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Circular No : 44 / 2002

Date : 14 Nov 2002



CUSTOMS AND EXCISE DEPARTMENT

55 Newton Road

#10-01 Revenue House,

Singapore 307987

REPUBLIC OF SINGAPORE

Telephone : 6355 2000

Telefax : 6250 9606

Homepage : <http://www.gov.sg/customs/>

E-mail : CFD_Documentation@ced.gov.sg



All Traders and Declaring Agents

INSURANCE BOND AS SECURITY

Apart from accepting guarantees from banks and finance companies, CED has from 15 Jan 2002 been accepting insurance bonds as a form of security. This is provided that the insurance bonds are issued by insurance companies registered with the Monetary Authority of Singapore (MAS) and that the maximum liability per insurance bond does not exceed \$100,000.

2 We are pleased to inform you that following a review, CED has decided to lift the \$100,000 limit on insurance bond with immediate effect. The insurance bond shall continue to be issued by an insurance company under the category of General Insurers and Composite Insurers approved by MAS. CED reserves the right to reject any insurance bond as a form of security.

3 Please refer to Annexes A and B for the Banker's Guarantee/Insurance Bond formats. Annex A is for the lodgment of security in respect of Customs permit declarations and operation of licensed premises. Annex B is for lodgment of security to cover permit declarations only. You may wish to download the formats from CED website at <http://www.gov.sg/customs>.

4 This circular supersedes Customs Circular No. 49/2001 dated 20 Dec 2001.

5 If you need further information, please contact the Customs Call Centre at Tel No 6355 2000 (*) (0).

TAY CHIN LEONG
HEAD DOCUMENTATION
DOCUMENTATION BRANCH
for DIRECTOR-GENERAL OF CUSTOMS & EXCISE

z/insurebond.circular

*BANKER'S GUARANTEE/INSURANCE BOND FORMAT
(PERMITS & LICENSED PREMISES)*

<Bank's/Finance Company's/Insurance Company's Letterhead>

Date:

Director-General of Customs & Excise/Deputy Comptroller of Goods and Services Tax
55 Newton Road
10-01 Revenue House
Singapore 307987
Republic of Singapore

Dear Sir,

**LETTER OF *BANKER'S GUARANTEE/INSURANCE BOND NO. _____ FURNISHED
UNDER SECTION 99(1) OF THE CUSTOMS ACT (CAP 70)(REVISED EDITION 1997)
AND REGULATION 85 OF THE GOODS AND SERVICES TAX (GENERAL) REGULATIONS**

In consideration of your having agreed at our request not to require the payment of the sum of dollars
_____ (\$ _____) from _____

(Name & Address of Company/Firm/Person(s))

(CR No. _____)(hereinafter referred to as "the Principal") as security pursuant to section 99(1) of the Customs Act (Cap 70)(Revised Edition 1997), read with section 26 of the Goods and Services Tax Act (Cap 117A)(Revised Edition 1997), and regulation 85 of the Goods and Services Tax (General) Regulations, we hereby agree to pay to you on demand the whole of any sums which you may require from the Principal for the payment of:

- (a) *any goods and services tax chargeable, under the Goods and Services Tax Act or subsidiary legislation made thereunder, on the importation of goods, including any interests thereon;*
- (b) *any duties, taxes, fees, penalties and all other charges required under the Customs Act or subsidiary legislation made thereunder, read with section 26 of the Goods and Services Tax Act, in all the Principal's transactions with you, including any interests thereon; or*
- (c) *any goods and services tax and fees required under the Goods and Services Tax Act or subsidiary legislation made thereunder in relation to the operation of any bonded warehouse under Part XIII of the Goods and Services Tax (General) Regulations or in relation to any goods subject to a warehousing regime under section 37 of the Goods and Services Tax Act, including any interests thereon:*

PROVIDED that the total amount recoverable from us under this *Guarantee/Bond shall not exceed Singapore Dollars
_____ (\$ _____).

2 No changes whatsoever in the constitution of the Principal shall affect, impair or discharge our liability under this *Guarantee/Bond notwithstanding any law, statutory or otherwise, to the contrary. *(Note: This paragraph is to be used when the Principal is a company or a firm).*

3 This *Guarantee/Bond shall take effect from the 1st day of January ____ and shall remain in full force and effect until the 31st day of December ____ and is conditional only upon claims being made by you in writing and received by us on or before the 31st day of January ____ and it is further agreed that we shall not concern ourselves with whether any sums claimed are properly payable to you by the Principal or with whether any event or transaction giving rise to any claims actually occurred within the validity period of this *Guarantee/Bond. *(Note: The guarantee/bond may be valid for two years or more with expiry date set at 31 Dec of any year and one month claim period ending at 31 Jan of the following year).*

4 Our liability under this *Guarantee/Bond shall not be affected, impaired or discharged by your giving time or any other indulgence to the Principal or your requiring further or other security from the Principal in respect of the same or similar subject matters as those covered by this *Guarantee/Bond. All payments made by us under this *Guarantee/Bond shall be made without set-off or counterclaim of any kind.

5 A person who is not a party to this Guarantee/Bond has no right under the Contracts (Rights of Third Parties) Act 2001 to enforce any term of this Guarantee/Bond.

6 This *Guarantee/Bond shall be governed by and construed in accordance with the laws of the Republic of Singapore in every respect.

Yours faithfully,

(Name and Designation)

For and on behalf of

(Name of *Bank/Finance Company/Insurance Company)

*: Delete as appropriate

BANKER'S GUARANTEE/INSURANCE BOND FORMAT (PERMITS)

<Bank's/Finance Company's/Insurance Company's Letterhead>

Date:

Director-General of Customs & Excise/Deputy Comptroller of Goods and Services Tax
55 Newton Road
10-01 Revenue House
Singapore 307987
Republic of Singapore

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(Name & Address of Company/Firm/Person(s))

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- (b) *any duties, taxes, fees, penalties and all other charges required under the Customs Act or subsidiary legislation made thereunder, read with section 26 of the Goods and Services Tax Act, in all the Principal's transactions with you, including any interests thereon:*

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