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Mexican and Brazilian in Final Round in WTO DG Race as 7 Drop Behind



WTO officials on 26 April formally announced that Herminio Blanco of Mexico and Roberto Carvalho de Azevêdo of Brazil have attracted enough support to advance to the third - and final - round of the organisation's leadership contest. The race to succeed WTO Director-General Pascal Lamy, who will be stepping down from his post at the end of August, is expected to conclude by the end of May.

The news - which broke unofficially on 25 April, and was formally announced by the WTO on 26 April afternoon - came following a weeklong "consultations" round, hosted by the chairs of the General Council, Dispute Settlement Body, and Trade Policy Review Body. These three ambassadors, known collectively as the "troika," are Shahid Bashir of Pakistan, Jonathan Fried of Canada, and Joakim Reiter of Sweden, respectively.

Members were asked in this round to name two candidates, without any ranking, as their preferences in private meetings with the troika. Along with Blanco and Azevêdo, the three other candidates being considered in this round included Taeho Bark of Korea, Tim Groser of New Zealand, and Mari Pangestu of Indonesia.

These "confessionals" were conducted on a confidential basis. Candidates receiving the least support are expected to withdraw their names from consideration. Their governments were notified last night to that effect.

In his statement to the General Council on 26 April, Bashir noted that nearly all of the 158 members that took part in this round of consultations provided the two preferences asked for, with only three deviating from this procedure. "These very few deviations did not affect the result of the consultations at all," he stressed.

The previous round of consultations had sparked some controversy among the membership, after Kenya formally

complained over the fact that some members stated more preferences than what the troika had asked for.

The final round of consultations will begin on Wednesday 1 May, and conclude on Tuesday 7 May. Members will be asked to state one preference in this round, in the goal of finding a candidate around which the organisation can build a consensus. The troika is expected to announce the results the following day, on Wednesday 8 May.

From nine to two

The high-profile race had originally kicked off with nine candidates, four of which were eliminated in a previous round of consultations. Those four included two African candidates - Amina Mohamed of Kenya and Alan Kyerematen of Ghana - as well as Jordan's Ahmad Thougan Hindawi and Costa Rica's Anabel González.

Speculation has been rife in Geneva as to who might get the WTO position, and what factors - such as what leadership roles their region has at other international organisations, or their views on matters of trade policy, among others - might play a role in their selection. Latin America is one of only two regions never to have had the organisation's top position, with the other region being Africa.

The next Director-General will take office on 1 September - just three months before the WTO's Ninth Ministerial Conference in the Indonesian province of Bali. WTO members are aiming to clinch a small package of deliverables from the Doha Round negotiations in time for the Bali gathering, which - if accomplished - would mark the first major advance in the 12-year-old talks in several years.

WTO future in focus

The change in WTO leadership is the first such transition since Lamy took office in 2005, and comes at a time when many are questioning the future path of the organisation. Questions over

Lok Sabha Passes Finance Bill without Debate

On 30 April the Government ruled out imposition of wealth tax on agriculture land as the Lok Sabha completed the budgetary exercise in an unusual way with Finance Bill and Demands for Grants for various ministries being passed without debate after Opposition walkout.

Finance Minister P Chidambaram also exempted Railways from payment of service tax for period between July, 1, 2012 (rpt 2012) to October 1, 2012 to avoid burden on the state-owned carrier.

Making a brief statement while moving the Finance Bill for voting, he introduced an amendment on the issue of wealth tax in view of misapprehensions as to whether it will apply to agriculture land.

"There was apprehension that wealth tax was being imposed on agricultural land. Let me make it absolutely clear that the policy of the UPA government is not to impose wealth tax on

agriculture land," he said.

The apprehensions arose on account of judgements following Punjab and Haryana High Court rulings, Chidambaram said, adding he had worked hard yesterday (29 April) to prepare the amendment and obtain the approval of the President and "the matter should come to an end."

The passage of the General and Railway budgets was rushed through as the guillotine had to be applied to meet the constitutional requirements.

BJP staged walk out over the coal issue, while Left, BJD and AIADMK left the House to protest against passage of important bills without discussion. DMK too walked out demanding removal of the JPC chief P C Chacko.

After the walkout, Speaker Meira Kumar said the passage of crucial bills without debate was being done in a "very difficult condition" and it was "immensely painful" for her.

how to break the deadlock in the Doha Round negotiations and how - and whether - the WTO should respond to the so-called "new issues," such as food security and climate change, have been a constant source of discussion in Geneva.

