

F. No: 473/03/2017-LC  
Govt. of India  
Ministry of Finance  
Dept. of Revenue  
Central Board of Indirect Taxes & Customs  
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North Block, New Delhi  
Dated 28<sup>th</sup> December 2018

To,  
All Principal Chief Commissioners/Chief Commissioners of Customs  
All Principal Commissioners/Commissioners of Customs

**Subject: Procedure to be followed in cases of manufacturing or other operations undertaken in bonded warehouses under section 65 of the Customs Act - reg.**

Madam/Sir,


Please refer to Circular 38/2018 customs dated 18.10.2018 issued on the above subject. Certain sections of trade have represented that that they were hitherto permitted to undertake operations under Section 65 of the Customs Act, 1962 in a public bonded warehouse, licensed under section 57 of the Act, *ibid*. The jurisdictional customs authorities have not renewed their permission to undertake section 65 operations in a public bonded warehouse, in view of Circular 38/2018. This has jeopardized their packing operations and put the trade in difficulty. They have requested for relief in this regard to ease the difficulty of trade.

2. The matter has been examined. Circular 38/2018 was issued to streamline the operations under Section 65 of the Customs Act, 1962, including the process of application, maintenance of records, manner of discharging duty liability of imported goods and resultant products etc. *vide* the Circular, it was clarified that operations under Section 65 should be undertaken in private bonded warehouses licensed under Section 58 of the Act.

3. In this connection, to enable a proper examination of the matter without sudden disruption to any activities that were permitted in the past under Section 65, Board has decided to allow operations under section 65 to be continued in public bonded warehouses up to 31<sup>st</sup> January 2019, in respect of such operations and for such operators, who had been permitted such facility by jurisdictional authorities, as on the date of issue of Circular 38/2018-Customs dated 18.10.2018.

4. Clarification required, if any, may be sought from the Board

5. Hindi version follows.

  
(Tamsunaro Jamir)  
Joint Commissioner (ICD)