

## **IMPORTANT**

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**Secretary General, AEPC**

AEPC/HO/SG/R&PA/2022  
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Dear Members,

**Sub: Department of Revenue issues Circular No 18/2022-Customs dated 10.09.2022 on Import of Goods at Concessional Rate of Duty giving clarifications on Rules, as notified vide Notification 74/2022 dated 9th September, 2022**

The Department of Revenue, Ministry of Finance vide Circular No. **04/2022-Customs dated 27.02.2022** had notified the procedural changes in the IGCR Rules 2017 that came into effect from 1st March, 2022.

2. AEPC received a large number of requests from its members related to the issues of IGCR rules. Accordingly, AEPC organised a Pan-India Webinar on 'Recent changes in Customs (Import of Goods at Concessional Rate of Duty) Rules 2017 (IGCR Rules, 2017) on **15.03.2022**. This Webinar was organized by the AEPC in association with DGTS CBIC, wherein Shri M K Singh, Chief Commissioner, Mumbai Zone-II, Shri Atul Singh, Addl. Director, Shri R Ananth, Deputy Secretary, Shri N V Kulkarni, Commissioner, Nhava Sheva-II, Shri Sonal Bajaj, Commissioner, Nhava Sheva-II, Ms. Chhaya Bhojar, Joint Director-ICEGATE and Shri Shivam Sharma, Deputy Director-ICES were present. Please refer to the AEPC Circular No. 79 dated 08.03.2022 (copy enclosed) with regard to the Pan-India Webinar on 'Recent changes in Customs (Import of Goods at Concessional Rate of Duty) Rules 2017 (IGCR Rules, 2017) on 15.03.2022. The Webinar saw an encouraging response from the trade.

3. After Webinar, **AEPC also requested to the DoR via its letter dated 24<sup>th</sup> March 2022 suggesting that the Time limit of utilization of Imported Goods for Export within a period of six months, should be extended. I am pleased to inform that the request of AEPC has been accepted and now provision has been made for extending the time period of the present six months by another 3 months. The provision has been made in para 10 of the Notification No. 74/2022 dated**

**9<sup>th</sup> September 2022 and clarified also in para 4 of Circular No. 18/2022 dated 10<sup>th</sup> September 2022.**

4. **Now, DoR has revised IGCR rules vide Notification no 74/2022-Customs (N.T.) dated 09.09.2022 (copy enclosed), superseding the existing Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.**

5. **New Rules makes some of the provisions as follows:**

A. The importer shall provide one-time prior information on the common portal, in Form IGCR-1 containing the requisite information as mentioned in clause 4 (1) of notification.

B. On acceptance of the information, an Import of Goods at Concessional Rate of Duty (IGCR) Identification Number (IIN) shall be generated against such information.

C. The importer shall also submit a continuity bond with such surety or security as deemed appropriate by the Deputy Commissioner of Customs or Assistant Commissioner of Customs and mention the details of all these while filing the Bill of Entry details of which are given in clause 4 (3) of notification.

D. The details of the procedure to be followed by the importer are given in clause 5 of notification.

E. Other related information given in the notification are:

Clause 6: Details of record to be maintained

Clause 7: Procedure for allowing imported goods for job work.

Clause 8: Procedure for allowing imported goods for unit transfer.

Clause 9: Procedure for supplying imported goods to the end use recipient.

Clause 10: Re-export or clearance of unutilised or defective goods.

Clause 11: Recovery of duty in certain cases.

Clause 12: Penalty in case of contravening of any of the provisions.

**These rules have come into effect from 10<sup>th</sup> September, 2022.**

6. Along with above Notification the DoR has also issued Circular No 18/2022 dated 10th September 2022 giving clarification in respect of these changes. DoR vide Circular No 18/2022-Customs dated 10.09.2022 (copy enclosed) has stated that rules have certain significant change simplifying and automating the procedure, while retaining the basic contours of IGCR, 2017. These changes are of the nature that broaden the scope of coverage of IGCR and **ensure that useful additional data fields are effectively captured**. It is reiterated that these rules are not a departure from the existing procedure and hence all the clarifications provided vide Circulars 48/2017 dated 08.12.2017, 10/2021 dated 17.05.2021 and 04/2022 dated 27.02.2022, will continue be in effect, unless specifically modified by this Circular. **The salient changes include:**

- a. Clarifying the time period of utilisation to be the time period for compliance and **bringing in a provision to extend the said period in certain cases for the reasons beyond the importer's control.**
- b. **Prescribing a procedure for immediate re-credit of Bonds by Jurisdictional customs officer, rather than waiting till the time of filing of the monthly statement.**
- c. **Changes in the forms to capture the details where intended purpose is the export of goods using the goods imported etc.**

7. In respect of extension of time period beyond 6 months, this Circular clarifies as follows:

**A. Time period for utilisation of goods: When time period for utilisation is specified in the notifications, the said time period will apply. If not specified, the time period of six months will apply.**

