

**Circular No.18 /2022-Customs**

F.No. 450/28/2016-Cus-IV  
Government of India  
Department of Revenue  
Ministry of Finance  
(Central Board of Indirect Taxes & Customs)

North Block, New Delhi.  
Dated: 10<sup>th</sup> of September , 2022

To,

All Principal Chief Commissioners/ Chief Commissioners of Customs / Customs (Preventive)  
/ Customs and Central Tax,  
All Principal Commissioners/ Commissioners of Customs / Customs (Preventive),  
All Principal Director Generals/ Director Generals under CBIC

Madam/Sir,

**Subject: Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022 notified vide Notification 74/2022 dated 9<sup>th</sup> September, 2022- regarding**

Reference is drawn to the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022 (hereinafter referred to as IGCRS Rules, 2022) notified vide Notification No.74/2022-Customs (N.T.) dated 09.09.2022 superseding the existing Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. These rules have come into effect from 10<sup>th</sup> September 2022.

2. CBIC had earlier introduced significant changes simplifying and automating the procedures in the (Import of Goods at Concessional Rate of Duty) Rules) IGCR, in short, vide Notification 09/2021-Customs (N.T.) dated 01.02.2021 followed by Circular 10/2021 dated 17.05.2021 and Notification 07/2022-Customs (N.T.) dated 01.02.2022 followed by Circular 04/2022 dated 27.02.2022. The online functionality has also been made available on the ICEGATE Portal.

3. Upon consideration of various suggestions to further facilitate the trade and to expand the scope of application, the IGCRS Rules, 2022 have been notified, while retaining the basic contours of IGCR, 2017. It is pertinent to note that 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. Expanding the scope of the IGCR procedure applicable to Specified End Use mentioned in Customs Notifications, i.e. apart from those pertaining to manufacturing

and in respect of those for providing output services. In case of end use, supply to the end use recipient and the nature of the supply is to be captured in the IGCR automated module.

- d. Changes in the forms to capture the details where intended purpose is the export of goods using the goods imported.
- e. Corresponding changes in the forms to better capture the different intended purposes (manufacturing, import for specified end use, export of goods using goods imported, supply to end use recipient or for provision of output service) and additional details such as Sl.No. of the Notification etc.
- f. In Rule 13 of IGCRS Rules, 2022, it is mentioned that reference in any rule, notification, circular, instruction, standing order, trade notice or other order in pursuance of the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996 and any provision thereof or to the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2016 and any corresponding provisions thereof or to the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 and any corresponding provisions thereof shall be construed as reference to the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022.

#### **4. Clarifications in respect of various aspects of the Rules:**

##### **4.1 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.

Further, multiple representations have been received in the Board regarding the inability to utilise the goods imported for intended purpose under IGCR within the prescribed time period of 6 months. In order to facilitate trade in such situations, a provision has 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.

##### **4.2 Specified End Use:**

IGCRS Rule, 2022 is also expanded to include cases where the intended purpose is for putting the goods imported to specified end use and not necessarily manufacturing or for providing output services. In this regard, it is clarified that:

- a. Procedure of intimation, generation of a unique IGCR Identification Number (IIN), import of the goods, submission of bond, maintenance of records, filing of monthly statement or any other procedures remains the same. The Importer shall undertake compliance to the officer having jurisdiction over primary address specified in the Importer Exporter Code (IEC) issued by DGFT.
- b. End use may be specified by a notification under sub-section (1) of section 25 or under section 11 of the Customs Act, 1962.
- c. Where the import is undertaken for a specified end use and no differential duty is involved, the value of the bond shall be equal to the assessable value of the goods.
- d. In cases where the intended purpose of import is supply of the goods to an end use recipient, the importer shall supply these goods under an invoice or where ever applicable, through an e-way bill, as mentioned in the CGST Act, 2017. The description and quantity of such goods shall be clearly mentioned by the importer.

- e. The importer shall maintain a record of all such goods supplied in a month and provide the details in the monthly statement.
- f. The restrictions on job work are only relating to the case where it is undertaken on the goods belonging to importer and does not apply to the end use recipient who receives the goods on the supply and deals with it as stipulated in the notification.

