



I.2 Standard Operating Procedure

For

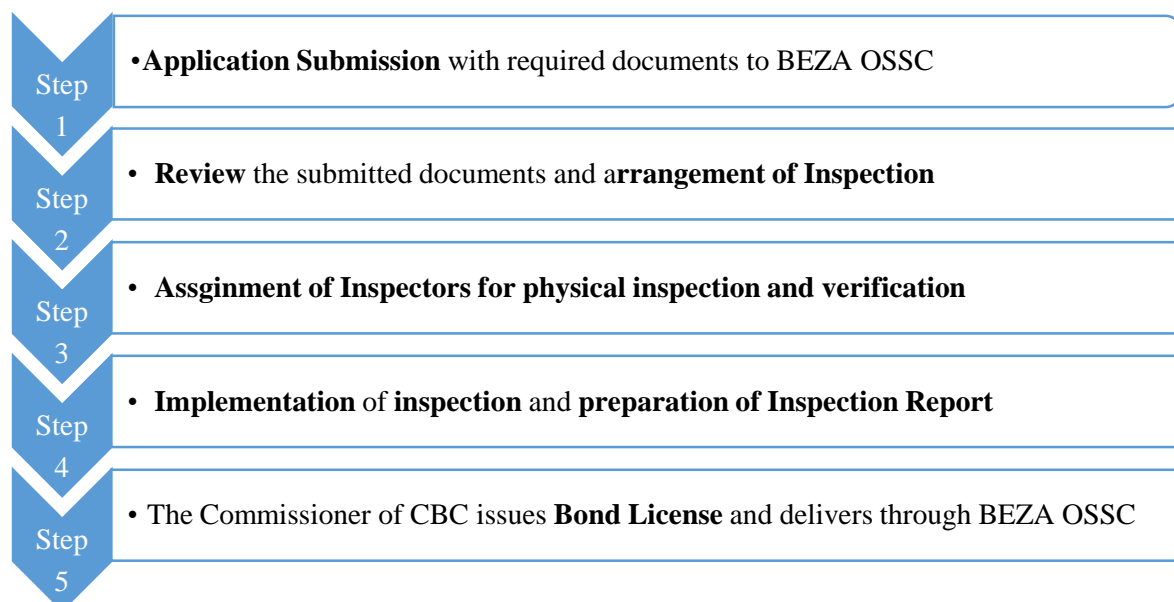
Bond License

6th January 2020

I.2 Bond License

According to the Customs Act, 1969, only 100% export-oriented industries are eligible to avail bond facilities under which industries are allowed to import raw materials without paying import duty and other applicable taxes. Initially, the bond facilities were closely monitored by the concerned Custom Houses. Individual companies had to go through procedures for import and/or export which were very complex and as such, reconciliation of import and export quantities was very difficult. In order to avoid such situation for accelerating export activities as well as to broaden the base of economic development, the government of Bangladesh for the first time established a separate Bond Commissionerate in the name of “Customs Bond Commissionerate (CBC), Dhaka” in November 1, 2000 and CBC has started issuing Bond License to the 100% of export oriented industries. Subsequently, the government of Bangladesh, in order to bring the bond related services at the doorstep of the stakeholders, also established another Bond Commissionerate in the commercial capital Chittagong in the name of “Customs Bond Commissionerate (CBC), Chittagong” in November 10, 2010.

In case of Economic Zones in Bangladesh, an EZ Unit Investor who is given investment clearance as an Export Oriented Industry that mainly prefers export oriented business may apply for the Bond License. The steps to obtain the Bond License are summarized as shown in the following figure:



It should be noted that the Licensees of Bond License are required to pay the General Bond which is kind of a guarantee deposit of certain amount of funds against any business activities under certified bonded area, i.e., bond entry of raw materials, storage and use of the raw materials in a bonded

warehouse/factory, and bonded export. After the payment of General Bond, the Licensee receives the Certificate of General Bond from CBC.

While the Bond License is provided to 100% export oriented industries in general, currently the EZ Unit Investors obtaining Bond License may sell their products to the domestic market in Bangladesh up-to 20 % of total production quantity according to the Bonded Warehouse Licensing Rules 2008 (SRO No. 181- Act /2008/2209/Duty dated 26/06/2008) upon payment of required import duties and applicable taxes. The EZ Unit Investors are required to submit the necessary report to the Customs office (See the SOP of Transfer Goods for detailed procedures).

