

New Window Opens for Zero Duty Raw Sugar Imports



The Government announced a new end of the year initiative to boost the inflow of raw sugar at zero duty in the Indian market. A Public Notice to relax the rigorous conditions of import was issued on 31 March. The new system of Chartered Accountant certification of the importer eligibility replaces the earlier restriction of the zero duty facility to only sugar factories and refineries

who faced strict monitoring by excise inspectors to ensure processing and supply of finished sugar to the market within three months of import. All persons who have used or consumed more than 10 quintals a month in the last one year are now 'qualified importers' according to the customs exemption notification. Once they have the chartered accountant approved licence, they can import any amount of raw sugar for their own use in sugar preparations or conversion to refined sugar for the market. Even sale of the raw sugar to the factories and refineries or to the market as raw sugar is not barred.

There is no Indian definition of raw sugar for the customs, they go by what the world customs organization Brussels say which means any sugar which contains material other than white refined sugar is raw sugar. The rule on what is refined sugar and whether raw sugar will be levied the countervailing duty for sugar or the will get the exemption on khandsari sugar is a matter to be interpreted by each the customs officer in the docks.

The news is music for the so called bulk consumers who can rush to buy cheap raw sugar from the world market for at little as Rs 16.66 per kg with the raw sugar price ruling at 16.80 cents per pound in the New York Exchange at the end of March. The mark up on refined sugar is a good 36.4 percent over raw sugar in the world

market therefore it is profitable and safer to import raw sugar for the hungry Indian market where consumer price are still very high at Rs 38 per kg. Besides this, the world prices have crashed 47 percent in just two from a 29-year high of 30.4 cents on 1 February. Further fall by another 20 percent by the end of the year are forecasted with expectation of favourable rainfall in Brazil and India, the top two world producers.

The Indian Government is keeping its policy options open to protect the Indian farmers and the mills in the sugar season beginning October, the duty relaxation on raw sugar is only till the end of December. The Government gives no assurance of continuity in the open regime, an onerous non tariff barrier like the one slapped by Chief Minister Mayawati to stop the movement of imported raw sugar into her State of UP can be put into place without notice. The customs and income tax sleuths can hound the raw sugar importers asking them to produce evidence of own consumption of the imported sugar to

follow up on the fig leaf of 'bulk consumer' in the notification.

Raw sugar is now almost at par with refined sugar which is already at zero duty with contract registration condition with the Government agency APEDA with the field open to all persons. Fortunately for the raw sugar importers, they are not under the APEDA 'registration cum allocation' slip at a fee of Rs 10 per tonne.

Given the arrival or fresh stocks of Brazil sugar in May this year in the world market and the expected tumble in prices, those holding stocks of imported raw sugar at relatively high price with the onerous condition of manufacture for the market will find their margins thinning or even disappearing in the face of fresh import supplies. The Indian mills must also compete with oversold markets. The advance licence holders who imported raw sugar at zero duty will once again default on the export obligation. Sugar is turning bitter for the industry, it is now the consumers turn to reach out to the sweetener.

Arun Goyal India Trade Notes

Euro Declines Amid Concern Greece Will Struggle to Raise Funds

The euro dropped against the dollar for a third day amid concern European countries including Greece will struggle to raise funds to pay off maturing debt.

The euro weakened versus 13 of 16 major counterparts after the Financial Times reported Greece plans to sell bonds in the U.S. as it tackles the European Union's widest fiscal gap, citing an unidentified official. The yen strengthened on speculation Japanese exporters bought

the currency after it fell to a seven-month low against the dollar.

The euro slid 0.9 percent, the most since March 18, to 126.09 yen from 127.25 in New York on 5 April. Europe's currency fell 0.5 percent to \$1.342. The yen gained to 93.98 per dollar from 94.37, when Japan's currency touched 94.79, the lowest since Aug. 24.

India Moves Up to 22th Place in World Exports and 15th Position in World Imports

Merchandise Trade: Leading Exporters and Importers, 2009

\$bn and %

Rank 2009	Rank 2008	Exporters	Value	Share	Annual % change	Rank 2009	Rank 2008	Importers	Value	Share	Annual % change
1	(2)	China	1202	9.6	-16	1	(1)	United States	1604	12.7	-26
2	(1)	Germany	1121	9.0	-22	2	(3)	China	1006	8.0	-11
3	(3)	United States	1057	8.5	-18	3	(2)	Germany	931	7.4	-21
4	(4)	Japan	581	4.7	-26	4	(5)	France	551	4.4	-22
5	(5)	Netherlands	499	4.0	-22	5	(4)	Japan	551	4.4	-28
6	(6)	France	475	3.8	-21	6	(6)	United Kingdom	480	3.8	-24
7	(7)	Italy	405	3.2	-25	7	(7)	Netherlands	446	3.5	-23
8	(8)	Belgium	370	3.0	-22	8	(8)	Italy	410	3.2	-26
9	(12)	Korea, Republic of	364	2.9	-14	9	(13)	Hong Kong, China - retained imports a	353 91	2.8 0.7	-10 -8
10	(10)	United Kingdom	351	2.8	-24	10	(9)	Belgium	351	2.8	-25
11	(13)	Hong Kong, China - domestic exports a - re-exports a	330 15 314	2.6 0.1 2.5	-11 -9 -11	11	(11)	Canada	330	2.6	-21
12	(11)	Canada	316	2.5	-31	12	(10)	Korea, Republic of	323	2.6	-26
13	(9)	Russian Federation	304	2.4	-36	13	(12)	Spain	290	2.3	-31
14	(14)	Singapore - domestic exports - re-exports	270 138 132	2.2 1.1 1.1	-20 -21 -19	14	(15)	Singapore - retained imports b	246 114	1.9 0.9	-23 -28
15	(16)	Mexico	230	1.8	-21	15	(17)	India	244	1.9	-24
16	(17)	Spain	218	1.7	-23	16	(14)	Mexico	242	1.9	-24
17	(18)	Taipei, Chinese	204	1.6	-20	17	(16)	Russian Federation c	192	1.9	-24
18	(15)	Saudi Arabia a	189	1.5	-40	18	(18)	Taipei, Chinese	175	1.4	-27
19	(19)	United Arab Emirates a	175	1.4	-27	19	(21)	Australia	165	1.3	-17
20	(20)	Switzerland	173	1.4	-14	20	(23)	Switzerland	156	1.2	-15
21	(21)	Malaysia	157	1.3	-21	21	(19)	Poland	147	1.2	-30
22	(26)	India	155	1.2	-20	22	(22)	Austria	144	1.1	-22
23	(23)	Australia	154	1.2	-18	23	(20)	Turkey	141	1.1	-30
24	(22)	Brazil	153	1.2	-23	24	(27)	United Arab Emirates a	140	1.1	-21
25	(27)	Thailand	152	1.2	-14	25	(25)	Thailand	134	1.1	-25
26	(25)	Austria	137	1.1	-24	26	(24)	Brazil	134	1.1	-27
27	(28)	Poland	134	1.1	-21	27	(28)	Malaysia	124	1.0	-21
28	(24)	Sweden	131	1.1	-21	28	(26)	Sweden	119	0.9	-29
29	(29)	Norway	121	1.0	-30	29	(29)	Czech Republic	105	0.8	-26
30		Indonesia	120	1.0	-14	30		Saudi Arabia a	92	0.7	-20
		Total of above d	10244	82.2	-			Total of above d	10323	81.6	-
		World d	12461	100.0	-23			World d	12647	100.0	-23

a. Secretariat estimates.

b. Singapore's retained imports are defined as imports less re-exports.

c. Imports are valued f.o.b.

d. Includes significant re-exports or imports for re-export.

Source: WTO Secretariat.

The euro has weakened 5.2 percent against the yen and 6.3 percent versus the greenback this year amid concern Greece's fiscal shortfall will widen, adding to discord among European leaders over an aid package for the nation.

Greek Bonds

Greece is looking to raise \$5 billion to \$10 billion from investors in the U.S. to help cover its May borrowing requirement of about 10 billion euros (\$13.5 billion), the Financial Times reported.

Japan's large manufacturers expect the yen to average 91 per dollar this fiscal year, according to the Bank of Japan's most recent Tankan survey. A weaker yen increases the competitiveness of Japanese goods overseas and boosts the value of revenue earned abroad.

Dollar-Rupee rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
6-Apr-10									44.4500
5-Apr-10	44.8075	44.8700	44.5250	44.5725	44.5725	424770	31434351	406,032.19	44.7300
31-Mar-10	45.2125	45.2600	45.0100	45.0325	45.0325	335410	34415611	553,463.86	45.1400
30-Mar-10	45.0500	45.2425	45.0100	45.1875	45.1875	377319	40982111	849,369.51	44.9400

[Source: NSE and RBI Website]

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2009 World Trade Falls 23%, 2010 Looks Up

The global economic crisis sparked a 12.2% contraction in the volume of global trade in 2009 - the largest such decline since World War II. Trade in current US dollar terms dropped even further than trade in volume terms (-23%), thanks in large part to falling prices of oil and other primary commodities

After the sharpest decline in more than 70 years, world trade is set to rebound in 2010 by growing at 9.5%, according to WTO economists.

Exports from developed economies are expected to increase by 7.5% in volume terms over the course of the year while shipments

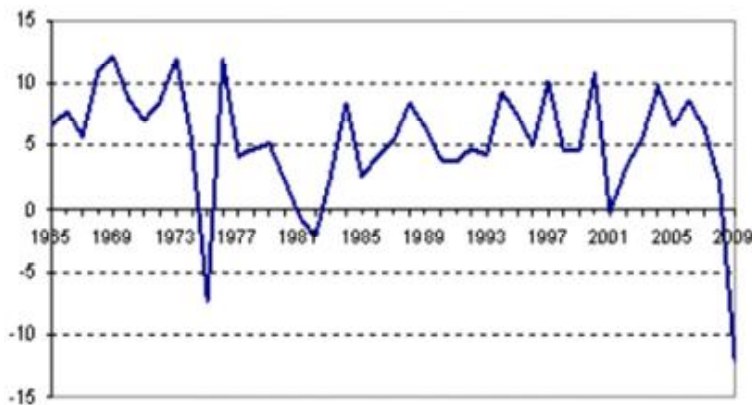
from the rest of the world (including developing economies and the Commonwealth of Independent States) should rise by around 11% as the world emerges from recession.

Why was the trade decline so large?

The 12% drop in the volume of world trade in 2009 was larger than most economists had predicted. This contraction also exceeded the WTO's earlier forecast of a 10% decline. World trade volumes fell on three other occasions after 1965 (-0.2% in 2001, -2% in 1982, and -7% in 1975), but none of these episodes approached the magnitude of last year's economic slide (Chart 1).

Chart 1: Volume of world merchandise exports, 1965-2009

(Annual % change)



The weakness in private sector demand was linked to the global recession triggered by the sub-prime mortgage crisis in the United States. What began in the US financial sector soon spread to the real economy, with global repercussions. Limited availability of trade finance also played a role.

Sharp falls in wealth during the recession caused households and firms to reduce their spending on all types of goods, especially consumer durables (e.g. automobiles) and investment goods such as industrial machinery.

Whatever the reason for their decline, the reduction in demand for these products fed through to markets that supply inputs for their production, particularly iron and steel. Falling

demand for iron and steel was also linked to the slump in building construction in countries where property markets had been booming before the crisis (e.g., the United States, the United Kingdom, Ireland and Spain).

The fact that some products comprise a disproportionately large share of world trade, compared with their share of overall output, may have further depressed world trade flows relative to overall production (GDP or gross domestic product). For example, consumer durables and investment goods make up a relatively small fraction of global output but a relatively large part of world trade. Consequently, a decline in demand for these products would have had a greater impact on trade than on GDP.

