

**Circular No. 29/2017-Customs**

**F. No. DGEP/EOU/GST/16/2017  
Government of India  
Department of Revenue  
Central Board of Excise & Customs  
Directorate General of Export Promotion**

New Delhi, 17<sup>th</sup> July, 2017

To

Principal Chief Commissioners/Principal Directors General,  
Chief Commissioners/Directors General,  
Principal Commissioners/Commissioners,  
All under CBEC.

Madam/Sir,

**Sub: Operational problems being faced by EOU in GST regime consequent to amendment in Notification no. 52/2003-Customs dated 31-3-2003-reg.**

EOUs are allowed duty free import of goods under notification No.52/2003-Custom dated 31-3-2003. However, in view of GST the said notification has been consequently amended by notification No. 59/2017-Customs dated 30-6-2017.

2. Trade has brought out problems faced by them in following certain procedures.

(a) It has been represented, that field formations are insisting upon submission of a continuity bond, in view of rule 5 of the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, despite units having executed B-17 bond which is a general purpose running bond.

b) EOUs have also expressed apprehension that information about estimated quantity and value of goods to be imported is required to be submitted for a period of one year, in view of rule 5 of said IGCR, rules. They apprehend that the requirements may increase or change during this period of one year.

c) Trade has also sought a clarification regarding inter unit transfer of goods from one EOU to another, which was supported by procurement certificate (PC) in view of Circular no. 35/2016 -Custom dated 29-7-2016 .

d) Trade has also requested to continue the procedure of procurement certificates for transitional period for import of goods by EOUs.

3. Matter has been examined. It has been decided by Board, that –

(i) The B-17 bond, being a general purpose running bond will serve the requirement of continuity bond to be submitted under Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, and therefore EOU/STP/EHTP units are not required to submit separate continuity bond.

(ii) It is to clarify that the requirements of information about estimated quantity and value of goods to be imported are to be provided under Rule 5(1)(a) of the (Import of Goods at Concessional Rate of Duty) Rules, 2017 for a period not exceeding one year. This means that units may submit the requirements for any shorter period than one year and then can give requirements for the subsequent period. Also there is no bar in the said rules to amend/give additional information. Therefore, the units can amend/modify/add such information from time to time as per the requirement of import of goods.

(iii) For the transitional period upto 31-7-2017, the EOU/EHTP/STP units would have option to follow the procedure of Rule (5) of IGCR, rules or use procurement certificate for import of goods.

(iv) The inter unit transfer would be on invoice on payment of applicable GST taxes. However, such transfer would be without payment of custom duty. The supplier unit will endorse on such documents the amount of custom duty, availed as exemption, if any, on the goods intended to be transferred. The recipient unit would be responsible for paying such basic customs duty, as is obligated under Notification no. 52/2003-Cus dated 31-3-2003 (as amended), when the finished goods made out of such goods or such goods are cleared in DTA. The circular no. 35/2016 –Custom dated 29-7-2016 would stand amended to the extent that no procurement certificates would be required for inter- unit transfer.

4. This may be brought to the notice of all the field formations and also the trade.

Yours faithfully,

(Saroj Kumar Behera)  
Joint Director