To facilitate providing the benefits under Bond License, the National Board of Revenue (NBR) time to time issued SROs, Orders and Notifications as enforced by the CBC and other relevant VAT Commissionerates. The office of the CBC regularly facilitates the exporters under the above rules and regulations. The EZ unit investors may contact BEZA OSSC to get the latest information on the rules and regulations. The procedures of obtaining the Bond License is explained below:

1. Bond License

Required Documents	<ul style="list-style-type: none"> • Cover letter in company's letterhead along with court fee (Tk. 20/) • Filled-in Application Form (Schedule-1) <p><u>Required Copies of Licenses/Approvals/Permits</u></p> <ul style="list-style-type: none"> • Copy of Investment Clearance Certificate issued by BEZA • Certified copy of Certificate of Incorporation and Memorandum and Articles of Association issued by RJSC/ Registered partnership deed • Copy of updated Trade License • Copy of Tax Identification Number (TIN) certificate duly attested • Copy of Value Added Tax (VAT) registration certificate • Copy of updated Fire License • Copy of updated Environmental Clearance Certificate • Copy of updated Factory License • Copy of updated Boiler Certificate (if applicable) • Copy of Membership certificate along with letter of recommendation by the related Trade Association (if the applicant belongs to the applicable association) <p><u>Required Evidences for Managing Director/Directors</u></p> <ul style="list-style-type: none"> • Copy of National ID of Managing Director/ Passport and Work permit of Managing Director in case of Foreigners • Certified copy of Last Income Tax Return of the company and all Directors/Managing Director/Managing Partner (Certified copy of IT-10B, if applicable)
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	<ul style="list-style-type: none">• Statement of Directors printed on non-judicial stamp of BDT 500/- detailing names, designation, present and permanent address, NID, signature of the of the Owner/ Managing Partner/ Managing Director along with attested photograph duly notarized and attested by the lien bank <p><u>Required Evidences for Facilities</u></p> <ul style="list-style-type: none">• Two (2) copies of Layout Plan of the proposed bonded warehouses prepared in blue print or A3 size (prepared in CAD) duly signed by the registered Engineer and Managing Director indicating the size of proposed bonded warehouse• Copy of Lease Agreement signed with BEZA/Land Purchase Deed (in case of private EZ, if land is bought)• Documents related to import/purchase of machinery as follows:<ul style="list-style-type: none">a. VAT challan (if the machinery are locally produced and completely brand newb. VAT Challan and the Life Certificate issued by a recognized PSI (if locally produced machinery is used for more than five years or manufactured before 5 years)c. Catalogue issued by the original manufacturer, B/E, B/L, LC, Commercial Invoice (If the brand-new machineries are directly imported)d. B/E, photocopy, VAT challan (if the brand-new machineries are locally procured)e. The Life Certificate issued by recognized PSI firm, VAT challan, photocopy of B/E (if the imported machineries are old and locally produced)• Catalogue of machinery installed along with production capacity• Certificate of installation of machinery by the registered engineer and firm• Copy of permission relating to utilities (electricity, gas and water)• Copy of utility bills for last month (electricity and other fuel bills, gas and water bills) <p><u>Required Evidences for Financial Capacity</u></p> <ul style="list-style-type: none">• Certificate from the lien bank that the applicant has sufficient financial capacity or certificate of foreign currency encashment along with evidence of bank loans / transaction to submit General Bond (GB) for an appropriate amount• Copy of signed General Bond• Original Treasury challan <p><u>Other Required Documents</u></p> <ul style="list-style-type: none">• Letter of Undertaking/Affidavit on non-judicial stamp of BDT 500/- to comply with all the laws, rules and regulations and procedures of doing business in the Bangladesh duly signed by the Owner/ Managing Partner/ Managing Director and also notarized by the competent authority
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	<ul style="list-style-type: none"> • Declaration in the company letterhead confirming that no sister concern has any overdue relating to bond facilities, any suit or rite petitions, etc.
Actual Procedures	<ol style="list-style-type: none"> 1. Applicant /Unit Investor visits BEZA OSS website, downloads the Bond License Application Form (Schedule-1) and submits the filled-in Application Form along with prescribed complete data sheet and required documents. 2. BEZA OSS Center will prepare a file in the name of the applicant and place the Application Form and other submitted documents. 3. If the documents are found in order, the file will be forwarded to the Focal Point of CBC-NBR who will review the entire documents and request the Commissioner at CBC office to assign an Inspection Team comprises of 2/3 officials and fixes a date of inspection. <i>(If the Application Form is not accepted due to its deficiencies, it will be returned to the Applicant keeping a serial number in the Register).</i> 4. The Inspection Team will visit the factory on the pre-determined date and verify all documents. 5. After inspection, the Focal Point will ensure submission of the file along with an Inspection Report in a specified format (See Annexure-A) to the Commissioner (CBC). 6. Upon review, if the inspection report is found satisfactory, the Commissioner (CBC) will issue bond license with some conditions as per the Schedule-3. 7. The Focal Point collects the Bond License for BEZA OSS Center and the Business Information Officer of OSSC at the front desk will hand over the bond license to the authorized representative of the Applicant's organization
Required Processing Time	<p>Within 22 (Twenty-two) working days after official receipt of application</p> <ul style="list-style-type: none"> * Official receipt means when all the required documents for obtaining a bond license are received by a designated officer of the Bond Commissionerate at BEZA OSSC. * If the documents are found in order the bond license will be issued within 7 working days after inspection.
Application Fee	License fee of BDT 10,000/-
Remarks	<ul style="list-style-type: none"> • The required documents are based on the Schedule 2 in the Bonded Warehouse Licensing Rules, 2008 (SRO No. 181- Act /2008/2209/Duty dated 26/06/2008 • All the required documents above mentioned should be duly signed by the lien bank and the Proprietor /Managing Partner /Managing Director • The Proprietor / All the Partners/ All the Directors of the applicant organization shall be present physically at CBC office to sign the General Bond before the license is issued • Automation system may be integrated with the respective Customs Authority so that quantity of stock can easily be assessed

