged.

2. Registration of Licence : The EPCG Licence Holder will submit Request Letter / Authority Letter for registration of licence, the licence in original, Bond in prescribed format, bank guarantee as applicable.

3. The Bond shall be submitted in the prescribed format as per [Boards Circular No. 58/2004](#) dated 21.10.2004 and shall cover the duty ordinarily leviable on the goods but for the exemption and also interest @ 15% per annum thereon.

4. Execution of BG :

(a) The Bank Guarantee should be submitted along with covering letter of the Bank as per the norms prescribed in Boards Circular No. 58/2004 dated 21.10.2004.

(b) If the licence holder is availing BG exemption in terms of para 3.1 (a) (b) (c) (d) (e) of the [Boards Circular No. 58/2004](#), he shall submit the proof of export performance or payment of duty, as the case may be, duly certified by the jurisdictional Superintendent of Central Excise in case he is registered with the Central Excise. In cases where the exporter is not registered with the Central Excise, but he is a registered member of an Export Promotion Council, he shall produce a certificate from the concerned Export Promotion Council. In other cases the exporter shall produce a certificate duly authenticated by a practicing Chartered Accountant, who is registered with the Central Excise Department for payment of service tax, along with evidences of export to the satisfaction of the Assistant Commissioner or Deputy Commissioner. The Chartered Account issuing the certificate will mention his STC code and other registration details in the certificate.

(c) The licence holder claiming to fall under the category of Other Manufacturer Exporter in terms of Para 3.1(f), to be eligible for execution of BG at 15% of duty saved amount with EPCG section should submit any one of the following documents as prescribed in [Facility Notice No. 01/2007](#) dated 02.01.2007 :-

(i) Permanent Central Excise Registration Certificate duly certified by Jurisdictional Supdt. of Central Excise with Pan Card.

(ii) Permanent S.S.I. Registration Certificate issued by District Industries Centre with Pan Card (Mere acknowledgement is not sufficient).

(iii) Permanent Registration Certificate issued by Secretariat for Industrial Assistance, New Delhi with Pan Card (Mere acknowledgement is not sufficient).

(iv) Any other Registration Certificate as a proof of manufacturer exporter status alongwith previous Export Performance certified by Chartered Accountant / any Export Promotion Council with Pan Card.

(d) All other licence holders are required to file BG of 100% of duty saved amount.

5. The Bond / BG shall be filed for a minimum period of 3 years with an undertaking to keep the BG alive for the entire period of export obligation viz. 8 + 2 = 10 years or 12 + 2 = 14 years etc. Further, all BG should contain an unconditional self renewal clause / undertaking from the Bank to keep the BG alive, till the bond for which the bank guarantee is being given is fully discharged by the Asstt. / Dy. Commissioner of Customs. There should be no over riding clause. However, in case where the BG is for 8 + 2 = 10 years or 12 + 2 = 14 years as the case may be, the self renewal clause of the bank is not required.

6. The facility of filing Corporate Guarantee as provided in DOR Circular No. 38/97-Cus. dated 19.09.97 shall be available subject to fulfillment of conditions specified in the circular.

7. Further, the licence holder should give an affidavit that he has not defaulted on the export obligation in respect of any Advance licence / EPCG licence issued to him in the past and he has not been penalized under the provisions of the Customs Act, 1962, the Central Excise Act, 1944. The Foreign Exchange Management Act (FEMA), 1995 or

the Foreign Trade (Development and Regulation) Act, 1992 during the previous three financial years.

8. The capital goods imported, assembled or manufactured are to be installed in the importers factory or premises and a certificate from the jurisdictional Dy. Commissioner of Central Excise or Asstt. Commissioner of Central Excise, as the case may be, shall be produced confirming installation and use of capital goods in the importers factory or premises, within six months from the date of completion of imports or within such extended period as the Dy. Commissioner of Customs or Asstt. Commissioner of Customs, as the case may be, may allow. If the importer is not registered with central excise or if he is a service provider, as the case may be, he may produce said certificate of installation and usage issued by an independent chartered engineer.

9. Cancellation of Bond / BG :

After completion of export obligation, the exporter will apply to the DGFT for issuance of Export Obligation Discharge Certificate. After receipt of EODC from the licensing authorities, the licensee has to request for cancellation of Bond (LUT) / Bank Guarantee executed with custom authorities as per [Facility Notice No. 50/2006](#), which is reiterated as under. The request for cancellation of Bond / BG should be accompanied by the following documents for cancellation / closure of Bond (LUT) / BG :-

1. Request letter
2. Original EPCG Licence
3. Duty debit sheets in original
4. Original EODC (Redemption Certificate) from DGFT

5. Installation Certificate from Central Excise
6. Self attested copies of Bills of Entry
7. Self attested copies of Shipping Bills
8. Invoice copies / Bills of Lading copies etc.(Import)
9. Invoice copies / Bills of Lading copies etc.(Export)
10. Import statement (Bills of Entry-wise details, specially duty saved amounts)
11. Export statement (Shipping Bills details, specially FOB amounts)
12. Bank Realization Certificates
13. Authorisation letter to CHA / Representative to receive the BG/Bond
14. Any other documents required by Group AC.

All these documents will be placed in a file and, if the export obligation as specified in the licence, Foreign Trade Policy and respective Customs notifications is fulfilled, the Bond (LUT) and Bank guarantee, if any, will be cancelled and the cancelled LUT/BG will be handed over to the licence holder or to his authorized representative. The EPCG Group will also issue a letter to the licensee informing that the LUT/BG is cancelled.

10. Any difficulties faced by the Trade in implementation of this facility notice may be brought to the knowledge of the undersigned immediately.

Sd/-12.03.2008

(K. L. GOYAL)

COMMISSIONER OF CUSTOMS (EXPORT)