The timing is currently right for such an update, he explained, beginning with this December's ministerial gathering. A successful "early harvest" would provide both "very tangible material gains," along with boosting confi-

dence in members' ability to work with one another and achieve results.

He qualified, however, that "we all need to believe that any Bali outcomes will not be the end of the road." Solution to the Doha Round, and various non-Doha issues, must be examined by the membership, he added, noting that a post-Bali process "must, however, prioritise the issues of interest to the poorest countries."

WTO Releases Report on "Future Trade Challenges"

Governments are facing a series of "convergence challenges" on the future of the international trading system, according to a report issued on Wednesday by a 12-member panel convened by WTO Director-General Pascal Lamy. (The panel included Pradeep Mehta of CUTS India).

The report - which was issued under the Director-General's own responsibility - marked the conclusion of a process that was announced at the global trade body's 2011 ministerial conference. The panel that prepared the report was made up of 12 members from the business sector and civil society, and had been tasked with identifying 21st century trade challenges.

The report - which takes a medium to long-term view of the trading system's challenges - provides "food for thought" for both WTO members and other stakeholders, the Director-General told a packed conference room at the organisation's headquarters in Geneva.

The 40-page document is divided into three chapters: one on the state of trade and its contributions to growth and development; the second on the "transformational factors" of the current global economy that have, in turn, shaped trade; and a third on the panel's recommendations for potential action.

Trade as "means, not end"

The first section of the report outlines why opening up trade can have positive impacts on welfare, in the context of growing concerns over issues of fairness, income distribution, and social justice, among other topics.

The panel ultimately stressed in its report that trade is a means, not "an end in itself," and that issues such as development, unemployment, and inequality cannot be "neglected or set aside in the drive for prosperity at the national level."

"Transformational" factors

The world in which trade operates is also changing rapidly, the panellists noted, such as with the rise of global value chains, the increase in preferential trade agreements, and the growing use of non-tariff measures.

"Globalisation has made our world more robust in some ways and more fragile in others," the report noted. Trade has increased rapidly over the past several decades, and emerging and developing economies are playing a greater role in international trade and investment. Technology, the report stressed, is another key driver of the globalisation seen in recent years, and a major contributor to the increase in global value chains.

The panellists also cautioned that the expansion of preferential trade agreements carries risks, such as regulatory divergence and increases in costs, though there is the potential for benefits as well. Over 300 preferential trade

agreements are currently in effect, according to WTO figures, with several more currently under negotiation.

Non-tariff measures (NTMs), meanwhile, are "increasingly associated with public policy objectives," the report noted, such as health, safety, or environmental quality. "The trade policy challenge in this context, however, is to ensure that NTMs do not unnecessarily truncate the benefits of trade."

Recommendations

The report does not make specific recommendations on how to address the long-running Doha Round of trade talks, which were declared at an impasse in December 2011. However, the panellists noted that the current difficulties causing the stall will not disappear. "Circumstances and interests may have changed, but not the basic challenges," they said, adding that bringing the talks to a close remains a "political imperative."

The recommendations that the panel has prepared for WTO members focus instead on the areas of non-discrimination, transparency, and the relationship between flexibility and reciprocity.

For instance, the panellists urged that "permitted departures" from the WTO's principle of non-discrimination, such as the establishment of preferential trade deals, or in helping poorer countries in achieving development goals, should be regulated and monitored.

They recommended, therefore, that members explore ways that preferential deals and the principles underlying them be brought into the multilateral trading system in some manner, which could eventually lead to "consolidation around binding rules in agreed policy areas."

The report also emphasises the need for increased transparency, particularly through greater domestic dialogue among interested parties, and more willingness on behalf of governments in advising trading partners in the development of policies and in providing policy data.

In addition, the report calls for "fresh thinking" with regards to the relationship between flexibility and reciprocity, referring specifically to the subject of special and differential treatment (S&DT) for developing countries. For instance, the panel outlines four guiding principles with regard to flexibility, such as making flexibilities time-specific and basing these on needs and capacities.

Members should also take a "two-stage approach" in finding a balance between flexibility and reciprocity, the panellists said, with the first step involving the recognition of "progressive convergence" and the latter involving the "negotiation of its elements."