List of Forms

No.	Form No.	Description
1	Schedule 1	Bond License Application Form
2	Schedule 3	Format of Bond License
3	Annexure-A	Inspection Report

BOND LICENSE APPLICATION FORM

Section A

1. Name of the Manufacturing Unit/ Project	
2. Address of the Manufacturing Unit/the Project	
Plot Number	
Economic Zone	
Union	
Upazila	
District	
Police Station	
Phone/PABX Number	
Fax Number	
Mobile Number (Key contact person)	
E-mail	
3. Name of the Head Office	
4. Address of the Head Office	
Holding No.	
Road No.	
Area/Village	
Mouza	
Union	
Upazila	
District	
Police Station	
Ward	
City Corporation/Municipality	
Phone/PABX Number	
Fax Number	
Mobile Number	
E-mail	

5. Manufacturing Unit/Project Premises [Please tick]							
5a.		Rented	Land Lease Deed no/Investment Clearance no.		Issue Date		Plot No
					Exp. Date		

5b. Whether there was any other Bonded factory before at the same premises					Yes		No
If yes, please mention Bond License No., if any							

6. Type of Bond [Please tick]		Special Bonded Warehouse		Private Bonded Warehouse
	<i>Sub-categories</i>			
		Direct		Supervised Bond
		Direct & Deemed		Home Consumption Bond
		Continuous Bond		Export Processing Zone
				Domestic Tariff Area
				Privileged/Diplomatic Bond
				Continuous Bond
				Commissariat
				Deemed
			Direct	
			Direct & Deemed	

7. Category of Bond [Please tick]		
	A (100% Foreign Investment)	B (Both Local & Foreign Investment)
		C (100% Local Investment)

	Number		Date
8. Tax Identification Number		Issue	
9. BEZA Investment Clearance Number		Issue	
10. VAT Registration Number (BIN)		Issue	
11. Trade License Number		Issue	
		Exp.	
12. Fire License Number		Date	
		Exp.	

13. Enrolment (if any):

a. Enrolled with [tick]	<input type="checkbox"/>	BGMEA	<input type="checkbox"/>	BKMEA	<input type="checkbox"/>	BLMEA	<input type="checkbox"/>	BGAPMEA	<input type="checkbox"/>	BPGMEA
		Others (specify):								
b. Membership Number								Issue		
								Exp.		
14. Environmental Clearance Certificate (ECC) Number (If Applicable)								Issue		
								Exp.		

15. Lien Bank Details					
Code	Name	Branch	Address	Fax	Solvency Certificate issuing bank [please tick]

Section B

16. Owner's Information

Ownership Category [Please tick]:					
<input type="checkbox"/>	Proprietorship	<input type="checkbox"/>	Partnership	<input type="checkbox"/>	Public Limited

Name of Chairman or MD/ Director			
Father/Husband's Name			
Tax Identification Number		Date	
Present Address			
Permanent Address			
Residence Phone Number			
Mobile Number			
Passport Number (if any)		Date	
Place of Issue of Passport, if any			
National ID No (For Bangladeshi)			
Signature and Photo	Put your Signature here	Attach one copy Passport Size recent Photograph	

