

DGEP/EOU/G&J/16/2009
Govt. of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
Directorate General of Export Promotion

New Delhi, the 4th September, 2013

All Chief Commissioners of Customs/Central Excise,
All Commissioners of Customs /Central Excise

Madam /Sir,

Sub: Import of Gold and Gold Dore Bars- Procedure and Guidelines.

Reference is invited to Board's Circular No. 28/2009 dated 14.10.2009 regarding procedure to be followed by the Nominated Agencies for supplying duty free gold to exporters. RBI has now issued fresh guidelines for import of gold and gold dore bars vide circular RBI/2013-14/187, AP (DIR Series) Circular No. 25 dated 14.8.2013, as revised (copy enclosed). In order to operationalize the same, the following procedure shall be followed for import of gold. This circular shall supersede the customs circular no. 28/2009-Cus dated 14.10.2009 insofar as the import of gold is concerned. The import of silver and platinum shall continue to be governed by the customs circular dated 14.10.2009.

2. Henceforth, gold shall be permitted to be imported only by the agencies notified by DGFT, which as of now are as follows:

- i. Metals and Minerals Trading Corporation limited (MMTC);
- ii. Handicraft and Handloom Export Corporation (HHEC);
- iii. State Trading Corporation (STC);
- iv. Project and Equipment Corporation of India Ltd (PEC);
- v. STCL Ltd;
- vi. MSTC Ltd;
- vii. Diamond India Limited (DIL);
- viii. Gems & Jewellery Export Promotion Council (G&J EPC);
- ix. A Star Trading House (only for Gems & Jewellery sector) or a Premier Trading House under paragraph 3.10.2 of Foreign Trade Policy; and
- x. Any other agency authorized by Reserve Bank of India (RBI).

3. Import of gold by the banks/agencies/entities specified in para 2 above, henceforth referred to as Nominated Agencies for the purpose of this Circular, shall be subject to the following:

- a. Import of gold in the form of coins and medallions is prohibited.
- b. It shall be incumbent on the nominated banks/agencies/entities to ensure that at least one fifth, i.e., 20%, of every lot of import of gold imported to the country is exclusively made available for the purpose of exports and the balance for domestic use. A working example of the operations of the 20/80 scheme is given in the Annexure to the RBI Circular dated 14.8.2013, as revised.

- c. Entities/units in the SEZ and EOUs, Premier and Star Trading Houses shall be permitted to import gold exclusively for the purpose of exports only and these entities shall not be permitted to clear imported gold for any purpose other than for exports (irrespective of whether they are nominated agencies or not).
- d. Gold made available by a nominated agency to units in the SEZ and EoUs, Premier and Star Trading Houses shall not qualify as supply of gold to the exporters, for the purpose of the 20/80 Scheme;
- e. Gold imported ~~against any authorization such as Advance~~


provided the quantities are kept segregated and separate accounts are maintained;

- viii. the Nominated Agencies shall be exempt from following the double lock system. Physical presence of the Bond Officer will not be required for bonding or ex-bonding the goods. No cost recovery charges would be payable by the Nominated Agencies;
- ix. the Nominated Agencies can be visited by Custom officers for surprise audit or checks. The jurisdictional Commissioner should devise a system of random audit at least once in 3 months during the first year and twice in a year subsequently;
- x. the Nominated Agencies, intending to clear gold to an exporter, shall file an ex-bond Bill of entry clearly stating the name, address and details of

metal not exported, within 7 days of expiry of the period within which the jewellery manufactured out of the said quantity of gold was supposed to be exported. The Nominated Agencies will settle their claim with the exporter at their own level. The Nominated Agencies shall also report the cases of failure to export the jewellery made out of gold released to the exporter, to the Commissioner of Customs in whose jurisdiction the gold was originally warehoused;