Table 1: Quarterly growth in world trade in manufactures by product, 2008Q1-2009Q3

(y-o-y percentage change in current US dollars)

	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3
Manufactures	15.7	18.6	13.2	-10.4	-27.6	-29.8	-21.5
Iron and steel	14.6	27.0	42.7	5.4	-37.3	-54.7	-55.0
Chemicals	19.3	24.5	21.7	-5.9	-23.5	-24.4	-16.6
Office and telecom equipment	10.0	13.2	7.2	-13.9	-28.4	-22.2	-15.3
Automotive products	15.3	15.8	3.4	-26.0	-46.9	-45.6	-28.6
Industrial machinery	21.9	22.7	15.7	-7.3	-28.8	-36.0	-31.9
Textiles	10.3	8.9	3.4	-12.8	-26.9	-26.8	-17.3
Clothing	10.3	11.4	7.9	-2.5	-10.4	-15.5	-12.1

Source: WTO Secretariat estimates based on mirror data.

Trade prospects for 2010

World trade and output are currently in a recovery phase. The fall in global output last year (-2.3%) was the first of its kind since the Great Depression in the 1920s and 30s, prompting strong fiscal and monetary policy responses from governments around the world.

The WTO Secretariat estimates that world exports in volume terms will grow by 9.5% this year, while developed economies' exports will expand 7.5% and the rest of the world (developing economies plus the Commonwealth of Independent States) will advance 11%. This projection assumes a resumption of global GDP growth in line with consensus estimates (2.9% at market exchange rates), as well as stability in oil prices and exchange rates.

Brief overview of trade developments in 2009

Trade data in volume (real) terms: merchandise

All countries and regions registered declines in the volume of their merchandise exports in 2009.

The United States (-13.9%), European Union (27) (-14.8%) and Japan (-24.9%) all registered declines larger than the world average of -12.2%, while the smallest declines were recorded by the oil exporting regions of Middle East (-4.9%), Africa (-5.6%) and South/Central America (-5.7%). Asia (-11.1%) and China (-10.5%) also saw their exports decline, but by slightly less than the world average. (Table 2)

The situation was reversed on the import side, where the two largest declining regions were oil exporters - the Commonwealth of Independent States (CIS) (-20.2%) and South and Central America (-16.5%). Among the remaining countries, the United States (-16.5%) and the European Union (-14.5%) had declines greater than the world average, while Japan's drop (-12.8%) was nearly equal to the world rate.

Trade data in value (nominal) terms: merchandise and commercial services

The value of world merchandise exports fell 23% to \$12.15 trillion in 2009, while world commercial services exports declined 13% to \$3.31 trillion (Table 3). This marked the first time since 1983 that trade in commercial services declined year on year.

Transport services recorded the largest drop among service categories, followed by travel and other commercial services (Table 4). The drop in transport services is unsurprising as this category is closely linked to trade in goods. (For more detailed information on trade by country and region, including leading exporters and imports of merchandise and commercial services, see the appendix tables.)

China is No 1

Appendix Table 3 confirms that China has now overtaken Germany as the world's leading merchandise exporter, accounting for almost 10% of world exports, and is second to the United

India Moves down to 12th Position Among Service Exporters

Leading exporters and importers in world trade in commercial services, 2009

\$bn and %

Rank 2009	Rank 2008	Exporters	Value	Share	Annual % change	Rank 2009	Rank 2008	Importers	Value	Share	Annual % change
1	(1)	United States	470	14.2	-9	1	(1)	United States	331	10.6	-9
2	(2)	United Kingdom	240	7.2	-16	2	(2)	Germany	255	8.2	-10
3	(3)	Germany	215	6.5	-11	3	(3)	United Kingdom	160	5.1	-19
4	(4)	France	140	4.2	-14	4	(5)	China a	158	5.1	0
5	(7)	China a	129	3.9	-12	5	(4)	Japan	146	4.7	-11
6	(5)	Japan	124	3.8	-15	6	(6)	France	124	4.0	-12
7	(6)	Spain	122	3.7	-14	7	(7)	Italy	114	3.5	-11
8	(8)	Italy	101	3.0	-15	8	(9)	Ireland	104	3.3	-15
9	(11)	Ireland a	95	2.9	-7	9	(11)	Netherlands	87	2.8	-15
10	(10)	Netherlands a	92	2.8	-11	10	(8)	Spain	87	2.8	-17
11	(12)	Hong Kong, China	86	2.6	-6	11	(13)	Canada	77	2.5	-11
12	(9)	India a	86	2.6	...	12	(12)	India a	74	2.4	...
13	(13)	Belgium a	75	2.3	-11	13	(10)	Korea, Republic of	74	2.4	-19
14	(17)	Singapore	74	2.2	-11	14	(15)	Singapore	74	2.4	-16
15	(14)	Switzerland	68	2.1	-11	15	(14)	Belgium a	72	2.3	-12
16	(18)	Sweden	60	1.8	-16	16	(16)	Russian Federation	60	1.9	-19
17	(19)	Luxembourg a	60	1.8	-16	17	(17)	Denmark	51	1.6	-19
18	(20)	Canada	57	1.7	-12	18	(18)	Sweden	47	1.5	-14
19	(15)	Korea, Republic of	56	1.7	-25	19	(22)	Hong Kong, China	44	1.4	-6
20	(16)	Denmark	55	1.7	-25	20	(21)	Brazil	44	1.4	-1
21	(21)	Austria	53	1.6	-13	21	(28)	Saudi Arabia b	43	1.4	...
22	(22)	Russian Federation	42	1.3	-17	22	(20)	Australia	41	1.3	-13
23	(25)	Australia	41	1.3	-7	23	(19)	Thailand	38	1.2	-13
24	(24)	Norway	38	1.1	-17	24	(24)	Austria	38	1.2	-12
25	(23)	Greece	38	1.1	-25	25	(23)	Norway	37	1.2	-16
26	(27)	Turkey	33	1.0	-6	26	(25)	Luxembourg a	36	1.2	-13
27	(28)	Taipei, Chinese	31	0.9	-10	27	(27)	United Arab Emirates b	36	1.1	...
28	(29)	Thailand	31	0.9	-9	28	(26)	Switzerland	34	1.1	-6
29	(26)	Poland	29	0.9	-19	29	(29)	Taipei, Chinese	29	0.9	-15
30	(30)	Malaysia	28	0.8	-8	30		Malaysia	27	0.8	-12
Total of above			2765	83.5	-			Total of above	2540	81.6	-
World			3310	100.0	-13			World	3116	100.0	-12

a. Preliminary estimate.

b. Secretariat estimates.

Note: While provisional full year data were available in early March for 50 countries accounting for more than two thirds of world commercial services trade, estimates for most other countries are based on data for the first three quarters (the first six months in the case of China).

Source: WTO Secretariat

Table 2: GDP and merchandise trade by region, 2007-2009

(Annual % change at constant prices (2005))

	GDP			Exports			Imports		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
World	3.8	1.6	-2.3	6.4	2.1	-12.2	6.1	2.2	-12.9
North America	2.2	0.5	-2.7	4.8	2.1	-14.4	2.0	-2.4	-16.3
United States	2.1	0.4	-2.4	6.7	5.8	-13.9	1.1	-3.7	-16.5
South and Central America a	6.4	5.0	-0.8	3.3	0.8	-5.7	17.5	13.3	-16.3
Europe	2.9	0.8	-4.0	4.2	0.0	-14.4	4.4	-0.6	-14.5
European Union (27)	2.8	0.7	-4.2	4.0	-0.1	-14.8	4.1	-0.8	-14.5
Commonwealth of Independent States (CIS)	8.3	5.3	-7.1	7.5	2.2	-9.5	19.9	16.3	-20.2
Africa	5.8	4.7	1.6	4.8	0.7	-5.6	13.8	14.1	-5.6
Middle East	5.5	5.4	1.0	4.5	2.3	-4.9	14.6	14.6	-10.6
Asia	6.0	2.7	0.1	11.7	5.5	-11.1	8.2	4.7	-7.9
China	13.0	9.0	8.5	19.8	8.6	-10.5	13.8	3.8	2.8
Japan	2.3	-1.2	-5.0	9.4	2.3	-24.9	1.3	-1.3	-12.8
India	9.4	7.3	5.4	14.4	14.4	-6.2	18.7	17.3	-4.4
Newly Industrialized Economies (4) b	5.6	1.6	-0.8	9.0	4.9	-5.9	5.3	3.5	-11.4

a Includes the Caribbean

b Hong Kong, Cbha; Republic of Korea; Singapore and Chinese Taipei.

Source: WTO Secretariat.

States on the import side. The US share in world merchandise imports is 13% compared to China's 8%.

Oil Stocks

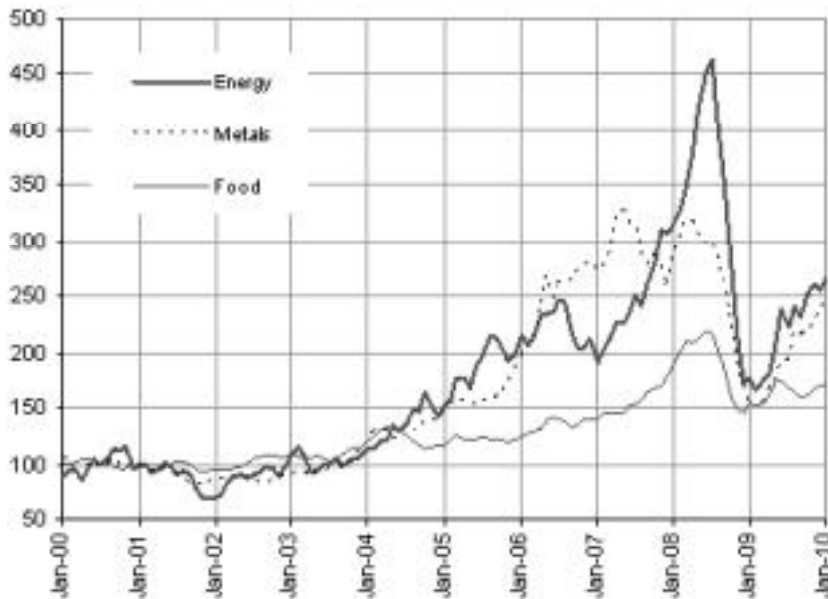
Although the declines in export volumes of oil producing regions were less than the world average in 2009, their declines in value terms tended to be larger.

For example, the dollar value of exports from the Middle East, Africa and Commonwealth of Independent States fell by 33%, 32%, and 36% respectively, compared to a drop of 23% for the world.

This was due to the sharp drop in oil prices between 2008 and 2009 (Chart 5). Since oil tends to dominate merchandise exports of petroleum producers, it should be noted that trade developments in value and volume terms may differ substantially for individual countries in 2009.

Chart 5: Prices of selected primary products, January 2000—January 2010

(Indices, 2000=100)



Ramesh Hot on Carbon Tax on Imports

India will bring a WTO challenge against any “carbon taxes” that rich countries impose on Indian imports, Indian Environment Minister Jairam Ramesh said this week.

No such measures have been implemented, but politicians in both the United States and the European Union have discussed the possibility of imposing tariffs or other forms of “border carbon adjustment” on goods imported from countries with laxer regulations on greenhouse gas emissions.

A form of border carbon adjustment was written into the climate legislation passed by the US House of Representatives last summer. US President Barack Obama criticised the measures, warning of the dangers of “sending any protectionist signals” amid the economic downturn. The Senate has yet to vote on its version of the bill.

European heads of state reportedly remain divided over whether the 27-nation bloc should impose a carbon tax at EU borders. At a recent summit of European leaders, Austrian Cancellor Werner Faymann argued that “it wouldn’t be a good negotiating tactic,” Agence-France Presse reported. But French President Nicolas Sarkozy is an ardent supporter of the measures. Sarkozy told journalists last week that European Commission President Jose Manuel Barroso will put forward a proposal for a European carbon border tax in June.

India has pledged to reduce its carbon emissions by 20 to 25 percent by 2020, but the country opposes any multilateral climate deal that would be legally binding.