#### 4.3 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.

In view of the changes introduced to the procedures, 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 –

Sl.no.	Category of importer	Quantum of Bank Guarantee/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-Nil Surety-Not required.  (excluding cases in sl.no. 4)
2	All importers who are Authorized Economic Operators.	
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- <ol style="list-style-type: none"> <li>a. they have not defaulted in following the procedure and conditions specified by DGFT;</li> <li>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;</li> <li>c. they have not been involved in violations involving fraud or collusion or wilful mis-statement or suppression off acts under relevant provisions of the Customs Act, 1962, the Central Excise Act, 1944, the</li> </ol>

Sl.no.	Category of importer	Quantum of Bank Guarantee/Cash security/Surety
		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	All importers who are manufacturers or service providers registered under GST and have been filing prescribed GST returns without fail and whose annual turnover in the preceding year is above Rs. 1 crore	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. (excluding cases in sl.no. 4)
6	Importers not covered under sl.no 1,2,3,4 or 5 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.*

#### **4.4 UAE – CEPA:**

The Import of Gold under the India-UAE CEPA notified vide Notification 22/2022-Customs dated 30-04-2022, as amended by Notification 43/2022 dated 20-07-2022 prescribes Tariff Rate Quotas (TRQ) and following of IGCR Rules 2017. In this context, it is clarified that:

- (i) The Importer (in most cases, the nominated agencies) shall follow IGCRS Rules, 2022 for import of gold under the UAE – CEPA and supply the gold to end use recipients who are TRQ holders.
- (ii) The importer, having provided a one-time intimation in Form IGCR-1 at the common portal, can generate an IIN number and undertake multiple imports against the same. The procedure is already elaborated in the above-referred circulars. The details of end use recipient may be mentioned in IGCR-1.
- (iii) Imports pertaining to multiple TRQ holders can be clubbed together and imported in a single lot. However, it is to be ensured that when filing the bill of entry, the quantities against each TRQ holder need to be mentioned as a separate line item.
- (iv) The importer shall maintain records of the supply made to each end use recipient and shall mention the same in the monthly statement under form IGCR-3.
- (v) Importer shall follow the IGCR procedure till its supply to end-use recipient and filing of monthly statement.

#### **4.5 Imports by Nominated Agencies importing gold / silver/ platinum under the schemes for replenishment or Export against supply by Nominated agencies:**

The Amendments to the Notifications 56/2000 – Customs dt. 05.05.2000 and 57/2000 – Customs dt. 08.05.2000 governing above schemes were made through notifications

47/2022 – Customs and 48/2022 – Customs both dated 07.09.2022 w.e.f. 01.10.2022.  
Following aspects are clarified in this regard:

- I. The requirement of Bond / BG (Bank Guarantee) stipulated in the notifications shall be said to have been met, if the Bond / BG prescribed under IGCR is already furnished to the jurisdictional Customs officer. The norms for BG will continue to be governed by para 6 (ii), (iii) and (iv) of Circular 27/2016 – Customs.
- II. The importer shall maintain the records and submit monthly statement on the common portal.
- III. The end use recipient in these cases would be an exporter.
- IV. In case of supply against replenishment or for export against supply, the end use recipient shall also maintain relevant records and make it available to the jurisdictional Customs officer and importer.
- V. The restrictions on job work shall only relate to a case where it is undertaken on the goods belonging to importer and shall not apply to the end use recipient who receives the goods on the supply and deals with it as stipulated in the notifications. For the sake of clarity, it is reiterated that the end use recipient i.e. exporters, who are receiving supply from the importers, are allowed to send the goods to the job worker for further processing.

#### **4.6 Other changes:**

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 10<sup>th</sup> 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.

5. The Directorate General of Systems and Data Management, CBIC shall make necessary changes in the system and issue system advisories for guidance and ease of understanding for the trade.

6. Suitable Public Notices may please be issued to guide the trade/industry. The trade should be proactively assisted during the transition period keeping in view the resolve to provide an enabling environment for manufacturing. Standing Orders may be issued for the officers and staff. 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).

7. Hindi version follows.

Yours faithfully,

  
(Ananth Rathakrishnan)  
Deputy Secretary (Customs)