

CIRCULAR No: #069/GEN

Date: - 03.02.2026

To,  
All Member Industries of DCCIA Pune.

**Subject: - Higher Bank Guarantee executed by EOUs pursuant as per Notification No. 48/2017-Cus**

Dear Members,

It was brought to the notice of Chamber that many EOUs have executed Bank Guarantees ("BG") equivalent to 25% of the duty saved amount, as surety, in terms of Notification No. 48/2017-Cus dated 18<sup>th</sup> Oct 2017 which was hitherto only 5% duty saved as per notification number 42/98 – Customs dated 19/6/98. This confusion had arisen during transition from pre GST to post GST era. Subsequently, the Board clarified vide circular number 27/2018 – Customs dated 14<sup>th</sup> August 2018 that the aforesaid notification No. 48/2017 – custom (stipulating a BG equivalent to 25% of duty saved) is not applicable to EOUs and that EOUs shall continue to be governed by the earlier prescribed norms, which stipulated execution of Bank Guarantee of 5% of the duty saved amount.

DCCIA had taken up the above matter at the 94<sup>th</sup> PTFC at the office of Commissioner of Customs. We are pleased to inform the member that the matter has been clarified as under: -

***“Notification No. 48/2017-Customs (stipulating a BG equivalent to 25% of duty saved) is not applicable to EOUs and that EOUs shall continue to be governed by the earlier prescribed norms (Notification No. 42/98-Customs dtd. 19.6.98) i.e. Execution of Bank Guarantee of 5% of the duty saved amount, is factually correct and Customs Facilitation Ranges are instructed to comply with the said provisions”***

(Copy of MOM of 94<sup>th</sup> PTFC is attached – Please refer Point 2)

In view of the above clarification, all EOUs which have executed higher BG of 25% can now approach the Custom Facilitation Ranges and request for return of higher BG of 25% and replace it with lower BG of 5% of duty saved.

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