Teahankee has defended the higher taxes, saying that they are “applied neutrally,” that they benefit indigenous communities, and that imported spirits do not compete in the same market as local products. The last point will be the central issue of the case: Manila will likely argue that the domestically produced liquors are not “directly competitive or substitutable products,” and therefore fall under an exception to the GATT’s national treatment requirement, an argument that the US denies in its panel request.

But Manila may face an uphill battle after countries like Korea and Japan have had their own differentiating tax schemes on alcohol struck down as GATT-inconsistent.

After Delay, US Fills Two Key Trade Posts

US President Barack Obama has forced the appointment of two important trade officials after months of political delays in the US Senate. New Deputy US Trade Representative and Ambassador to the WTO Michael Punke and Chief Agricultural Negotiator Islam “Isi” Siddiqui have been confirmed thanks to recess appointments Obama announced on 27 March. They will take office shortly.

Bargain Across Doha Issues, Lamy Says

Lamy told delegates at the “stocktaking” exercise that the talks will now focus on “closing the gaps” in the negotiations, and that he will encourage officials to bargain “horizontally” across various areas of the talks. Such work will occur under the guidance of the chairs of the various WTO negotiating groups as well as in less formal meetings of WTO members “in variable geometry,” Lamy said. Throughout this process, Lamy assured the delegates, he will adhere strictly to the principles of transparency and inclusiveness to “ensure that all voices are heard.”

And so the Doha negotiations will continue - with little change, it seems, from the past several months. Some delegates appeared frustrated with the outcome of the stocktaking, even as they declared their commitment to forging

ahead in the talks.

Several delegates who spoke up at the Friday meeting stressed that members should seek to avoid any “backtracking” from the most recent drafts of the chairs’ negotiating texts. A handful of others emphasised that it will be impossible to close the technical gaps in the talks without a substantial influx of political momentum. None of the 36 delegations that intervened proposed that the talks should be put on hold, but neither did any of them suggest establishing a new deadline for the bringing the round to a successful conclusion.

The negotiations from here on will focus on technical work, Lamy said, adding that advances on this front will help delegations develop a more thorough understanding of the size and shape of the remaining gaps.

US Goes to WTO Against Filipino Tax on its Spirits

The United States has asked that a WTO dispute settlement panel rule on the legality of duties that the Philippines slaps onto imports of distilled spirits, the Office of the US Trade Representative announced on Friday.

Washington initiated the dispute in January with an official request for consultations with the Philippines. Subsequent talks in February failed to generate a solution.

Washington’s complaint follows a similar case that the EU has brought against Filipino spirits tariffs. Both Washington and Brussels are alleging a ‘national treatment’ violation of the General Agreement on Tariffs and Trade, which prohibits parties from subjecting other member nations’ products to taxes in excess of those applied to domestic products.

Filipino tax laws have given favourable treatment to spirits typically produced from local resources like coconut, palm and sugarcane. Meanwhile, imports of distilled spirits have been saddled with duties that are 10 to 40 times the local rates, the US alleged in its complaint.

A win for the United States, which exports roughly US\$ 1 billion worth of liquor each year according to the USTR, could help US distillers gain access to the Philippine’s US\$ 3 billion spirits market, Reuters reported.

The Philippines’ ambassador to the WTO, Manuel Teahankee, reportedly plans to block Washington’s first panel request. WTO rules dictate that members cannot block a second request, however, so the US complaint will most likely be heard.

A native of Wyoming, Punke has nearly 20 years of experience in international trade policy. He has worked as International Trade Counsel to Democratic Senator Max Baucus of Montana, Director for International Economic Affairs at the White House, and Senior Policy Advisor at the Office of the United States Trade Representative (USTR). Punke has also done several years of private consultancy work, advising clients on foreign trade issues.

Born in India, Siddiqui served in the California Department of Food and Agriculture for 28

years as well as in the US Department of Agriculture during the Clinton Administration in various capacities. He recently worked as an executive of CropLife America, a trade association of pesticide and plant science companies.

The Indian press quickly picked up on the fact that an Indian-American has been appointed to lead the US delegation in the WTO farm talks. A high-level summit of the WTO's Doha Round trade talks collapsed in July 2008 largely due to a squabble between the US and India over agriculture.

89492 million in the corresponding period last year.

Non-oil imports during February 2010 were estimated at US \$ 17421 million which was 55.6 per cent higher than non-oil imports of US \$ 11193 million in February, 2009. Non-oil imports during April, 2009- February, 2010 were valued at US\$ 175171 million which was 11.4 per cent lower than the level of such imports valued at US\$ 197607 million in April 2008-February, 2009.

The trade deficit for April 2009- February, 2010 was estimated at US \$ 95418 million which was lower than the deficit of US \$ 114721 million during April 2008 -February, 2009.

Full Draft of Counterfeiting Trade Agreement Text Leaked Online

Secrecy has been one of the biggest problems with the prospective 'Anti-Counterfeiting Trade Agreement'. The negotiations, involving a small number of mostly industrialised countries, have been secretive even by the standards of international trade negotiations: neither draft agreement texts nor proposals by participating governments have been made public.

With details emerging only through occasional leaks, speculation was rampant as to the content of the potential accord. One of the rumours raised the spectre of border guards searching travellers' iPods and laptops for potentially counterfeit music and movies. Another suggested that internet service providers could be required to cut off users suspected of repeat copyright infringement.

The veil of secrecy was broken last week, when a leaked full draft ACTA text appeared on the website of La Quadrature du Net, a French digital rights group that opposes the prospective treaty. The 56-page document attributes different proposals and views to individual participants, such as the EU, the US, Japan, Canada, New Zealand and Mexico, while also

pointing to areas of continuing disagreement.

Actually being able to see what is on the table in the negotiations appears to have eased some fears, but exacerbated others.

On the other hand, concern is growing about proposals to create an ACTA secretariat; a Canadian proposal would even give this secretariat power to resolve disputes among parties to the agreement. Geist worries that this could marginalise and even replace the multilateral World Intellectual Property Organization. In Geist's view, the successful completion of the ACTA negotiations would undermine the WIPO Development Agenda, an ongoing plan to make the institution more responsive to development concerns, since countries such as the US and the EU would have little incentive to participate.

The draft has also exposed some differences among the countries negotiating the ACTA. For example, Japan and New Zealand do not like a proposed "anti-circumvention" provision that would ban tools to break "digital locks" on protected products.

The next ACTA negotiating round is set to take place in New Zealand in April.

Steelmakers Fight Back Over Iron Ore Price Push

Steelmakers are fighting back over attempts by the \$200 billion iron ore mining industry to raise the cost of their main raw material, calling for regulators to investigate an "oligopoly" that inflates prices.

Mining of iron ore, essential for making steel, is dominated by Vale SA, Rio Tinto Group and BHP Billiton Ltd., which control about two-thirds of the trade. Brazil's Vale, the largest supplier, set a precedent this week by breaking a 40-year custom of selling ore on a yearly contract at a fixed rate and won a 90 percent price increase from Japanese mills.

"There is an urgent need, now a very urgent need, for the competition authorities around the world to examine the market for iron ore and the market behavior of the three companies who dominate the business," said Nicholas Walters, spokesman for the World Steel Association. The 180-member group includes 19 of the top 20 steelmakers and makes up 85 percent of global output.

Ongoing Talks

Talks, which started late last year between Chinese steelmakers and the three iron ore suppliers, are still on, He Wenbo, general manager of Baosteel Group Corp. that is representing Chinese steelmakers in the talks. "Negotiations with iron ore producers are very difficult. The annual pricing system is a better way to ensure a win-win solution for steelmakers and miners," He said.

Still, the talks are "pointless" as the Chinese steelmakers have to accept the higher terms Vale agreed with Japan because they "have no option," Shen Wenrong, chairman of the nation's largest privately held steelmaker Jiangsu Shagang Group Co., said on 2 April in an interview.

Annual pricing crumbled last year as steelmakers in China failed to agree to a rate with lead negotiator Rio Tinto, followed by BHP's move to cut the proportion of ore sold using the system in the second half. Increased rates for the material has created a domino effect, with steel producers passing higher costs to automakers to appliance manufacturers.

Lakshmi Mittal, chief executive officer of ArcelorMittal, said March 31 the world's biggest steelmaker will raise costs for customers by \$150 a metric ton this quarter, up 20 percent on current prices compiled by Metal Bulletin.

Indian Exports and Imports Look Up in Feb

India's exports during February, 2010 were valued at US \$ 16091 million (Rs. 74547 crore) which was 34.8 per cent higher in dollar terms (26.7 per cent in Rupee terms) than the level of US \$ 11941 million (Rs. 58822 crore) during February, 2009. Cumulative value of exports for the period April-2009 to February-2010 was US \$ 152983 million (Rs 727345 crore) as against US \$ 172379 million (Rs. 774585 crore) registering a negative growth of 11.3 per cent in Dollar terms and 6.1 per cent in Rupee terms over the same period last year.

India's imports during February, 2010 were valued at US \$ 25057 million (Rs.116082 crore) representing a growth of 66.4 per cent in dollar terms (56.4 per cent in Rupee terms) over the level of imports valued at US \$ 15062 million (Rs. 74198 crore) in February, 2009. Cumulative value of imports for the period April, 2009-February, 2010 was US \$ 248401 million (Rs. 1180124 crore) as against US \$ 287099 million (Rs. 1289412 crore) registering a negative growth of 13.5 per cent in Dollar terms and 8.5 per cent in Rupee terms over the same period last year.

Oil imports during February, 2010 were valued at US \$ 7636 million which was 97.4 per cent higher than oil imports valued at US \$ 3869

Exports & Imports: (US \$ Million)

(Provisional)

	February	April- February
Exports (including re-exports)		
2008-2009	11941	172379
2009-2010	16091	152983
%Growth 2009-2010/ 2008-2009	34.8	-11.3
Imports		
2008-2009	15062	287099
2009-2010	25057	248401
%Growth 2009-2010/ 2008-2009	66.4	-13.5
Trade Balance		
2008-2009	-3121	-114721
2009-2010	-8965	-95418

Figures for 2008-09 are the latest revised, whereas figures for 2009-10 are provisional

million in the corresponding period last year. Oil imports during April, 2009- February, 2010 were valued at US\$ 73230 million which was 18.2 per cent lower than the oil imports of US \$

WEEKLY INDEX OF CHANGES

Zero Duty for Raw Sugar Import by Bulk Consumers Against CA Certificate for End Use in Refining

Zero Duty Pulses Import Extended upto 1 April 2011

Ntfn 40 In exercise of the powers
31.03.2010 conferred by sub-section (1) of
(DoR) section 25 of the Customs Act,
1962 (52 of 1962), the Central
Government, on being satisfied that it is neces-
sary in the public interest so to do, hereby
makes the following further amendments in the
notification of the Government of India in the
Ministry of Finance (Department of Revenue),
No. 21/2002-Customs, dated the 1st March,
2002 which was published in the Gazette of
India, Extraordinary, vide number G.S.R.118
(E), dated the 1st March, 2002, namely:-
In the said notification,-

1. in the **preamble**, in the **proviso**,
(i) in clause (f), for the figures, letters and
words "1st day of April, 2010", the figures,
letters and words "1st day of April, 2011" shall
be substituted;
(ii) after clause (**ha**), the following clause
shall be **inserted**, namely:-
"**(haa)** the goods specified against S.No.
38CC of the said Table on or after the 1st day of
January 2011";
2. in the Table, after S.No. **38C** and the entries
relating thereto, the following S.No. and the
entries shall be **inserted**, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
"38CC.	1701	Raw sugar if imported by a bulk consumer	Nil	-	5C".

3. in the **Annexure**, after condition No. **5B** and the entries relating thereto, the following condition shall be **inserted**, namely :-

Condition Conditions
No.

"5C. If the importer, at the time of import, produces a certificate from a Chartered Accountant to the effect that the importer is a bulk consumer.
Explanation,- For the purpose of this notification,-
(i) bulk consumer is a person, establishment or industrial unit using or consuming more than ten quintals of sugar per month as a raw material for production or consumption or use in any manner other than sale.
(ii) the said certificate shall be issued by the Chartered Accountant after taking into account monthly use or consumption of sugar by such person, establishment or unit in the last twelve months; and
(iii) "Chartered Accountant" shall have the same meaning as assigned to it in clause (b) of sub-section (1) of section 2 of the Chartered Accountant Act, 1949.

