

 वन्दे कुटुम्बम् ONE BROTHER - ONE FAMILY - ONE FUTURE		 Customs Act 60 शौरवशुक्ल दश संवत् २०२५
सीमा शुल्क आयुक्त कार्यालय, (निवारक) OFFICE OF THE COMMISSIONER OF CUSTOMS (PREVENTIVE) नं 1 , विलियम्स रोड, कन्टोनमेंट, तिरुच्चिरापल्ली 620001 NO.1 WILLIAMS ROAD, CANTONMENT, TIRUCHIRAPPALLI- 620 001		
IS 15700 CERTIFIED COMMISSIONERATE	Phone No.0431-2418819	E-mail: commrprev- custrichy@nic.in

F.No.: CUS/TECH/PN/59/2024-POL

Date:08-01-2025

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PUBLIC NOTICE NO. 09/2025

Sub.: Clarification on Insurance Amount and Bond Value for Customs Cargo Service Provider(CCSP) and validity of Bond for AEO-LO – Reg.

Ref.: CBIC Circular No.22/2024-Customs dated 08.11.2024

Attention of trade and general public is drawn to the earlier Circulars No.42/2016-Customs dated 31.08.2016 and 32/2013-Customs dated 16.08.2013 issued by CBIC / Board. In this regard, it may be recalled that Circular No.42/2016-Customs dated 31.08.2016 prescribed 10 days as the average dwell time to be considered while calculating the insurance amount under Regulation 5(1)(iii) of the Handling of Cargo in Customs Areas Regulations, 2009 (HCCAR 2009).

2. Further, Circular No. 32/2013-Customs dated 16.08.2013 clarified that Custodian Bond executed by CCSPs under Regulation 5(3) shall remain valid till the validity of approval granted to such CCSPs under Regulation 10.

3. The above Circulars have been reviewed by the Board/CBIC and appropriate changes have been incorporated in the HCCAR 2009 vide Notification No.75/2024-Customs (N.T.) dated 07.11.2024. This has also been clarified vide CBIC/Board Circular No.22/2024-Customs dated 08.11.2024 which is appended below:

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Circular No.22/2024-Customs dated 08.11.2024

Kind attention is invited to Board's Circular No. 42/2016-Customs dated 31.08.2016 which provided that average time taken for clearance of goods

should be a relevant factor in deciding amount of insurance and accordingly prescribed 10 days as an average dwell time to be considered while calculating the insurance amount as provided under Regulation 5(1)(iii) of the Handling of Cargo in Customs Areas Regulations, 2009 (hereinafter referred to as HCCAR).

1.2 Further, attention is also invited to the Board's Circular No. 32/2013-Customs dated 16.08.2013 which additionally clarifies that the custodian bond executed by CCSPs under Regulation 5(3) shall remain valid till the validity of approval granted to Customs Cargo Service Providers (CCSPs) under Regulation 10.

2. It has been represented to the Board that the guidelines prescribed vide the above referred circulars may be reviewed for reduction of cost incurred on insurance amount by Customs Cargo Service Providers (CCSPs) under Regulation 5(1)(iii) of HCCAR, 2009 by also bringing the attention of the Board regarding the reduction in average dwell time of imported goods and transit time for export goods.

3. The matter has been examined. In view of the present NTRS data and as a measure of Ease of Doing Business, it has been decided to partially modify the earlier Circular No. 42/2016-Customs dated 31.08.2016 with regard to Regulation 5(1)(iii) of HCCAR, to lay down that the amount of insurance to be provided by CCSPs should be equal to the average value of goods likely to be stored in the Customs area for a period of 5 days (based on projected capacity) and for an amount as Commissioner of Customs may specify having regard to the goods that are already insured by the importers or exporters. Corresponding changes have also been carried out in Regulation 5(3) of HCCAR, 2009 vide Notification No. 75/2024-Customs (N.T.) dated 07.11.2024 to reduce the value of custodian bond being furnished in respect of imported/export goods to the extent of 5 days storage from the current 10 days as stipulated in Notification No. 115/2016-Customs (N.T.) dated 26.08.2016.

4. The Notification No. 75/2024-Customs (N.T.) dated 07.11.2024 also amends Regulation 10 of HCCAR, 2009 providing that the approval for appointment of AEO-LO CCSPs as custodian has been made valid, till such time their AEO authorisation is valid and not suspended or revoked in terms of Regulation 12 of HCCAR, 2009. Accordingly, in terms of clarification provided in Circular No.32/2013-Customs dated 16.08.2013, the custodian bond executed by CCSPs i.e. ICDs/CFSs etc who are AEO-LO shall have the validity same as the validity of approval granted under Regulation 10 of HCCAR, 2009.

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Trade and General Public may take note of the above circular regarding clarification on Insurance Amount and Bond Value for CCSPs and validity of Bond for AEO-LO. Difficulty faced, if any, may be brought to the noticed of

this office immediately.

**Signed by Kaduganur
Margabandhu Ravichandran
Date: 08-01-2025 16:55:28**

K.M. RAVICHANDRAN
PRINCIPAL COMMISSIONER OF CUSTOMS (PREV.)

To,

- i. Members/Trade associations as per mailing list.
- ii. All concerned officers in Customs (Prev.) Commissionerate, Trichy.
- iii. Notice Board.
- iv. EDI section, Hqrs., Trichy.

Copy submitted to:

- i. Chief Commissioner of Customs (P), Trichy - with a request to direct the concerned officers to post it in zonal website.