

- 319 :-

GOVERNMENT OF PAKISTAN
APPRAISEMENT COLLECTORATE
CUSTOM HOUSE
KARACHI

No. S6/109/2004-Bonds-i

Dated 29.06.2005

CIRCULAR-09/2005

SUBJECT: ACCEPTANCE OF INDEMNITY BOND PLUS POST DATED
CHEQUE UNDER SECTION 86 OF THE CUSTOMS ACT, 1969:

Sections 86, 98 and 112 of the Customs Act, 1969 have been amended vide Finance Bill 2005. These changes are effective from 1st July, 2005. Now warehousing period for durable goods shall be six months instead of one year and one month for perishable goods instead of three months. The importer shall submit post dated cheque equivalent to duty and taxes assessed under Section 80 or 81 or reassessed under Section 109 on such goods at the time of in-bonding alongwith indemnity bond stating that he shall observe all provisions of the act and the rules in respect of such goods and pay on or before the date specified in a notice of demand the duty, taxes, rent and charges etc. Where the owner fails to clear bonded goods within the warehousing period, the post dated cheque will be got encashed after the expiry of warehousing period. In case the post dated cheque is not encashed for any reason, the Collector of Customs or any officer designated by him may detain the owner's goods (whether lying in any warehouse or freshly imported) for public auction and adjust sale proceed against the amount of duty and taxes surcharges etc. payable on goods warehoused but not cleared within the specified period and the surplus amount, if any, shall be disposed off in the manner provided in Section 201.

2. In view of the above mentioned legal changes made vide Finance Bill 2005, indemnity bond to be furnished under Section 86 of the Customs Act, 1969 has been amended and the same is attached herewith. Henceforth, the indemnity bond alongwith post dated cheque for the consignments to be warehoused from 1st July, 2005 and onward shall be submitted in the attached format.

Encls: (As above)


(AZHAR MAJEED KHALID)
Collector

INDEMNITY BOND

The Collector of Customs,
Collectorate,
Custom House,
Karachi.

Subject: WAREHOUSING OF STC (-KGS)
OF IN THE BONDED WAREHOUSE LICENCE NO.
 IMPORTED PER S.S. IGM NO.
 DATED INDEX NO. G.D NO.
 DATED

Dear Sir,

The deed of Indemnity is made on the day of 2005 between M/s.
 having N.I.C
 (Name and complete address)

No. , (hereinafter called Importers which means included their successors, administrators, executors) and assignees of the one part and the President of Pakistan through the Collector of Customs, Appraisement Collectorate, Custom House, Karachi, (hereinafter called the Collector of Customs).

Whereas in accordance with the Government of Pakistan decision contained in Chapter XI of the Customs Act, 1969, allowing warehousing of the subject imported goods in the public / private bonded warehouse, bearing licence No. PWL- , of M/s. (Name of the bonder)

without recovery of so much of the Customs duties, taxes and other charges and subject to conditions as specified below including that in case of default further warehousing facility of the defaulting importers should not be allowed:-

- i) to observe all the provisions of the Customs Act and the allied laws / rules in respect of such goods;
- ii) to pay on or before a date specified in a notice of demand all duties, taxes, rent and charges payable in respect of such goods together with surcharge on the same from the date so specified at

- the rate of one per cent per month or such other rate as is for the time being fixed by the Board;
- iii) to discharge all penalties incurred for violation of the provisions of the Customs Act and the allied laws / rules in respect of such goods;
- iv) if the said importer M/s. _____, or their legal representatives, shall pay to the appropriate officer of Customs and all dues whether customs-duties, warehouse-dues, rent or other lawful charges which shall be demandable on the said goods, or on account of penalties incurred in respect to them, within _____ month(s) from the date of this Bond, or within such further time as the Collector of Customs or the Central Board of Revenue may allow in that behalf together with interest on every such sum at the rate of fourteen percent per annum or such other rate for the relevant period as may be fixed by the Central Board of Revenue from the date of demand thereof being made in writing by the said officer; and
- v) if, within the term so fixed or allowed the said goods or any portion thereof, having been removed from the said warehouse for home consumption or re-exportation by sea, land or air, the full amount of all Customs-duties, warehouse-dues, rent and other lawful charges, penalties, and interest demandable as aforesaid shall have been first paid on the whole of the said good;

In case of failure of observing aforesaid conditions the Importers bind them selves to pay the Collector of Customs the sum of Rs. _____/- (RUPEES _____ ONLY), being the Custom duties, taxes and other charges livable on above cited consignment or part thereof, imported by the aforesaid Importers within ten days of receipts of the demand notice from the Collector of Customs.

Now therefore these presents witness that in pursuance of the Indemnity Bond the Importers M/s. _____ bind themselves from the loss of revenue to the extent of Rs. _____ /- and Collector of Customs is authorized to enforce this Bond for recovery of the above amount of revenue. In terms of Section 86 of the Customs Act, 1969, the importers are also enclosing a Post Dated Cheque, duly guaranteed by the concerned Bank's branch Manager, bearing No. _____ dated _____ of Rs. _____ /- It is further agreed that on the failure of the Importers to abide by any condition agreed that on the above said decision, the above mentioned amount of Rs. _____ /- may be recovered from the aforesaid bank or such Importers under Sections 112 and 202 of the Customs Act, 1969.

This Indemnity Bond shall be cancelled as soon as the warehoused goods cleared for Home Consumption under the relevant provisions of law and the Collector of Customs is satisfied about the lawful clearance of the goods for home consumption or otherwise for export on payment of duties and taxes otherwise it shall remain in full force and virtue.

Yours faithfully,

M/s. _____
Address: _____

NIC No. _____
(N.I.C OF THE DIRECTOR / PROPRETOR)

WITNESSES:

1. NAME _____
ADDRESS: _____

NIC NO. _____
(Preferably Customs Agent)

2. NAME _____
ADDRESS: _____

NIC NO. _____