[F.No. 354/78/2009/Pt.-TRU]

Tariff Value on Brass Scrap Hiked by US \$97/MT

Poppy Seeds Tariff Value Down by US \$186/MT

27-Cus(NT) In exercise of the powers
31.03.2010 conferred by sub-section (2) of
(DoR) section 14 of the Customs Act,
1962 (52 of 1962), the Board,
being satisfied that it is necessary and expedi-
ent so to do, hereby makes the following further

amendment in the notification of the Govern-
ment of India in the Ministry of Finance (Depart-
ment of Revenue), No. 36/2001-Cus (N. T.),
dated, the 3rd August 2001, namely: -
In the said notification, for the Table, the follow-
ing Table shall be substituted namely:-

Table

SNo.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value US \$ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	3898
9	1207 91 00	Poppy seeds	4070"

[F. No. 467/4/2010-Cus.V]

Basmati Export Development Foundation Modipuram Notified as Authorized Center for Testing of Samples of Basmati Rice

Subject: Drawing of export samples of basmati rice for variety identification purposes.

28-Pol.Cir In continuation of Policy
31.03.2010 Circular No. 33 dated 30th
(DGFT) September, 2010 it has
been decided to designate

Basmati Export Development Foundation (BEDF), Modipuram as an authorized centre for testing of samples of basmati rice for variety identification. Accordingly, Customs may draw samples for variety identification and send these samples for analysis to Basmati Export Development Foundation (BEDF), Modipuram, in addition to AGMARK testing centres.

3. This issues with the approval of Director General of Foreign Trade.

Grinding Media and Screens in Ceramic Industry are Capital Goods

Subject: Items used in Ceramic Tiles Industry - whether capital goods or input.

920-CBEC Representations have been
01.04.2010 received from field formations
(DoR) and industry seeking
clarification as to whether

items, namely, alumina balls/ ceramic pebbles which are grinding media used in ball mills in the Ceramic Tile Industry should be treated as capital goods or input under the provisions of CENVAT Credit Rules. On the other items too, namely, bolting cloth/ screens/ silicon cylinders which carry designs and which are fitted on the machines used for printing of design over the surface of the tiles, doubts have arisen as to whether these should be considered as capital goods or inputs. Classification of these items as capital goods or inputs is also relevant because a concessional rate of excise duty is available to a tile manufacturer subject to the condition that no cenvat credit on inputs used in the manufacture of ceramic tiles is taken.

2. The issue has been examined. It has been reported that alumina balls/ ceramic pebbles are essential to run the ball mill in the ceramic tile factory and the ball mill cannot function without the grinding media. Therefore, alumina balls/ ceramic pebbles which are grinding media should be considered as component/ part of the machines to be classified as capital goods for cenvat credit purposes. Similarly, bolting cloth/ screens/silicon cylinders which carry designs and which are fitted on the machines used for printing of designs are also essential for operating of the machines. Therefore, these items would also be considered as capital goods for the purpose of CENVAT Credit Rules, being part/ component of the machines.

3. Trade & Industry as well as field formations may be suitably informed.

F.No. 267/90/2009-CX8 (Pt.1)

Import Licensing Procedure for Rough Marble Blocks for FY 2010-2011

Sub: Policy for issue of import licences of Rough Marble Blocks for the Financial year 2010-11.

36-Ntn(RE) In exercise of powers
31.03.2010 conferred under section 5 of
(DGFT) the Foreign Trade (Develop-
ment and Regulation) Act,

1992 read with paragraph 2.1 of the Foreign Trade Policy, 2009-14, the Central Government hereby makes the following amendments in Schedule-I (Imports) to the ITC (HS) Classifications of Export and Import Items:

2. Import Licensing Note No. (2) inserted at the end of Chapter 25, will be amended to read as follows:

(A) A number of representations have been received from the various Associations of marble manufacturers/processors for review of the regime governing import of marble. The matter has been considered carefully by the Government. The following Policy provisions will henceforth be applicable for import of Rough Marble Blocks for the financial year 2010-11. This Policy will supersede earlier Policy /Guidelines for issue of import licences of Rough Marble Blocks.

(B) Attention is invited to EXIM Code Nos. 25151100 and 25151210 indicated in Schedule-1 (Imports) of ITC (HS) Classifications of Export and Import Items. As per the provisions contained therein, import of Marble and Travertine - Crude or Roughly trimmed and merely cut, by sawing or otherwise, into blocks of a rectangular (including square) shape is restricted and subject to import licensing procedures.

(C) The applications for import licence for import of rough marble blocks under the above mentioned EXIM Codes will be considered in the following manner: -

I. Eligibility of the units will be decided based on the following two criteria:

(a) Units who have installed marble gang saw machine (except 100% EOUs and units in SEZ) on or prior to 23.10.2009. The marble gang saw machine shall be in the name of the applicant only. No gang saw on "Lease Basis" shall be considered for the purpose of allocation of import entitlement.

The Units should have been in operation for 5 years prior to 1st April of the current licensing year, 2009-10.

(b) All eligible units as per (a) above should have indigenous sales turnover of processed marble slabs/tiles only, of Rs. 1.00 Crore (Rupees one Crore only) and above in each of the previous five financial years (i.e. for the financial years 2004-05 to 2008-09).

II. Floor Price-

It is further clarified that these licences for import of crude or roughly trimmed marble blocks or Merely cut, by sawing or otherwise into blocks of a rectangular (including square) shape shall be subject to a floor price of US\$ 275 per Metric Tonne (MT), which shall be endorsed on all licences.

III Entitlement:

The total import of Rough Marble Blocks under EXIM Code Nos. 25151100 and 25151210 will be subject to a ceiling of 3 lakh MT for the whole of the licensing year, 2010-11. Eligible unit will be entitled for an import licence on the basis of average indigenous sales turnover of processed marble slabs/tiles only, in the previous five financial years. The quantity so calculated will however be subject to the following overall ceiling: -

(a) Unit having one marble gang saw machine will be entitled for a maximum licence of 3,000 MT of rough marble blocks;

(b) Units having more than one marble gang saw machine will be entitled for a maximum licence of 3000 MT of rough marble blocks for the first gang saw machine, and 1500 MT of rough marble blocks for each of the additional marble gang saw machines.

IV. All licences shall be subject to actual user condition.

V. In this regard, Licence holders shall file monthly returns regarding imports made by them, to the concerned Regional Authority of DGFT.

VI. The eligible applicants may file an application (after the applications are so invited for the said licensing year) in the form given in 'Aayaat Niryaat Form' together with all relevant documents, to the concerned Regional Authority of DGFT. The eligibility of the applicants with respect to para 2(C)I above shall be decided principally based on verification/certificate from the concerned State Government. RA concerned would forward the applications of eligible applicants to DGFT, HQ for further consideration. For verification of the eligibility and entitlement, the RA shall be guided by Policy Circular No.20 (RE-08)/2004-09 dated 16.7.2008, Policy Circular No.25 (RE-08)/2004-09 dated 8.8.2008 and Policy Circular No. 12/2009-14 dated 23.10.2009 regarding the required documents, with appropriate timelines.

3. This issues in public interest.

Port of Registration and Port of Import must be Same in Rough Marble Import

Subject: Amendment of para 2.37 A of HBP Vol.1

51-PN(RE) In exercise of powers
30.03.2010 conferred under paragraph
(DGFT) 2.4 of the Foreign Trade
Policy, 2009-2014, the

Director General of Foreign Trade hereby makes the following amendments, in the Handbook of Procedures (Vol.1) 2009-2014:-

1. Paragraph 2.37A stands amended as follows:-

"Import authorizations for a restricted item, if so directed by the competent authority, shall be issued for import through one of the sea ports or air ports or ICDs or LCS, as per the option indicated, in writing, by the applicant. However, for import of rough marble, port of registration is mandatory and the applicant must indicate the same in the application itself. Authorization holder shall register the import authorisation at the port specified in the Authorization and thereafter all imports against said authorization shall be made only through that port, unless the authorization holder obtains permission from customs authority concerned to import through any other specified port."

2. A new entry 7 C, as indicated below shall be added in ANF 2B (related to Application form for import of restricted items) after the entry 7B:-

"7 C Port of Registration (As per para 2.37A of HBP Vol. 1):-

This issues in public interest.

tion, in the relevant Aayaat Niryaat Form, along with the documents prescribed under Policy Circular No. 20 dated 16.7.2008, Policy Circular No. 25 dated 8.8.2008 and Policy Circular No. 12 dated 23.10.2009. However, the time limits and relevant years mentioned in the three Policy Circulars would be modified so as to be in consonance with the Notification No. 36/2009-2014 dated 31st March, 2010. Accordingly:-

(a) The established Marble gang saw in the Unit should be in the name of the Unit as on or prior to 23.10.2009, as certified by State Industry Department (District Industry Centre). The gang saw should also not be 'on Lease' from any other party. The marble gang saw machine should have linear movement and should have minimum 60 steel blades impregnated with diamond segments and be used only for cutting marble blocks into slabs;

(b) SSI/SIA Registration Certificate should show the Unit being in operation on or prior to 31.3.2004;

(c) The list of equipments / capital goods (other than Marble gang saw) set up by the applicant in the Unit for processing marble slabs / tiles should be prior to 31.3.2004, as per Balance Sheet as on 31.3.2004, duly certified by a Chartered Accountant;

Licensing Procedure for Rough Marble Blocks Quota of 3 Lakh MT for the Year 2010-2011

Sub : Invitation for applications for Import licences for Rough Marble Blocks – Issue of quota for the financial year 2010-11 as per Policy Notified vide Notification No. 36/2009-14 dated 31-3-2010.

29-Pol.Cir Attention is invited to DGFT
31.03.2010 Notification No. 36/2009-2014
(DGFT) dated 31st March, 2010 on the
subject mentioned above.

2. Applications are invited for issue of import licences for rough marble blocks only for the

financial year 2010-11 from the eligible applicants as per the Marble Import Policy announced vide Notification No.36/2009-2014 dated 31st March, 2010. The quota for the year shall be 3 lakh MT.

3. The applicants may submit their applica-

(d) Income Tax Return for the year 2003-04 indicating processing of marble by the Unit duly certified by a Chartered Accountant;

(e) CA Certificate indicating indigenous sales turnover of marble slabs / tiles of years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09; and

(f) A copy of Chartered Accountant certified statement of accounts, filed along with Balance Sheet to Income Tax authorities for each of the years i.e. 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 (in order to prove the indigenous sales turnover of marble slabs / tiles of atleast Rs. 1 crore in each of the 5 years).

4. The last date for receipt of application shall be 9th April, 2010. The applications may be submitted to the concerned Regional Authority (RA) of DGFT.

