

د افغانستان اسلامي جمهور

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جمهوری اسلامی افغانستان

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**Islamic Republic of Afghanistan  
Ministry of Finance  
Customs and Revenue**

**GUARANTEE/ SECURITY**

In exercise of powers conferred under Article 71 of the Customs Code and subject to and in accordance with the provisions of Articles 78, 79, 137, 138, 139, 140, 141, 142, 143 and Article 144 *ibid*, the following procedure is hereby prescribed for acceptance, safe custody, enforcement and discharge of all securities (herein after called as securities) such as post dated cheques good for payment, pay orders, demand drafts, bank guarantees, insurance guarantees, corporate guarantees.

**A. Implementation of legal provisions:**

2. It is notified for all concerned that this procedure is framed and implemented to give effect to the legal provisions of the Customs Code relating to security /guarantee. This procedure derives its strength from the Code and in case of any variation in the procedure; the relevant Articles of Customs Code shall prevail.

- I. The customs may make the placing of goods under a suspensive process conditional upon the provision of security.
- II. Transit security shall be provided in accordance with and as prescribed in Article 137 for insuring the payment of any customs debt that is suspended in respect of transit goods.
- III. The person responsible for goods in transit to a destination in Afghanistan pursuant to Article 35 shall be obliged to provide security in the amount of 110 % of the customs debt.
- IV. Security required under the law for payment of customs debt shall be provided at the choice of the customs debtor by means of cash deposit or a guarantee by a reliable person or institution.
- V. Customs may fix the amount of security according to the precise amount of the customs debt. Where no precise or other fixed amount can be determined, according to the maximum amount of the customs debt estimated by Customs.
- VI. Where the Customs accept cash deposit as a security, in that situation, cash deposit shall be made in Afghan currency. Submission of a cheque, the payment of which is guaranteed by the institution on which is drawn, shall also be deemed a cash deposit.

VII. Any person who meets the criteria as prescribed in Article 141 of the Customs Code may be accepted as a guarantor. The guarantor is a person who is legally authorized to furnish security/guarantee.

**B: Acceptance and entry of security.**

3. In all those customs stations where ASYCUDA is in place, the procedure regarding acceptance, entry and release of security shall be followed in consonance with that system. The concerned Assistant Director of the border customs station or in case of ICD the in charge,

is the appropriate person for accepting and releasing the security. He shall ensure that text of the security instrument is in accordance with the prescribed format (Annex-A). He shall also ensure that the security is valid for one year or for such period prescribed by the Ministry of Finance/ Afghan Customs Department.

4. He shall endorse the security with his signature and official seal and affix the stamp “accepted”. He shall also affix the stamp to the effect that such security shall not be returned, refunded, cancelled or encased without the prior approval of Assistant Director or in charge ICD. The concerned customs officer shall also endorse on the transit form or IIm-o-Khabar particulars of security like bank account number date of validity and amount of duty and taxes being secured.

5. The concerned customs officer shall enter all the particulars of the security in the computer or in master register in case there is no computer as below:-

Sr. No	Transit module or ilm-o-khabar/SAD No.	Name of Importer and his license number	Name and address Bank/ institution Issuing security	Amount secured	Expiry Date	Remarks
1	2	3	4	5	6	7

Explanation: The register shall be maintained in such a way that the security dose not get ignored or expired.

6. After completing the above formalities the concerned customs officer shall ensure that the original security is kept in safe and secure custody. He shall initiate necessary action in respect of re- validation, recovery encashment, and cancellation at least one month before the expiry of such security He shall furnish a statement on 25<sup>th</sup> of each month in respect of all securities likely to expire in the subsequent month.

**C: Release of security:**

7. When the customs debt has been extinguished in part, unless the amount is insufficient to justify such action, a part of the cash deposit shall be repaid to the customs debtor upon a request by the debtor. When a secured customs debt is extinguished, the non cash security shall be released and the cash deposit returned without delay.

After cancellation of security, the file shall be sent to Audit Branch for pre-audit, after which same shall be sent to concerned section for record.

**D. Conditions to ensure payment.**

8. Upon failure of the importer or broker to meet the time line and conditionality as prescribed under relevant Article of the Customs Code pertaining to suspensive imports, a demand for payment of guaranteed amount shall immediately be made by the concerned customs officer. In order to ensure that the guaranteed amount is paid by the person or institution well in time, it is hereby directed that bank guarantee/ security furnished by those banks, persons or institution who have defaulted in payment, shall not be accepted, until all the amounts outstanding against them are paid. Similarly it will be the responsibility of the broker or importer to get the genuineness of the guarantee/ security verified from the bank before presentation to customs. Moreover, customs officer shall not accept the security unless it is indicated by the bank that the security is valid till such time that the original guarantee is cancelled by customs and returned to the bank or payment of the guaranteed amount is made. The guaranteed amount shall immediately be paid by the guarantor on demand from the concerned Director of customs. If the Bank or guarantor fails to make payment within 10 days of the date of demand notice, the guaranteed amount will be paid by them to customs with 12 % mark up on the principal amount.

Director Legislation  
& Procedures

Director General Customs

Deputy Minister