17. Director's/Partner's Information (for Limited/Partnership Company)			
Name			
Father/Husband's Name			
Tax Identification Number		Date	
Present Address			
Permanent Address			
Residence Phone no.			
Mobile Number			
Passport Number (if any)		Date	
Place of Issue of Passport, if any			
National ID No (For Bangladeshi)			
Signature and Photo		Put your Signature here	Attach one copy Passport Size recent Photograph
<i>(Please use separate sheet, if needed)</i>			

Section C

18. Manufactured Goods Information		
Description of Goods to be manufactured (as per the Investment Clearance. No. of BEZA.....)		
Sl. No	HS Code	Commercial Description
<i>(Please use separate sheet if needed)</i>		

19. Total Area of the Factory				
SL	Length (ft)	Width (ft)	Area (Sq-ft)	
20. Raw Materials Warehouse:				
SL	Length (ft)	Width (ft)	Height (ft)	Volume (Cubic-ft)
21. Finished Goods Warehouse (If Applicable):				
SL	Length (ft)	Width (ft)	Height (ft)	Volume (Cubic-ft)

22. Raw Materials Information:		
Description of Raw Materials and Accessories (if applicable) as per the installed machinery and equipment:		
Sl. No.	HS Code	Commercial Description
<i>(Please use separate sheet, if needed)</i>		

Section D

23. Installed Machineries Information			
23.a Description of the Machinery and Equipment:			
a.	Description		
b.	Brand Name		
c.	Model Number		
d.	Manufacturing Year		
e.	The art/Part serial or no. of the machineries/equipment		
f.	Country of Origin		
g.	B/E No or VAT Challan Number	Date	

h.	BL Number		Date	
i.	Invoice Number		Date	
j.	LC Number		Date	
k.	Number of Machines			

(Please use separate sheet if needed)

23b. Product-wise mother and auxiliary Machinery and Total Production Capacity:

Sl	HS Code of the Product to be produced	Commercial description of the Product to be produced	Mother Machine's Description	Quantity/No. of mother machine of this type	Auxiliary Machines' Descriptions	Annual Total Production Capacity of the Mother Machine	Unit
					1. 2. 3. 4. 5.		
					1. 2. 3. 4. 5.		
					1. 2. 3. 4. 5.		

(Please use separate sheet if needed)

24. Indemnity Bond / Undertaking for Import of Machinery (if any)

24a. Particulars of Importation for Installed Machinery:

SL no	B/E no	Date	Indemnity / Undertaking No	Date	Cash Memo/ Challan/Voucher no	Date	Due date of release	Actual date of release

(Please use separate sheet, if needed)

24b. If it is purchased from other Bonded Factory (after release of Indemnity Bond/Undertaking by Importer)

SL	Investment Clearance Number (From BEZA.....)	Date	Permission from Bond authority	Date	Transferor lien bank NOC no	Date	Bank Code	Bank Name	Bank Address	Branch Name & Address of Lien Bank

(Please use separate sheet, if needed)

25. Annual Import/Local Purchase Entitlement for Raw Materials:

SL	HS CODE	Description of the commodities	Specification/ Grade	Quantity	Unit

Schedule 3

“Appendix -03

[Rules 6 Refers]

Government of the People’s Republic of Bangladesh
.....**Commissionerate**

Not Transferable

Bonded/Special Bonded Warehouse License for Fully Export Oriented Industrial Organization

[Issued in accordance with the Customs Act 1969 Section 13(1)

License No.

Dated:

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1. (A) Name of the Industrial Organization :
(B) TIN :
2. (A) Full Office Address :
(B) Phone Number and Fax Number :
(C) E-mail :
3. (A) Full Address of the Factory :
(B) Phone and Fax Number :
(C) E-mail :
4. Ownership of Office/Factory Building : Self owned/rented
5. Detailed description of Owner/Managing Partner/Managing Director :

Name, Father/Husband’s Name of the Owner/Managing partner/Managing Director of the Organization	Occupation and Nationality	Permanent Address	Current Address	Signature

6. Detailed Description of Owner/ Partners/Directors of other Organizations:

Name, Father/Husband’s Name of the Partners/Directors of other Organizations	Occupation and Nationality	Permanent Address	Current Address	Signature

7. The membership Number of BGMEA/BKMEA/concerned Government

Approved Committee: Date:

8. Enlistment Number of Investment Board: Date:

9. E R C Number: Date:

10. I R C Number: Date:

11. VAT Registration Number: Date:

12. Name, Address and Phone No. of Lien Bank: Date:

13. Description of goods manufactured by the industrial organization
(as per enlistment of Investment Board): Date:

14. Annual production capacity (product wise) of goods of the industrial organization
(as per physical inspection report of the Taxes Department) :

