Bond Procedures

KENYA REVENUE AUTHORITY

Bond: A legal contract executed under seal whereby the person or persons entering into it bind themselves to pay a specified amount of money, known as penalty of the bond, if any of the conditions of the contract are not performed.

Principal: The person who undertakes to fulfill the conditions of the bond and pay the penalty of the bond if any of the conditions of the bond are not fulfilled.

Note: The term 'principal' will be taken to mean 'the principal or his authorized agent'.

Surety: The person who undertakes to pay the penalty of the bond if the principal fails not only to fulfill the conditions but also to pay the penalty of the bond.

Procedure for Bond Execution

1. The Principal shall fill the relevant form depending on the type of bond he/she wants to execute, and comply with insurance or bank requirements.
2. The principal shall lodge the bond with Bonds section of Customs Services Department.
3. The bond shall then be referred to a proper officer for witnessing of the signing and sealing of the bond by the principal and surety.
4. After witnessing, the bond is referred to a senior officer for confirmation and approval.
5. After approval the bond is numbered and booked in the register.
6. The original bond copy is filed at the station of execution, the duplicate is filed at the station of utilization, the triplicate is given to the principal and the quadruplicate is the guarantors copy.
7. Details of the original or duplicate copies are then captured into the Simba 2005 system and the bond is ready for execution.

Procedure for Retirement of Bond

1. Application for withdrawal of bond is made by the principal to the Commissioner in the appropriate form.
2. The bond is cancelled if there are no outstanding transactions against it.

Procedure for Bond-In-Force (B-I-F) Cancellation

1. The principal makes application on Form C36 and lodges it together with all relevant documents with the Bonds officer.
2. The application is processed, approved if found compliant, or rejected if found incorrect in any way.
3. The transaction Bond-In-Force is then replenished to the bond account in the Simba system and the application endorsed by the customs officer.