5. This issues with the approval of Competent Authority.

More Insertion in Electronics and Engineering Industry in Market Linked Focus Products (2%) Incentives List

2% Incentive for Petroproducts to Three Countries

52-PN(RE) In exercise of the powers conferred under Paragraph 31.03.2010 2.4 of the Foreign Trade Policy, 2009-14, the Director (DGFT) General of Foreign Trade hereby makes the following amendments in HBPv1, for benefits on exports made on or after 1.1.2010:

1. The following shall be added in Appendix 37D, Table 6:

TABLE 6: NEW MARKET LINKED FOCUS PRODUCTS

SNO.	FOCUS PRODUCT CODE	DESCRIPTION OF PRODUCT/SECTOR	ITC(HS) CODE	LINKED MARKET (S) FOR FOCUS PRODUCT (S)/ SECTOR (S)
71	71	COLOUR TV SETS	8528 72	ALGERIA,
72	72	AUDIO SYSTEMS & SUB SYSTEMS (FOR HOME, PROFESSIONAL AND INSTALLED SOUND-INCLUDING MOUNTED LOUD SPEAKERS, OWERED OR OTHER WISE, POWER AMPLIFIERS, MIXERS, SWITCHERS	8518 & 8519	EGYPT, KENYA, NIGERIA, TANZANIA, SOUTH AFRICA, UKRAINE, MEXICO, BRAZIL, AUSTRALIA, NEW ZEALAND, CAMBODIA, VIETNAM, CHINA AND JAPAN
73	73	POWER SUPPLIES - ELECTRCL TRNSFRMRS, STATIC CNVRTRS (FOR EXAMPL,RECTIFIERS) & INDUCTORS	8504	
74	74	TELEPHONE SETS FOR WIRED SERVICES	851711, 851712 & 851718	
75	75	OPTICAL MEDIA PRO-DUCTS LIKE - CD, DVD AND SOLID NON-VOLATILE STORAGE DEVICES	852340, 852351 & 852352	
76	76	UNPOPULATED PCBS	85489000	
77	77	SEMICONDUCTOR DEVICES: TRANSISTORS/ DIODES AND OTHER SEMICONDUCTOR DEVICES, INTEGRATED CIRCUITS AND THEIR PARTS	8541 and 8542	
78	78	AERIALS AND AERIAL REFLECTORS OF ALL KINDS; PARTS USEFUL FOR USE THEREWITH	852910	
79	79	DATA CABLES, LAN CABLES, AND CATEGORY CABLES	854449	
80	80	OTHR TRNSFRMRS HVNG A PWR HNDLNG CAPACITY NOT EXCDNG 1 KVA	850431	
81	81	OTHR FXD CAPACTRS DIELECTRC OF PAPP/PLSTCS	853225	
82	82	OTHER FIXED CAPACITORS	853229	
83	83	FXD CRBN RESISTORS, COMPOSITION/FILM TYPES	853310	

84	84	OTHR VARIABLE RESISTORS, INCLUDING RHEOSTATS AND POTENTIOMETERS	853340	
85	85	PRINTED CIRCUITS	853400	
86	86	RELAYS FR A VLTG NT EXCDG 60 V	853641	
87	87	LIGHT EMITTING DIODES (ELCTR LUMINESCENT)	85414020	
88	88	OTHER SEMI-CONDUCTOR DEVICES	854150	
89	89	ELCTRNC INTEGRTD CIRCUITS & MICRO-ASSMBLS	8542	
90	90	ALUMINIUM CONDUCTOR	76141000 & 76149000	
91	91	WHEELS FOR EARTH MOVING EQUIPMENT	84314990	
92	92	PUBLIC-TRNSPRT TYPE PASSENGER MOTOR VHCLS	8702	
93	93	EMPTY LPG CYLINDERS	73110010, 73110020, 73110030, 73110090	
94	94	DESKTOPS AND NOTEBOOKS	84714190 and 84713090	
95	95	AGROCHEMICALS & PESTICIDES	3808	
96	96	BICYCLE MIRRORS AND DYNAMO LIGHTING SETS	7009 and 8512	
97	97	COPPER CATHODES	740311	
98	98	CHITIN AND CHITOSAN	39139090	

2. The following shall be added in Appendix 37D, Table 6:

TABLE 6: NEW MARKET LINKED FOCUS PRODUCTS

SNO.	FOCUS PRODUCT CODE	DESCRIPTION OF PRODUCT/SECTOR	ITC(HS) CODE	LINKED MARKET (S) FOR FOCUS PRODUCT (S)/ SECTOR (S)
99	99	VARIOUS PETRO PRODUCTS (i.e. SPECIAL BOILING POINT MOTOR SPIRITS (OTHER THAN BENZENE AND TOLUOL) WITH NOMINAL BOILING POINT RANGE 55-115C; SPECIAL BOILING POINT MOTOR SPIRITS (OTHER THAN BENZENE, BENZOL, TOLUENE AND TOLUOL) WITH NOMINAL BOILING POINT RANGE 63-70C; OTHER SPECIAL BOILING POINT MOTOR SPIRITS (OTHER THAN BENZENE, BENZOL, TOLUENE AND TOLUOL); OTHER MOTOR SPIRITS; AVIATION TURBINE FUEL; HIGH SPEED DIESEL (HSD); LIGHT DIESEL OIL (LDO); FUEL OIL; BASE OIL; JUTE BATCHING OIL AND TEXTILE OIL; AND LUBRICATING OIL)	27101111, 27101112, 27101113, 27101119, 27101920, 27101930, 27101940, 27101950, 27101960, 27101970, and 27101980.	ALGERIA, NIGERIA & MEXICO

This issues in public interest.

Readymade Garments Eligible for Market Linked Focus Products (2%) Incentives to US and EU

53-PN(RE) In exercise of the powers conferred under Paragraph 31.03.2010 2.4 of the Foreign Trade Policy, 2009-14, the Director (DGFT) General of Foreign Trade hereby makes the following amendments in HBPv1, for benefits on exports made from 1.4.2010 till 30.9.2010:

1. The following shall be added in Appendix 37D, Table 6:

Table 6: New Market Linked Focus Products

SNo.	Focus Product Code	Description of Product/ Sector	ITC(HS) Code	Linked Market (s) for Focus Product (s) / Sector (s)
100	100	Apparels (i.e. Ready-made Garments)	61, 62	USA; EU (27 Countries i.e. Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherland, Poland, Portugal, Romania, Slovak Rep, Slovenia, Spain, Sweden and U K),

This issues in public interest.

Pulses Exports Ban Extended upto 31 March 2011

Subject: Prohibition on export of Pulses.

35-Ntfn(RE) In exercise of the powers
30.03.2010 conferred by Section 5 read
(DGFT) with Section 3(2) of the
Foreign Trade (Development &
Regulation) Act, 1992 (No.22 of 1992) and also
read with Para 1.3 and Para 2.1 of the Foreign
Trade Policy, 2009-2014 (as amended from
time to time), the Central Government hereby
substitutes, with immediate effect, Para 3 (i) of
Notification No.15 (RE-2006)/2004-2009, dated
27.6.2006, read with Notification No. 99 (RE-
2008)/2004-2009, dated 27.3.2009, as amended

from time to time.

2. Existing Para 3 (i):
"The period of validity of prohibition on ex-
ports of Pulses (except Kabuli Chana) shall be
extended upto 31.3.2010."
3. Substituted Para 3 (i):
"The period of validity of prohibition on ex-
ports of Pulses (except Kabuli Chana) shall be
extended upto 31.3.2011."
4. This issues in Public Interest.

Pulses Quota of 60 MTs for Maldives

Subject: Exemption in Prohibition on export of Pulses.

34-Ntfn(RE) In exercise of the powers
25.03.2010 conferred by Section 5 read
(DGFT) with Section 3(2) of the
Foreign Trade (Development &
Regulation) Act, 1992 (No.22 of 1992) and also
read with Para 1.3 and Para 2.1 of the Foreign
Trade Policy, 2009-2014, the Central Govern-
ment hereby makes, with immediate effect, the
following amendment in the Notification No. 15
(RE-2006)/2004-09 dated 27.06.2006 read with

Notification No. 99 (RE-2008)/2004-09 dated
27.03.2009, as amended, from time to time.

2. The following shall be added at the end of
para 3(iii):
"3 (iv) the prohibition on export of pulses
shall not be applicable to export of 60 MTs of
pulses (Dal) to the Republic of Maldives."
3. This issues in Public Interest.

On Site Visit Rule for Dual Use Items Export under SCOMET Restriction

50-PN(RE) In exercise of powers
29.03.2010 conferred under paragraph 2.4
(DGFT) of the Foreign Trade Policy,
2009-14, the Director General
of Foreign Trade hereby makes, with immediate
effect, the following amendments to Handbook
of Procedures (Volume 1)(2009-14):

2. **Aayat Niryat Form 2EE** (ANF 2EE), as
given in Annexure to this Public Notice, shall be
inserted after ANF 2E in the Handbook of Pro-
cedures (Volume 1) (Appendices and Aayat
Niryat Forms).

3. In Para 2.49 of the Handbook of Proce-
dures (Volume 1), following shall be inserted
below Note 6:

"Procedure/Guidelines for Filing/Evaluation
of Applications for entering into an Arrangement
or understanding for Site Visits, on-site Verifica-
tion and Access to Records/Documentation

An application for entering into an arrange-
ment or understanding involving site visit, on-
site verification or access to records/documen-
tation by a foreign government or a foreign third
party either acting directly or through an Indian
party as mentioned in Appendix 3 of Schedule 2
of ITC(HS) shall be made in ANF 2EE to
DGFT(Hqrs.), New Delhi along with documents
prescribed therein.

These applications shall be considered by
an Inter-Ministerial Working Group (IMWG) in
DGFT based on following guidelines/general
criteria:

I. Following factors, among others, will be taken
into account in the evaluation of applications for
entering into an arrangement or understanding
for site visits, on-site verification and access to
records/documentation:

(a) Purpose for which arrangement / under-
standing is proposed under which site visit or
on-site verification or access to records/docu-
mentation is to be undertaken.

(b) Credentials and details of the parties
involved.

(c) Credentials of end-user, credibility of
declarations of end-use of the items or technol-
ogy, the integrity of chain of transmission of the
item from the supplier to the end-user, and on
the potential of the item or technology, including
the timing of its export, to contribute to end-uses
that are not in conformity with India's national
security or foreign policy goals and objectives,
the objectives of global non-proliferation, or its
obligations under treaties to which it is a State
party.

(d) The assessed risk that the arrangement/
understanding could lead to dual-use items and
technology falling into the hands of terrorists,
terrorist groups and non-State actors.

(e) In case site visit, on-site verification or
access to records/documentation is to be car-
ried out by a foreign government or its
representative(s), the following shall be taken

into consideration:-

- i. Export control measures instituted by the
foreign government;
- ii. Capabilities and objectives of programs
of the foreign government relating to weapons
and their delivery.
- (f) Applicability of relevant bilateral and
multilateral agreements to which India is a party
- (g) Assessment of any threat that such site
visit, on-site verification or access to records/
documentation may pose to India's national
security, and relations with any other country.
- (h) Assessment of possible links of the for-
eign parties with terrorist organizations and
non-state actors within their own country or in
any other country.

II. Permission for arrangement or understand-
ing involving site visit, on-site verification or
access to records/documentation will be sub-
ject to the following conditions:-

(a) Site visit, on-site verification or access to
records/documentation will be confined to the
purpose, sites and activity for which permission
given/which have been mentioned in the autho-
rization.

(b) Site visit, on-site verification or access to
records/documentation will be allowed only to
individuals mentioned in the authorization.

(c) Site visit, on-site verification or access to
records/documentation shall be concluded dur-
ing the period mentioned in the authorization.

(d) Exporter/Importer will keep a record of
site visit, on-site verification or access to records/
documentation alongwith detail of individuals
who visited the premises during this visit and
produce the same as and when required to do
so by the GOI.

(e) No exchange of goods, services and
technologies and any documentation including
drawings, specification sheets etc. will take
place during the visit.

(f) Exporter/importer may be required to give
any additional assurance that the Government
of India may require.

(g) Any other condition that may be stipu-
lated in the permission.

III. Provisions of Weapons of Mass Destruc-
tion Act, 2005 shall also apply to an arrange-
ment or understanding that involves site visit,
on-site verification or access to records/docu-
mentation.

IV. Any violation of any condition of the license
shall invite civil/ criminal prosecution as per
law."

4. This issues in public interest.

Annexure to Public Notice No.50/2009-14 dt.29.03.2010

ANF 2EE

Application Form for Request for Entering into
an Arrangement or Understanding that Involves
Site Visit, On-Site Verification or Access to
Records / Documentation as mentioned in Ap-
pendix 3 of Schedule 2 of ITC (HS) Classifica-
tion of Export and Import Items

[Please see guidelines (at the end) before filling
the application]

1. IEC Number*

*IEC should not be under DEL on the date of
application.