15. Details of raw materials used for manufacturing such goods (if necessary separate pages mentioning HS Code with signature of licensing officer and number of additional pages has to be mentioned):

16. Details of the signatory of Customs Duties documents pertaining to Bonded Warehouse:

Name	Designation	Phone and Fax No.	Specimen Signature (the signature that is used in Bank Account)

17. Total size of the area of the Bonded Warehouse :

18. Total size of the area of Raw Material Storage :

19. Total size of the area of manufactured products Storage :

20. Details of raw materials processing to be stored under Into Bond(if necessary, additional papers like serial 15 may be used):

Description	H S Code	Annual import entitlement (amount)

21. Highest one-time import entitlement/bonding capacity (amount) according to annual import entitlement, storage capacity of raw materials warehouse, export performance (in relevant cases) and policy issued by National Board of Revenue (if any)

22. This License is issued in favor of Messers with the condition that the terms and conditions mentioned in the other page will be observed sincerely.

Date:

Commissioner

Terms and Conditions to be followed by the Licensee

1. This license is not transferable.
2. The licensee i.e. the Bonder is bound to observe all rules regulations pertaining to safe custody of all materials stored in the warehouse
3. The raw material storage area, production area, manufactured goods storage area and office room of the bonded warehouse premises must be well laid out and secure. The raw materials and manufactured goods in the warehouse must be stored in such a way that both raw materials and manufactured goods can be inspected conveniently. It is to be kept in mind that the volume of manufactured goods and package of the goods do not surpass the capacity of warehouse. Storage and stacking of goods must be done in accordance with instructions from Licensing Authorities.
4. The **Licensee** must maintain the stock book in such a way that is allows easy inspection of stored goods. The Stock Book must be produced before Customs Officer whenever he asks for it.
5. The **Bonder** must be obliged to obey all SRO/Orders/Instructions issued by National Board of Revenue and Customs Authority regarding operation and administration of Bonded Warehouse.
6. The Bonder will be obliged to follow all rules and regulations pertaining to import and export of goods under Bond License.
7. Other than the raw material mentioned in the second page of the license, no other goods, machineries or accessories are allowed to be released under Bond facilities.
- ¹8. (A) Within ²30 (thirty) days after expiry of one year period of Special Bonded Warehouse License of fully export oriented industrial organization, all documents necessary for annual audit must be produced before the Licensing Authority, and the organization must remain prepared for the audit.
(B) After receiving the documents mentioned in (A) above, the Licensing authority must complete the annual audit of the concerned organization by next 90 (ninety) days.
(C) If the **Licensee** fails to submit all necessary documents within the given time and does not remain prepared to face the audit, the Commissioner (Bond or concerned Commissioner will

¹ Amended vide SRO No. 162-Law/2011/2349/Customs dated 09.06.2011.

² Amended vide SRO No. 232-Law/2012/2413/Cus dated 28.06.2012

suspend the License and the suspension will only be lifted after the annual audit is done following all legal procedures.

9. For Bonded Warehouse License of other fully export oriented industrial organizations, all necessary documents for audit must be submitted before the Licensing Authority within 15 (fifteen) days of expiry of 1 (one) year licensee period.

10. For any change in the licensee organization's organogram and/or the managing committee, for shifting or expansion or any alteration of the bonded warehouse, prior permission from the Licensing Authority must be obtained, and any such change without first obtaining change/amendment in the license will be considered illegal and gross violation of Customs Law and punitive measures will be taken.

11. The provisions described in The Customs Act 1969, Warehousing (Chapter XI) will be applicable to this Bonded Warehouse License.

I and all members of the Licensee Organization must at all times follow all terms and conditions mentioned above. In case of any violation, we shall be bound to accept any legal action taken by the Licensing Organization.

Date:

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(Signature of Owner/
Managing Partner/Managing Director)

Annexure-A

Inspection Report

Name of company :
Address :
Type :

Basic Information on Infrastructure

1. Property Type: Own Property Rented
2. Protection Status: Safe Non-safe

If Non-safe, state of the Conditions:

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Basic Information on Production

1. List of Required Raw Materials:
2. List of Final Products:
3. List of main production line:
4. List of auxiliary machineries:

Basic Information of Bonded Warehouse

1. Measurement:.....
2. Structure Type: Concrete Steel Structure Other
3. Any sort of Utilities: Yes No
4. Fire Fighting System: Yes No

If yes, give detailed description:

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5. Ventilation System: Yes No

Any Special Comments:

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