

Bond License procedure (Process map explained)

A. Lodgment of Application:

Step 1:

Collect the application form from Customs Bond Commissionerat or download it from (http://www.cbc.gov.bd/images/Bond_License_Application_Form.pdf) and submit the dully filled up form along with necessary documents' addressing Commissioner, Customs Bond Commissionerat, Sami Bhaban, 342/1 Segun Bagicha, Dhaka

Step 2:

- a) Attach necessary documents as per Annex 02 of **Bonded Warehouse Licensing Rules, 2008**. The list of documents can be accessed from http://www.cbc.gov.bd/images/Required_documents_en1.pdf
- b) Some extra documents may be required depending on the type of industry the intending licensee belongs to:
 - I) National ID Card of all the Directors/Owners/Concerned Persons
 - II) For Foreigners: Passport, Work Permit (if applicable)
 - III) NOC from Environment Ministry/Directorate
 - IV) Encashment Certificate from lien Bank (for FDI)
 - V) Annual Audit Report of companies (If applicable)
 - VI) Proof of financing (except equity portion) such as Loan Sanction Letter/transaction report
 - VII) NOC from other relevant regional/local authorities for the factory establishment.
 - VIII) Any other related document (if applicable)

B. Scrutiny of Documents:

Application for bond license is scrutinized in two phases:

1. **During receipt of application** (if any insufficiency in the application is found on the spot, the applicant is advised to rectify and submit the application later. No comprehensive verification of documents is not done in this stage.
2. **After the application is received:** The submitted documents is examined thoroughly within three days of the receipt of the application. For any insufficiency/discrepancy, the applicant is notified in writing, pending the further process of the application.

C. Physical Verification:

If the application is completed in line with step A and B, a physical verification date /schedule is notified to the party. A 3 to 4 member team headed by Assistant/Deputy Commissioner of the licensing section physically visit the premises of the applicant to verify the following things:

- a) Layout of the factory
- b) Safety and security compliance (both structural and warehouse)
- c) Existence and workability of declared machineries
- d) Relevance of input (raw material), Output (finished goods) and machines.
- e) Production capacity
- f) Utility bills and load capacity of gas and electric connections.
- g) Access to the factory and its surroundings
- h) Number of permanent/temporary workers (examine payroll register)
- i) Any other onsite observation

The physical verification team will submit a formal report detailing the status of Bond application. For any insufficiency/discrepancy, the applicant is notified in writing, pending the further process of the application.

D. Risk Assessment:

As bonded warehouse is a specialized facility awarded to 100% export oriented industry, the concern of revenue leakage and impact on local industry is analyzed carefully. The risk assessment focusses on the following issues:

- a) Types of industry (Direct or Indirect exporter)
- b) Nature of ownership(Proprietorship/company)
- c) Past record including liability of the applicant and its sister concerns(if applicable)
- d) Nationality of the owner/directors/shareholders(Fully /Partially foreign owned)
- e) Rented/Owned Land
- f) Commercial usability of the raw material and finished goods
- g) The amount of investment and the amount of revenue involved in the import of raw material and export of finished goods.
- h) Remoteness of the industry and its environmental impact on locality.
- i) Any other relevant factor(s).

E. File Processing and Approval:

If A to C is completed successfully, the application is analyzed in line with the risk assessment factors and the decision is notified to the applicant. For successful applications, the applicant(s) is/are notified to sign the Bond agreement. The applicant is required to come in person to sign the bond in front of the Commissioner or any other delegated officer of Customs Bond Commissionerat, Dhaka.

*The above process is an indicative reference for intending applicant for bond license. According to the section 13 of The Customs Act 1969, The National Board of Revenue (NBR) or the Commissioner of Customs Bond Commissionerat reserves the final right to issue Bond license.