2. Applicant Details:

- i. Name
- ii. Address

3. Jurisdictional Regional Authority:

4. Detail of activities and operations:

5. Details of the provisions of the arrangement or understanding involving site visits / on-site verification / access to records / documentation (e.g. nature of documentation, mode of verification, nature and frequency of site visits etc.) Please include all details and attach the draft of relevant declaration / arrangement / MOU etc. *

* Enclose additional sheet if required

6. Purpose of arrangement/understanding involving site-visit / on-site verification / access to record / documentation (please tick and give clarification, if any):

- i. Export of SCOMET Items
- ii. Import of SCOMET Items

7. In case purpose is export / import of SCOMET Items, following details may be provided :

(a) Details of SCOMET items in Appendix 3 of Schedule 2 of ITC(HS) Classification of Export & Import Items:

Sl. No:

Description of export / import items:

SCOMET Category i.e. 1B, 1C, 2,3,4,5 and 7:

SCOMET Item No.:

ITC (HS) Code No. (if available):

Quantity:

(b) End user Details :

- i. Name:
- ii. Address:
- iii. Telephone No.:
- iv. Fax No.:
- v. Location (Country) of end user:
- vi. End product for which the item of export will be used by the end user:
- vii. Purpose for which the end product will be utilized:
- viii. Is end user an entity of Government of destination country?:
- ix. Manufacturing / Business / other activity of the end user:

8. Details of export / import of SCOMET items in the preceding 3 licensing years:

Sl. No.:

Export / Import Licence/Authorization Details:

No.: Date:

Qty: Value (US \$):

Category & Description of items Exported / Imported:

Qty. exported / imported:

Date of Shipment:

FOB Value of Exports / Imports (US \$):

Country to/ from which exported / imported:

Name of the End User:

9. Details of the Foreign Government / Foreign Third Party**

- i. Name:
- ii. Address:
- iii. Telephone No.:
- iv. Fax No.:
- v. Is the party, an entity of Govt. of that country?:

** Detailed profile to be enclosed.

10. If the visit/verification/access to records will be through an Indian Party, details of the Indian Party :

- i. Name:
- ii. Address:
- iii. Telephone No.:
- iv. Fax No.:
- v. Address of Corporate Office.:

11. (a) Period of arrangement or understanding that involves site visit, on-site verification or access to records / documentation:

(b). Proposed number of visits:

12. Detail of sites and activities which will be covered by the arrangement / understanding #

- (I) i. Address:
- ii. Telephone No.:
- iii. FAX No.:
- iv. Nature of Unit: Corporate Office / Registered Office / Branch Office /Manufacturing unit / Laboratory.:
- v. Activity.:
- (II) i. Address:
- ii. Telephone No.:
- iii. FAX No.:
- iv. Nature of Unit: Corporate Office / Registered Office / Branch Office /Manufacturing unit / Laboratory.:
- v. Activity.:

Enclose additional sheet, if required.

13. Details of persons/ individuals who shall visit during site visit / on-site verification etc. ##

- (I) i. Name:
- ii. Address:
- iii. Nationality:
- iv. Position / Designation in the foreign government/foreign third party/Indian Party:
- v. Telephone No.:
- vi. Fax No.:
- (II) i. Name:
- ii. Address:
- iii. Nationality:
- iv. Position / Designation in the foreign government/foreign third party/Indian Party:
- v. Telephone No.:
- vi. Fax No.:

Enclose additional sheet, if required.

14. If applied for permission for entering into arrangement / understanding that involves site visit, on-site verification or access to records / documentation on repeat basis during last five (5) licensing years for the same purpose, please furnish:

Reference Number and date vide which earlier permission granted

15. Foreign Collaborator Details

(As registered with GOI/RBI)

(If No foreign collaboration exists, please state 'None')

- i. Name:
- ii. Address:

Declaration/Undertaking

1. I / We hereby declare that the particulars and the statements made in this application are true and correct to the best of my / our knowledge and belief and nothing has been concealed or held there from.

2. I / We fully understand that any information furnished in the application if found incorrect or false will render me / us liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.

3. I / We undertake to abide by the provisions of the FT (D & R) Act, 1992, the Rules and Orders framed there under, FTP, HBP v 1 and HBP v2 and ITC (HS).

4. a. I / We hereby certify that the firm / company for whom the application has been made has not been penalized under Customs Act, Excise Act, FT (D & R) Act 1992 and FERA / FEMA.

b. I / We hereby certify that none of the Proprietor / Partner(s) / Director(s) / Karta / Trustee of firm / company, as the case may be, is / are a Proprietor / Partner(s) / Director(s) / Karta / Trustee in any other firm / Company which has come to adverse notice of DGFT.

c. I / We hereby certify that the Proprietor / Partner(s) / Director(s) / Karta / Trustee, as the case may be, of the firm/company is / are not associated as Proprietor / Partner(s) / Director(s) / Karta / Trustee in any other firm / company which is in the caution list of RBI.

d. I / We hereby certify that neither the

Registered Office / Head Office of the firm/ company nor any of its Branch Office(s) / Unit(s) / Division(s) has been declared a defaulter and has otherwise been made ineligible for undertaking import / export under any of the provisions of the Policy.

5. I / We hereby declare that I / We have not obtained nor applied for such benefits (including issuance of an Importer Exporter Code Number) in the name of our Registered / Head Office or any of our Branch(s) / Unit(s) / Division(s) to any other Regional Authority.

6. I / We solemnly declare that I / We have applied for / obtained a RCMC to the EPC which pertains to our main line of business. In case we have applied to any other council, the application has been made within the purview of the provisions of Para 2.67 and Para 2.67.1 of the HBP v1.

7. a. I / We further undertake to maintain record of site visit, on-site verification or access to records / documentation and produce the same as and when asked to do so by the Government of India.

b. I/We also hereby inform that we have complied with the conditions of all previous permissions issued to us for entering into an arrangement or understanding that involves site visits, on-site verification or access to records / documentation.

8. I hereby certify that I am authorized to verify and sign this declaration as per Paragraph 9.9

of the Policy.

Place: Signature of the Applicant:
Name:
Designation:
Date: Official Address:
Telephone:
E-mail Address:

entering into an Arrangement or Understanding that involves site visit etc.

(iii) Technical Specifications (not exceeding one page for each item) for the items to be exported / imported.

(iv) Profile of the foreign government / foreign third party / Indian party.

3. In case purpose of site visit / on-site verification is export / import, Original End User certificate (in the prescribed format Appendix 36 on Letter Head of the End User) indicating complete details of the export / import product, end product, end purpose for which the item of export / import will be used by end user along with complete address and telephone No. of end user must be furnished along with original application. End User Certificate from the following must also be submitted:

(i) By the final end user if the import is by a third party / contractor.

(ii) By the third party / contractor, if any, who is supplying goods to the end user.

4. Complete address(s) should be stated in relevant columns. P.O. Box number will not be accepted.

It has automated the major processes of Central Excise and Service Tax - registration, returns, accounting, refunds, dispute resolution, audit, provisional assessment, exports, claims, intimations and permissions. It is divided into the following modules:

1. Access Control of Users (ACL)
2. Registration (REGN): Registration of assessee of Central Excise & Service Tax including on-line amendment.
3. Returns (RET): Electronic filing of Central Excise & Service Tax Returns
4. CLI: Electronic filing of claims, intimations and permissions by assessee and their processing by the departmental officers
5. Refund (REF): Electronic filing of Refund Claims and their processing
6. Provisional Assessment (PRA): Electronic filing of request for provisional assessment and its processing by the departmental officers.
7. Assessee Running Account
8. Dispute Settlement Resolution (DSR): Show Cause Notices, Personal Hearing Memos, Adjudication Orders, Appellate and related processes.
9. Audit Module
10. Export Module for processing export related documents

Guidelines for Applicants

(Please also see paragraph 2.49 of HBP v1)

1. One original application in the prescribed format ANF 2EE and ANF 1 and six copies thereof along with self-certified copies of the documents as in para 2 below must be submitted to DGFT (HQ), Udyog Bhavan, New Delhi. Each page of the original application has to be signed by the applicant with stamp of the company.

2. Application must be accompanied by self-certified copies of the documents as per details given below:

(i) Import & Export Code number.

(ii) Copy of draft Declaration / draft Agreement / draft MOU proposed to be signed for

Electronic Payment of Excise and Service Tax – Electronic Filing of Returns

Sub. Procedure for electronic filing of Central Excise and Service Tax returns and for electronic payment of excise duty and service tax.

919-CBEC Attention is invited to Circular 23.03.2010 No. 791/24/2004 dated (DoR) 01.06.2004 and No. 52/1/2003 dated 11.03.2004 (modified by

Circular No. 71/1/2004-ST dated 02.01.2004) prescribing the procedure for electronic filing of Central Excise and Service Tax returns. Attention is also invited to Notification No. 04/2010-Central Excise (NT) and No. 01/2010-ST both dated 19.02.2010 providing for mandatory electronic filing of Excise and Service Tax returns and payment of excise duty and service tax by all the assessee who have paid central excise duty or service tax of Rs. 10 Lakhs or more (including payment by utilisation of Cenvat credit) in the previous financial year.

2. DG (Systems) has prepared comprehensive instructions outlining the procedure for electronic filing of excise and service tax return and electronic payment of taxes under ACES.

The same is enclosed. The said instructions outline the registration process for new assessee, existing assessee, non-asseesee and for Large Taxpayers Unit assessee, steps for preparing and filing of return, using of XML Schema for filing dealers' return, procedure for obtaining acknowledgement of E-filed return, procedure for E-payment etc. It is requested to sensitise concerned officers and trade and industry regarding the instructions.

3. As a large number of taxpayers would be required to file Excise and Service Tax return and to pay the taxes electronically, it is requested that trade and industry may be provided all assistance so as to help them in adopting the new procedure.

4. Field formations and trade/industry/service provider may also please be informed suitably.

F.No. 201/20/2009-CX 6

III. Benefits to the Assessee

1. Reduce Physical Interface with the Department
2. Save Time
3. Reduce Paper Work
4. Online Registration and Amendment of Registration Details
5. Electronic filing of all documents such as applications for registration, returns [Online and off-line downloadable versions of ER 1,2,3,4,5,6, Dealer Return, and ST3], claims, permissions and intimations; provisional assessment request, export-related documents, refund request
6. System-generated E-Acknowledgement
7. Online tracking of the status of selected documents
8. Online view facility to see selected documents
9. Internal messaging system on business-related matters

Procedure for Electronic filing of Central Excise and Service Tax returns and Electronic Payment of Taxes

In continuation of its efforts for trade facilitation, CBEC has rolled-out a new centralized, web-based and workflow-based software application called Automation of Central Excise and Service Tax (ACES) in all 104 Commissionerates of Central Excise, service Tax and large Tax Payer Units (LTUs) as on 23rd December, 2009. ACES is a Mission Mode project (MMP) of the Govt. of India under the national e-governance plan and it aims at improving tax-payer services, transparency, accountability and efficiency in the indirect tax administration in India. This application has replaced the current applications of SERMON, SACER, and SAPS used in Central

Excise and Service Tax for capturing returns and registration details of the assessee and hence, in supersession of the CBEC Circular No.791/24/2004-CX. dated 1.6.2004 and CBEC Circular No. ST 52/1/2003 dated 11.03.2003, this revised circular is being issued.

II. Modules

The ACES application has interface for:

- Central Excise Assessee
- Service Tax Assessee
- Central Excise Departmental Officers and
- Service Tax Departmental Officers.

IV. Registration Process

To transact business on ACES a user has to first register himself/herself with ACES through a process called 'Registration with ACES'. This registration is not a statutory registration as envisaged in Acts/Rules governing Central Excise and Service Tax but helps the application in recognizing the bonafide users. Described below are steps for taking registration by a new assessee, existing assessee, non-asseesee and a Large Tax Payer Unit (LTU).