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**B. A provision has also been introduced wherein the jurisdictional Commissioner can further extend such period of six months by another 3 months. However, it is clarified that such extension can be given provided the importer furnishes sufficient reason/s for not conforming to the time period so prescribed, which were beyond the importer's control.**

**8. Bond & Bank Guarantee:**

The norms pertaining to Surety/Bank guarantee that needs to be furnished by Importers under IGCR Rules are currently covered by Circular No. 48/2017- Cus dated 08.12.2017, while the norms for importers availing exemption benefit under Notifications No. 56/2000- customs, dated 05.05.2000 or 57/2000-customs, dated 08.05.2000 is specified in para 6(ii),(iii) & (iv) of circular 27/2016 – Cus dated 10.06.2016, as amended.

Now, the Bank guarantee/cash security/surety shall be taken as per the following norms for the purpose of extending the benefit under the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022. It is also clarified that the circular No. 48/2017-cus and the circular No. 27/2016-cus stands modified to this extent –

S.No	Category of importer	Quantum of BG/Cash Security/Surety
1	All importer (s) who are either a department of Central Government or a State Government or a Union Territory or a Public Sector Undertaking, or an autonomous institute under the said governments	Bank Guarantee/Cash Security: <b><u>Nil</u></b> Surety: <b><u>Not required.</u></b>  (excluding cases in <u>sl.no.</u> 4)
2	<b><u>All importers who are Authorized Economic Operators.</u></b>	
3	All importers who are nominated agencies for the import of gold under the India UAE CEPA	

4	Designated banks nominated by RBI as well as public sector undertakings importing under Notification no. 56/2000-customs, dated 05.05.2000 or Notification no. 57/2000-customs, dated 08.05.2000	Bank Guarantee/Cash Security- Nil Surety-Not required Provided a. they have not defaulted in following the procedure and conditions specified by DGFT; b. they have not defaulted in payment of duty within the specified period in cases where there was a default in export of jewellery by an exporter to whom the gold/silver/platinum had been supplied; c. they have not been involved in violations involving fraud or collusion or wilful misstatement or suppression of acts under relevant provisions of the Customs Act, 1962, the Central Excise Act, 1944, the Finance Act, 1994, the Foreign Trade (Development & Regulation) Act, 1992, the Foreign Exchange Management Act, 1999 and the rules made thereunder during the last three years;
5	<u>All importers who are manufacturers or service providers</u> registered under GST and have been filing prescribed GST returns without fail and <u>whose annual turnover in the preceding year is above Rs. 1 crore</u>	<u>Importers shall give surety for the amount of duty foregone. However, where the importer is not able to provide the surety, a bank guarantee/cash security equivalent to not more than 5% of bond debit value* shall be furnished.</u>  (excluding cases in <u>sl.no. 4</u> )
6	Importers not covered under <u>sl.no 1,2,3,4 or 5</u> above	Bank guarantee/Cash security- not more than 25% of the bond debit value*

\* Bond debit value – Duty foregone in case of concessional rate and assessable value of the goods in other cases.

9. As explained above for the Authorized Economic Operators (AEO's), no bank guarantee/surety is required to be given. AEPC had organized a Webinar with the Directorate General of Taxpayer Services (DGTS), Department of Revenue (DOR), Ministry of Finance (MOF) on Authorised Economic Operator (AEO) on

**16<sup>th</sup> June, 2022. During the webinar, a Power Point Presentation on AEO scheme was made by Shri Salik Parwaiz, IRS, Additional Commissioner (WCO Cell), Directorate of International Customs (DIC). The presentation was circulated by AEPC Circular No. 104 dated 21<sup>st</sup> June 2022 with request to become AEOs. Hence members are requested to use the facility of AEO.**

10. **As a trade facilitation measure, a new Form IGCR-3A has been notified for confirmation of consumption for intended purpose at the common portal at any point in time for immediate re-credit of the bond by the jurisdictional AC/DC, without waiting for the filing of monthly statement on the 10th of every month. The details filed in form IGCR-3A shall get auto populated in the monthly statement of the subsequent month, which has to be only confirmed by the importer.**

11. It has been clarified in the Circular that the DG-System shall make necessary changes in the system and issue system advisories for guidance and ease of understanding for the trade.

Suitable Public Notices shall also be issued to guide the trade/industry. The trade shall be proactively assisted during the transition period keeping in view the resolve to provide an enabling environment for manufacturing.

**Difficulty, if any, faced in the implementation, may be brought to the notice of Board immediately to the email of [dircus@nic.in](mailto:dircus@nic.in).**

12. AEPC's Circulars are available on AEPC's Website [www.aepcindia.com](http://www.aepcindia.com).

13. This is for your information please.

With warm regards,

Yours sincerely,

**Dr. L.B. Singhal**  
**Secretary General-AEPC**