

**CIRCULAR**

**New Delhi, 25<sup>th</sup> November 2009**

**Sub: Revised norms for execution of Bank Guarantee under specified Export Promotion Schemes - Modifications in Circular No.17/09-Cus dt.25.05.09 - reg.**

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I am directed to invite your attention to Circular No.17/2009-Cus. dated 25.05.2009 (herein after referred to as 'the said circular') vide which revised norms for execution of Bond / Bank Guarantee (BG) in respect of imports made under the Advance Authorization / Export Promotion Capital Goods/Duty Free Import Authorization Schemes were notified and to say that, representations have been received to clarify, whether the status holders other than 'Star Export House' are entitled for 'nil' BG in terms of sl.No.(c) of the Table appended to para 2.1 of the said circular.

2 The issue has been examined by the Board. The circular no 17/09-Cus. had amended circular No.58/2004-Cus which was issued in the light of the provisions of the 2004-05 edition of the Foreign Trade Policy (FTP).The FTP-2004 recognized five categories of Status Holders viz. One star /two star / three star /four star and five star Export Houses. The circular No. 58/2004-Cus extended the benefit of 'nil' BG to all the five categories through a common phrase 'Star Export House' under sl.No. (c) of the Table. The intention of the circular no 58/2004-Cus was therefore to extend the benefit of 'nil' BGto all the status holders.The sl no. (c) of the table remained unchanged in circular No. 17/09-Cus.

3. As the above categories are now known as Export House, Star Export House, Trading House, Star Trading House and Premier Trading House respectively in terms of para 3.10.2 of the current FTP, the benefit of 'nil' BG should also be extended to all categories of status holders.The words 'Star Export House' appearing under sl. No. (c) of the Table may therefore be read to mean 'Status Holders recognized under the provisions of the Foreign Trade Policy'

4. These instructions may be brought to the notice of the trade / exporters by issuing suitable Trade / Public Notices. Suitable Standing orders/instructions may be issued for the guidance of the assessing officers. Difficulties faced, if any, in implementation of the Circular may please be brought to the notice of the Board at an early date.

Receipt of this Circular may kindly be acknowledged.

Yours faithfully,  
(P.V.K. Rajasekhar)  
OSD (Drawback)