(a) New Assessee

1. The user needs to log onto the system, through internet at <http://www.aces.gov.in>

2. He/she chooses the Central Excise/Service Tax button from the panel appearing on the left of the webpage.
3. Clicks the button "New Users Click here to Register with ACES" in the Log-in screen that appears after clicking Central Excise/Service Tax button.
4. Fills in and submits the form "Registration with ACES", by furnishing a self-chosen user ID and e-mail ID. User ID, once chosen is final and cannot be changed by the assessee in future.
5. The system will check for availability of the chosen User ID and then generate a password and send it by e-mail, mentioned by him/her in the Form.
6. ACES provides assistance of 'Know your location code' for choosing correct jurisdictional office.
7. The user then re-logs-in and proceeds with the statutory registration with Central Excise/Service Tax, by filling-in the appropriate Form namely A-1, A-2 or ST-1 etc. by clicking the "Reg" link in the Menu bar that appears on the top of the screen. For security reasons, the password should be changed immediately.
8. The system instantaneously generates an acknowledgement number after which the registration request goes to the jurisdictional Assistant or Deputy Commissioner (AC/DC). Depending on the instructions in force, assessee may be required to submit certain documents to the department for verification. After due processing, the AC/DC, in case of Central Excise and Superintendent /Commissioner (for centralized registration only), in case of Service Tax, generates Registration Certificate (RC) and a message to this effect is sent to the assessee electronically. The assessee can view this and take a print-out of this.
9. Depending on the option chosen by the assessee, the signed copy of the RC can be sent by post or can be collected by assessee in person.
10. While submitting registration form, if the assessee makes a mistake in choosing a wrong jurisdiction (Commissionerate/Division/ Range), ACES provides a facility to the AC/DC to forward the application to the correct jurisdictional officer to issue registration and a message to this effect is sent to the assessee for information.
11. The registration number will be same as the current 15-digit format with minor change such as

For-PAN based Assesseees

- 1-10 digits – PAN of the Assessee
- 11-12 digits–EM (Excise Manufacturer), ED (Excise Dealer), SD (Service Tax)
- 13-15–Systems generated alphanumeric serial number

For non-PAN based assesseees

- 1-4 digits TEMP
- 5-10 Systems generated alpha numeric number

- 11-12 EM (Excise Manufacturer) or ED (Excise Dealer), SD (Service Tax)
- 13-15–Systems generated alphanumeric serial number

(b) Existing Assessee

1. The existing assesseees will not have to take fresh registrations. They will have to only register with the ACES application. This can be done in the following manner :
 - ACES application will automatically send mails to the e-mail IDs of the assessee, as available in the existing registration data base, indicating a TPIN number, and password. The mail will contain a hyperlink to the website.
 - Assessee clicks on the hyperlink and is taken to ACES application
 - Assessee submits the form after filling the requisite information including the password provided in the e-mail, a new User ID and new password. User ID, once chosen is final and cannot be changed by the assessee in future.
 - On successful registration with ACES, the assessee can transact business through ACES.
2. Existing assesseees should note that they should register with ACES by following the procedure at (1) above and they should not register with ACES through the direct method, meant for new assesseees, as discussed under (a) above. They should also not fill-in registration forms again as it will lead to allotment of new registration numbers by the system.
3. Assesseees should ensure that their contact details in the department's registration data base are updated to include their valid and current e-mail ids, otherwise they will not receive any such mail. Those assesseees who have not yet furnished their email IDs to the department or even after furnishing the ID have not received the TPIN mail from ACES are advised to contact the jurisdictional Range Officers or LTU Client Executives and furnish their email IDs in writing. The officer will thereafter incorporate the email ID in the ACES registration database of the assessee and arrange to send the TPIN mail to the assessee's email ID.

(c) Non-Assessee

1. This category of registration is given in ACES to any individual, firm or company which requires to transact with the Central Excise or Service Tax Department, though not an assessee such as (a) merchant exporter, (b) consignee, (c) refund applicant, (d) persons who have failed to obtain CE/ST registration as required under the law and against whom the Department has initiated proceedings and (e) persons who are required to tender any payment under CE/ST Act /Rules. The Non-assesseees are not required to file any tax returns.
2. Where such persons desire to seek non-assessee registration they follow same steps as in case of new assessee except that while choosing the registration form in step (vii) they have to choose and fill in the Non-assessee form.
3. In case the assessee is taking such registration for claiming any refund or rebate it is mandatory to furnish his/her valid PAN.

4. A Non-assessee registration can also be done by the designated officer of the Commissionerate, on behalf of the non-assessee.

(d) Large Tax Payer Unit (LTU) Assessee/ Client

1. The consent form will have to be submitted manually by the New LTU assesseees to the jurisdictional LTU office which will be processed off line
2. The approved consent form will be uploaded by the competent officer of the Group LTU (GLTU) into ACES
3. Any new unit of an existing LTU, which applies for registration with ACES will be automatically attached with the LTU Commissionerate based upon PAN details in the registration form
4. As soon as the new or existing unit is attached with the LTU Commissionerate, a suitable intimation will be automatically sent by the ACES to the existing jurisdictional Commissionerate and the pending items of work will be transferred to the LTU Commissionerate
5. For existing LTU assesseees, the process of registration is same as explained in Sub Para (b) above.

Important

- i. The user ID once selected will be permanent and cannot be changed. However, it is desirable to frequently change passwords
- ii. The User ID should be of 6-12 alphanumeric characters, no special character such as !@#\$%*&()+ or spaces except underscore '_' shall be allowed.
- iii. New assessee seeking registrations in Central Excise and Service Tax will also submit to the jurisdictional Range officer, a printout of the application form submitted online duly signed by the authorized signatory along with required documents.
- iv. Assesseees should note that the e-mail ID is furnished to the department in writing, and they will be responsible for all communications to and from this email ID. Currently, ACES provides for communication to one email ID only. After registration with the ACES, assesseees, on their own, can modify their registration details online, including their e-mail ID.
- v. In the interest of security and data protection, assesseees are advised to change their passwords regularly and not to share it with unauthorized persons. In case of any dispute, the person whose user ID and Password has been used to access the application will be held liable for the action and any other consequences.

V. E-filing of Returns

The assesseees can electronically file statutory returns of Central Excise and Service Tax by choosing one of the two facilities being offered by the department at present: (a) they can file it online, or (b) download the off-line return utilities which can be filled-in off-line and uploaded to the system through the internet.

a. Steps for preparing and filing returns

- (i) Returns can be prepared and filed on line by

selecting the 'File Return' option under RET module after logging into the ACES.

(ii) All validations are thrown up during the preparation of the return in this mode and the status of the return filed using the online mode is instantaneously shown by ACES.

(iii) Returns can also be prepared and filed off-line. Assessee downloads the Offline return preparation utility available at <http://www.aces.gov.in> (Under Download)

(iv) Prepares the return offline using this utility. The return preparation utility contains preliminary validations which are thrown up by the utility from time to time.

(v) Assessee logs in using the User ID and password.

(vi) Selects RET from the main menu and uploads the return. Instructions for using the offline utilities are given in detail in the Help section, under 'Download' link and assessee is advised to follow them.

(vii) Returns uploaded through this procedure are validated by the ACES before acceptance into the system which may take up to one business day. Assessee can track the status of the return by selecting the appropriate option in the RET sub menu. The status will appear as "uploaded" meaning under process by ACES, "Filed" meaning successfully accepted by the system or "Rejected" meaning the ACES has rejected the return due to validation error. The rejected returns can be resubmitted after corrections.

(viii) Once the Central Excise returns are filed online in ACES or uploaded to the system using the off-line utility, the same can not be modified or cancelled by the assessee. The Service Tax returns, however, can be modified once as per rules up to 90 days from the date of filing the initial return.

(ix) Self-assessed CE returns, after scrutiny by the competent officer, may result into modification. Both the 'Original' and the 'Reviewed' return can be viewed by the assessee online.

b. Using XML Schema for filing Dealers Return

Currently, the ACES Application allows on-line filing of Quarterly Returns by the Registered Dealers accessing the site www.aces.gov.in by using the excel utility. Some assessee who use their own software application in their offices find the process of manual entry of data in the excel format of Returns as a time consuming and avoidable exercise. A new feature of XML schema has now been introduced. Now using the schema, assessee, after making necessary modifications in their own software application, can generate their return from their application. Below mentioned steps elaborate the process to prepare, validate and upload the Dealer's Return.

Steps to prepare the XML

Step 1: ACES application accepts the return in XML format. Prepare the Dealer return XML and validate it against the schema ACES_DLR.xsd provided.

Step 2: Login to the ACES application and upload the XML for processing. XML will be

again validated against same XSD again before processing.

XML File only will be considered valid if it satisfies the requirements of the schema (pre-defined XSD) with which it has been associated. These requirements typically include such constraints as:

Elements and attributes that must/may be included, and their permitted structure

The structure as specified by regular expression syntax

Instructions for using the schema are given in detail in the Help section, under 'Download' link. Assessee is advised to follow them.

c. Filing of Returns and other documents through the ACES Certified Facilitation Centres (CFCs)

Very soon, CBEC will be setting up ACES Certified Facilitation Centres (CFCs) with the help of professional bodies like Institute of Chartered Accountants of India (ICAI), Institute of Cost and Works Accountants of India (ICWAI) etc. These CFCs will provide a host of services to the assessee such as digitization of paper documents like returns etc. and uploading the same to ACES. Assessee requiring the services of the CFCs may be required to pay service fees to the CFCs. CBEC will approve the maximum rates at which CFCs can charge their customers for the services rendered by them. For this purpose, assessee is required to write to the department authorizing one of the CFCs, from the approved list, to work in ACES on their behalf. They have to furnish the name and other details of the CFCs, including the registration No issued by the ICAI/ICWAI etc. At any given time, one assessee can authorize one CFC, while one CFC can provide services to more than one assessee throughout India. In case the assessee wants to withdraw the authorization, it can do so by intimating the department. However, an assessee will be held liable for all actions of omission or commission of the CFC, during the period they are authorized by him/her to work in ACES.

d. Validation of the entries made while filling return

1. At the time of making entry in the electronic format of the relevant return, the software does some preliminary validation for ensuring correctness of data, either concurrently or at the time of saving / submitting the return. This validation process is automated. The user is prompted by the application software to correct the particulars entered wherever required. In respect of certain entries, although the application alerts the assessee about any entry found erroneous or inconsistent, as per the automated validation process, the assessee is still allowed to proceed further to complete data entry of the return and finally submit it electronically. But in some cases the assessee is not allowed to proceed further unless the error indicated is corrected.

2. A return filed electronically is subject to automatic verification process by the application and defective returns are marked to the departmental officer for review and correction.

While reviewing the return the officer may seek some clarification from the assessee, call for some information, records or documents which should be furnished by the assessee. In case of review and correction of returns by the departmental officers, assessee will receive a message from the application and they can log in to the application to view the reviewed returns online.

3. Returns, captured off-line using the Downloadable utility and uploaded later on, are further subjected to certain validation checks. Processing of uploaded returns, using the off-line versions, is done at the end of one business day and the status can be viewed by the assessee under the 'VIEW STATUS' link under 'RET' module. Status is described as 'UPLOADED', 'FILED' or 'REJECTED' and they denote as follows:

- UPLOADED denotes that return is uploaded and under processing (assessee is advised to view the status after the end of a business day).

- FILED denotes that uploaded return is accepted by system.

- REJECTED denotes that return is rejected due to errors. (The assessee is required to correct the return and upload it again.)