- xvi. the customs officer shall ensure that all clearances of gold from the customs bonded warehouse are in accordance with the RBI circular, especially that the quantity of gold imported by the Nominated Agency, in the third consignment onwards from the date of notification of the RBI Circular dated 14.08.2013, as revised, does not exceed five times the quantity of gold contained in the exported products for which proof of export and realization of payments related thereto, has been submitted to the customs officer;
 - xvii. the reconciliation of exports and calculation of quantities for subsequent imports shall be done nominated agency-wise and port-wise by the jurisdictional customs officer.
5. For the import of gold dore bars, the following procedure is prescribed:
- i. import of gold dore bars shall be permitted only against a license issued by the DGFT;
 - ii. the entity to whom the license has been issued by DGFT, hereinafter referred to as the license-holder, shall be permitted to import gold dore bars subject to the conditions laid down in notification 12/2012-Cus dated 17.3.2012 as amended;
 - iii. the customs officer at the port from where gold dore bars are imported shall ensure that the quantity of gold imported by the license-holder, in the third consignment onwards from the date of notification of the RBI Circular dated 14.08.2013 as revised, does not exceed five times the quantity of gold contained in the exported products for which proof of export in accordance with Para 4A.8 (a) of HBP Volume 1 has been submitted to the customs officer;
 - iv. the customs officer at the port from where gold dore bars are imported shall maintain a license-holder wise record of the gold imported as per Register prescribed in Annexure-II. He/she shall also maintain a record of proof of export of the goods manufactured out of gold supplied by the license-holder to exporters from the refined gold. The proof of export, duly certified by the central excise officer in whose jurisdiction the refinery is registered, shall be submitted to the customs officer by the license holder.
 - v. the license holder shall ensure that at least 20% of the gold manufactured out of each consignment of gold dore bars is supplied to the exporters and the remaining is supplied for domestic use in accordance with the RBI circular dated 14.8.2013, as revised;
 - vi. entities/ units in the SEZ and EOUs, Premier and Star Trading Houses shall be permitted to procure gold from the refinery of the license holder exclusively for the purpose of exports only and these entities shall not be permitted to clear such gold for any purpose other than for exports (irrespective of whether they are nominated agencies or not). Further, gold made available by such refineries to units in the SEZ and EoUs,

- Premier and Star trading houses shall not qualify as supply of gold to the exporters, for the purpose of the 20/80 Scheme;
- vii. the central excise officer, in whose jurisdiction the refinery is registered, shall monitor that at least 20% quantity of refined gold shall be for the supply to the exporters only and remaining can be cleared in accordance with the RBI circular dated 14.8.2013, as revised;
- viii. for each consignment of gold dore bars imported, the license holder shall submit a report on utilization of gold dore bars, gold produced after refining, gold issued to exporters and the proof of export for the goods manufactured and exported by these exporters to the central excise officer under whose jurisdiction the refinery of the license holder is registered. A copy of the same, duly authenticated by the central excise officer, shall be submitted to the customs officer under whose jurisdiction the consignment was initially imported.
6. This Circular shall be deemed to be modified as and when, and in the manner RBI issues any circular to amend the policy related to import of gold as contained in their circular dated 14.08.2013 as revised.
7. Wide publicity may be given to these instructions by way of issuance of Public/Trade Notice. Difficulties, if any, in implementation of these instructions, may be brought to the notice of the Directorate General of Export Promotion.
8. Receipt of this circular may be acknowledged.
9. Hindi version will follow.

Yours faithfully,

(Jitendra Kumar)
Additional Director

Copy for information to:

PS to Chairman, CBEC, New Delhi
PS to all Members of the CBEC, New Delhi
All Directors General under CBEC,
webmaster.cbec @ icegate.gov.in

Annexure-I**Register to be maintained by the customs officer in terms of Para 4 (X)**

1. Name of the Nominated Agency:
2. Full Address :
3. Bond No.& Date :
4. Amount of Bond :
5. Type of Bond (Running/Revolving/Consignment-wise):
6. Accepted by:

RECEIPTS

Date	Date of Import	B/ E No. & Date	Date of warehousing	Quantity of Gold warehoused	Value of, and duty involved in the gold warehoused	Signature of the authorized representative of the Nominated Agency	Signature of the Customs officer
1	2	3	4	5	6	7	

Quantity permitted to be imported in terms of RBI Circular

B/E number and Date	Quantity imported	Quantity warehoused	Quantity cleared on payment of duty	Quantity supplied to EOUs/SEZ units, Premier and Star trading houses	Quantity supplied to exporters (other than those in column 5)	Quantity for which proof of export has been received till the date of next import of gold from quantity supplied in column 6	Quantity permitted to be imported
1	2	3	4	5	6	7	8

Annexure-II**Register to be maintained by the customs officer in terms of Para 5 (v)**

1. Name of the License holder:
2. Full Address :
3. Name and address of the central excise office where the refining unit is registered :

RECEIPTS

Date	Date of Import	B/ E No. & Date	Quantity of Gold dore imported	% purity of gold as indicated in the assay report	Estimated quantity of pure gold	Signature of the Customs officer
1	2	3	5	6	7	8

Quantity permitted to be imported in terms of RBI Circular

B/E number and Date	Quantity of pure gold estimated in gold dore bars imported	Quantity of pure gold obtained after refining	Quantity cleared on payment of duty	Quantity supplied to EOUs/SEZ units, Premier and Star trading houses	Quantity supplied to exporters (other than those in column 5)	Quantity for which proof of export has been received till the date of next import of gold from quantity supplied in column 6	Quantity permitted to be imported
1	2	3	4	5	6	7	8