4. There is no provision in ACES application to allow assessee to make corrections to the returns filed by them. Once the return is accepted by the system as successfully 'filed', no modification can be made by the assessee. However, if the return is rejected, the assessee can correct the errors and upload it again. The assessee is, therefore, advised to take utmost care while fill-in in the returns. They may, however, bring it to the notice of the departmental officers.

e. Acknowledgement of E-Filing of the return

In the case of a Central Excise or service Tax return filed on-line, ACES application software acknowledges it by displaying an Acknowledgement message. A unique document reference number is generated which consist of 15-digit registration number of the assessee, name of the return filed, the period for which return is filed etc. This is also automatically communicated to the email id of the assessee by the application. In the case of an uploaded Central Excise return, using offline utility, similar acknowledgement is generated and sent after the acceptance of the return by the system as a valid return i.e. when the status changes to 'FILED'.

f. Class of Assessee for whom e-filing of returns and e-payment is mandatory with effect from 1st April, 2010:

1. In terms of Notification No 04/2010-Central Excise (N.T.) dated the 19th February, 2010, an assessee, who has paid total duty of rupees ten lakhs or more including the amount of duty paid by utilization of CENVAT credit in the preceding financial year, is required to file the monthly or quarterly return, as the case may be, electronically, under sub-rule (1) of Rule 12 of the Central Excise Rules, 2002 and deposit the duty elec-

tronically through internet banking under sub-rule (1) of Rule 8 of the Central Excise Rules, 2002.

2. Similarly, in terms of Notification No. 01/2010 – Service Tax dated the 19th February, 2010, an assessee who has paid a total Service Tax of rupees ten lakhs or more including the amount paid by utilization of CENVAT credit, in the preceding financial year, is required to file the return electronically under sub-rule (2) of Rule 7 of the Service Tax Rules, 1994 and deposit the service Tax liable to be paid by him electronically, through internet banking under sub-rule (2) of Rule 6 of the Service Tax Rules, 1994.

3. The earlier facility of e-filing on the website (<http://exciseandservicetax.nic.in>), as provided in the CBEC Circular No.791/24/2004-CX. Dated 1.6.2004 is no more available and the assessee are required to file their returns online or by uploading the downloadable offline return utilities to the new ACES website (<http://www.aces.gov.in>). Data structure for writing programmes to cull out the required return data (currently available for Dealer return) from the assessee's computers in XML format has also been provided. Such schema for ER 2 and ER 1 returns will be published in due course. For complete details and instructions, assessee can visit the aforesaid website. Assessee who are required to or opted to file returns electronically but are unable to file electronically, for any technical difficulty in filing the returns, on account of difficulties at the department's end viz. server/application is down or due to some defect in the software, should file their returns manually within the due date.

g. e-payment

1. For e-payment, assessee should open a net banking account with one of the authorized banks (currently there are 28 banks, list of which is available on the EASIEST (Electronic Accounting System in Excise and service Tax) website of CBEC, maintained by NSDL (<https://cbec.nsd.com/EST/>). Payment through ICICI Bank, HDFC Bank and Axis Bank can be done by assessee for select Commissionerates only, list of which is published in the aforesaid EASIEST website. Payment through all other authorized banks can be made for all Commissionerates.

2. For effecting payment, assessee can access the ACES website (<http://www.aces.gov.in/>) and click on the e-payment link that will take them to the EASIEST portal (<https://cbec.nsd.com/EST/>) or they can directly visit the EASIEST portal.

3. Procedure for e-Payment

i. To pay Excise Duty and Service Tax online, the assessee has to enter the 15 digit Assessee Code allotted by the department under erstwhile SACER/SAPS or the current application ACES.

ii. There will be an online check on the validity of the Assessee Code entered.

iii. If the Assessee code is valid, then corresponding assessee details like name, address, Commissionerate Code etc. as present in the Assessee Code Master will be displayed.

iv. Based on the Assessee Code, the duty / tax i.e. Central Excise duty or Service Tax to be paid will be automatically selected.

v. The assessee is required to select the type of duty / tax to be paid by clicking on Select Accounting Codes for Excise or Select Accounting

Customs Valuation Exchange Rates

April 2010	Imports	Exports	
Schedule I			
1 Australian Dollar	41.90	40.75	
2 Canadian Dollar	45.15	43.90	
3 Danish Kroner	8.30	8.00	
4 EURO	61.40	59.75	
5 Hong Kong Dollar	5.90	5.80	
6 Norwegian Kroner	7.65	7.35	
7 Pound Sterling	68.55	66.75	
8 Swedish Kroner	6.35	6.15	
9 Swiss Franc	43.00	41.90	
10 Singapore Dollar	32.80	31.90	
11 U.S. Dollar	45.90	45.00	
Schedule II			
1 Japanese Yen	49.90	48.45	

Rate of exchange of one unit of foreign currency equipment to Indian Rupees

Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 26(NT)/29.03.2010)

Commodity Spot Prices in India – 01-05 April 2010

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day. The weekly prices of commodities from different cities of India will be given in the order of Harmonized System classification.

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 01-05 April.

(Rs.)					
Commodity	Unit	Market	01-Apr	02-Apr	05-Apr
CER (Carbon Trading)	1 MT	Mumbai	696.5	696.5	705.5
Chana	100 KGS	Delhi	2295	2295	2308
Masur	100 KGS	Indore	4033	4033	4050
Potato	100 KGS	Agra	574.3	574.3	573.4
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	7800	7800	7842
Cashewkern	1 KGS	Quilon	299	299	300
Cardamom	1 KGS	Vandanmedu	1192	1192	1208.6
Coffee ROB	100 KGS	Kushalnagar	61.5	61.5	60.6
Jeera	100 KGS	Unjha	11942	11942	12139
Pepper	100 KGS	Kochi	14990	14990	15410
Red Chili	100 KGS	Guntur	4595	4595	4595
Turmeric	100 KGS	Nzmbad	11372	11372	11369
Guar Gum	100 KGS	Jodhpur	4700	4700	4775
Maize	100 KGS	Nzmbad	844	844	855.5
Wheat	100 KGS	Delhi	1167.9	1167.9	1146.7
Mentha Oil	1 KGS	Chandausi	681	681	705.3
Cotton Seed	100 KGS	Akola	1223	1223	1220
Castorsd RJK	100 KGS	Rajkot	2934.5	2934.5	2949.5
Guar Seed	100 KGS	Jodhpur	2300	2300	2314
Soya Bean	100 KGS	Indore	2010.5	2010.5	2018
Mustrdsd JPR	20 KGS	Jaipur	503.65	503.65	514
Sesame Seed	100 KGS	Rajkot	5450	5450	5425
Coconut Oil Cake	100 KGS	Kochi	1170	1170	1170
RCBR Oil Cake	1 MT	Raipur	5783	5783	5840
Kapaskhali	50 KGS	Akola	1035.5	1035.5	1030
Coconut Oil	100 KGS	Kochi	5200	5200	5200
Refsoy Oil	10 KGS	Indore	447.2	447.2	450
CPO	10 KGS	Kandla	359	359	362.5
Mustard Oil	10 KGS	Jaipur	472.2	472.2	473.6
Gnutoilexp	10 KGS	Rajkot	685	685	690
Castor Oil	10 KGS	Kandla	630	630	630
Crude Oil	1 BBL	Mumbai	3781	3827	3836
Furnace Oil	1000 KGS	Mumbai	30745	30745	30602
Sourcrd Oil	1 BBL	Mumbai	3729.5	3729.5	3835.5
Brent Crude	1 BBL	Mumbai	3670	3670	3786
Gur	40 KGS	Muzngr	933.3	933.3	940.4
Sugars	100 KGS	Kolhapur	3003	3003	2846
Sugarm	100 KGS	Delhi	3159	3159	3146
Natural Gas	1 mmBtu	Hazirabad	174.6	174.6	184.4
Rubber	100 KGS	Kochi	15822	15822	16026
Cotton Long	1 Candy	Kadi	28690	28690	28650
Cotton Med	1 Maund	Abohar	2812.5	2812.5	2865
Jute	100 KGS	Kolkata	2936	2936	3126
Gold	10 GRMS	Ahmd	16335	16335	16425
Gold Guinea	8 GRMS	Ahmd	13068	13068	13140
Silver	1 KGS	Ahmd	27035	27035	27302
Sponge Iron	1 MT	Raipur	21690	21690	21840
Steel Flat	1000 KGS	Mumbai	36100	36100	37440
Steel Long	1 MT	Bhavnagar	31240	31240	31660
Copper	1 KGS	Mumbai	353.65	353.65	356.65
Nickel	1 KGS	Mumbai	1149.8	1149.8	1118.4
Aluminium	1 KGS	Mumbai	105.15	105.15	104.15
Lead	1 KGS	Mumbai	98.5	98.5	96.9
Zinc	1 KGS	Mumbai	106.95	106.95	106.45
Tin	1 KGS	Mumbai	843.5	843.5	823.5

(Source: MCX Spot Prices)

Codes for Service Tax, depending on the type of duty / tax to be paid.

vi. At a time the assessee can select up to six Accounting Codes.

vii. The assessee should also select the bank through which payment is to be made.

viii. On submission of data entered, a confirmation screen will be displayed. If the taxpayer confirms the data entered in the screen, it will be directed to the net-banking site of the bank selected.

ix. The taxpayer will login to the net-banking site with the user id/ password, provided by the bank for net-banking purpose, and will enter payment details at the bank site.

x. On successful payment, a challan counterfoil will be displayed containing CIN, payment details and bank name through which e-payment has been made. This counterfoil is proof of payment made.

h. Responsibility of the Assessee

1. It is the legal responsibility of the assessee, who are required to file returns, to file it within

the due date as prescribed under law. The electronic filing of returns is mandatory for select class of Central Excise and Service Tax assessee, as mentioned in Notification No 04/2010-Central Excise (N.T.) dated the 19th February, 2010, and Notification No. 01/2010 – Service Tax dated the 19th February, 2010 respectively. Other assessee can also use ACES and file their returns electronically. It may, however, be noted that merely uploading the returns will not be considered as returns having been filed with the department. A return will be considered as filed, when the same is successfully accepted by the application as 'Filed' and the relevant date for determining the date of filing of return will be the date of uploading of such successfully 'filed' returns. In case a return is 'rejected' by the application, the date of uploading of the rejected return will not be considered as the date of filing, rather the date of uploading of the successfully 'filed', return (after the assessee carries out necessary corrections and uploads it again) will be considered as the actual date of filing.

2. In case the assessee experiences any difficulty in transacting in ACES such as filing of return, the assessee may lodge a complaint with the ACES Service Desk or the department by e-mail and/or by telephone, details of which are given below and obtain a ticket no. as an acknowledgement from the department. However, mere lodging of complaints with the ACES service desk will not be a valid ground to justify late filing of returns. If the difficulty is not on account of problems at the assessee's end, and can be clearly attributed to the department's IT infrastructure such as problems in accessing CBEC's ACES application due to server, network or application being down, proportionate time will be deducted from the date of uploading of successfully 'filed' returns to ascertain the actual date and time of filing of the return. Since the department maintains logs of such technical failures, in case of any dispute, the decision of the department will be final.

VI. Digital Signatures

The ACES application is designed to accept digitally signed documents. However, in the beginning this functionality is not going to be activated. Pending its activation the electronic returns will be filed into ACES without digital signatures. Hence, wherever the returns are submitted through ACES there will not be any requirement to submit signed hard copy separately.

VII. System Requirements for ACES

To use ACES following systems requirements are recommended:

- Processor: Intel Pentium III and higher
- RAM: 256 MB and higher
- HDD: 80 GB and more
- Web Browser: IE 6.0 and above, Netscape 6.2 and above
- MS Excel 2003 and above for using offline utilities
- Sound Card, Speakers/Headphones, Colour Monitor for using Learning Management Systems (LMS)

VIII. Help for Assessee

CBEC has set up a Service Desk with National toll-free No. 1800 425 4251, which can be accessed by between 9 AM to 7 PM on all working days (Monday to Friday). Besides, e-mails can be sent to aces.servicedesk@icegate.gov.in. All the calls/e-mails will be issued a unique ticket number, which will be attended to by the Service Desk agents for appropriate response.

A Learning Management Software (LMS) has been provided on the ACES website, which is a multimedia-based self-learning online tutorial guiding the assessee in a step-by-step process to use ACES. The downloadable version of Learning Management Software is also provided on the website. Besides, User Manuals, Frequently Asked Questions (FAQs), Power Point Presentation, and a Brochure have also been provided on the website to help the assessee use ACES.

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