Panellists also call for the strengthening of the WTO secretariat, noting that - among other changes - it should become proactive in submitting proposals in order to speed up the

Last Date for ST-3 Return Filing for Q1 Extended to 31st August 2013 Pending Issue of New Form

In exercise of the powers conferred by sub-rule(4) of rule 7 of the Service Tax Rules, 1994, the Central Board of Excise & Customs (CBEC) has extended the date of submission of the Form ST-3, for the period from 1st October 2012 to 31st March 2013, from 25th April, 2013 to 31st August, 2013.

The time of submission has been extended because the Form ST-3, for the period from 1st October 2012 to 31st March 2013, is expected to be available on ACES around 31st of July, 2013.

[Ref: Press Release dated 24 April 2013]

membership's negotiations.

In its deliberations ahead of the report launch, the panel also discussed a series of issues that the WTO should consider and deliberate - though not necessarily negotiate. These included issues directly linked to existing WTO rules, such as subsidies, export restrictions, trade facilitation and the digital economy. They could also include various other topics that might also be relevant to the organisation, such as climate change, labour, currency, and international investment.

Need for convergence

The report concludes by outlining a four-pronged "convergence challenge" that governments will have to face.

These four challenges include convergence among members, specifically regarding WTO negotiations; convergence of non-multilateral trade regimes with the multilateral system; convergence between trade and domestic policies; and convergence between trade and public policy non-tariff measures.

EU Launches Anti-Subsidy Investigation on Solar Glass from China

The European Commission on 27 April initiated an anti-subsidy investigation into imports of solar glass from China. The initiation is based on a complaint lodged by the association EU ProSun Glass, which claims solar glass from China is being subsidised in China and then sold in the EU at prices below market value and causing material injury to the EU solar glass industry. An anti-dumping investigation into imports of solar glass from China is currently ongoing. This proceeding was initiated on 28 February 2013.

The anti-subsidy investigation could take up to 13 months, although under trade defence rules the EU could impose provisional anti-subsidy duties within nine months if it considers these necessary.

Solar glass is a special glass used mainly, but not exclusively, for the production of solar panels. It is an essential component not just of solar panels, but of many solar energy products.

This investigation has, however, no direct link with the probe related to the imports of solar panels launched by the European Commission last September: it is a stand-alone investigation concerning a clearly distinct product. The EU solar glass market is valued at less than €200m.

WEEKLY INDEX OF CHANGES

Zero Duty Post Export 2013-14 EPCG Duty Credit Scrip Notified

Ntnfn 23
18.04.2013
(DoR)

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the

Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods when imported into India against a **Post Export EPCG duty credit scrip** issued by the Regional Authority in accordance with paragraph 5.11 under Chapter 5 {Export Promotion Capital Goods (EPCG) Scheme} of the Foreign Trade Policy which provides for duty remission in proportion to export obligation fulfilled (hereinafter referred to as the said scrip) from,-

(a) the **whole of the duty of customs** leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975); and

(b) the **whole of the additional duty** leviable thereon under section 3 of the said Customs Tariff Act.

2. The exemption under this notification shall be subject to the following **conditions**, namely:-

(1) that the said **scrip is granted against a valid authorisation** issued under para 5.22 of the Handbook of Procedures Volume 1 (hereinafter referred to as the said authorisation) by the Regional Authority to an applicant (hereinafter referred as the authorisation holder) who opted for the scheme of Post Export EPCG Duty Credit Scrip:

Provided that the applicant is not issued, in the year of issuance of the said authorisation, the duty credit scrips under Status Holders Incentive Scrip (SHIS) scheme under para 3.16 of the Foreign Trade Policy. In the case of applicant who is Common Service Provider (herein after referred as CSP), the CSP or any of its specific users should not be issued, in the year of issuance of the said authorisation, the duty credit scrips under SHIS. This condition shall not apply where already availed SHIS benefit that is unutilised is surrendered or where benefits availed under SHIS that is utilised is refunded, with applicable interest, before issue of the said authorisation. SHIS scrips which are surrendered or benefit refunded or not issued in a particular year for the reason the said authorisation has been issued in that year shall not be issued in future years also;

(2) that the said **authorisation is not for import under duty exemption but for import of the goods specified in the Table 1** annexed hereto on **full payment of applicable duties in cash**;

(3) that the said authorisation is **registered at the port of import specified in the said authorisation** and the goods, which are specified in the Table 1 annexed hereto, are imported within eighteen months from the date of issue of the said authorisation on full payment of applicable duties in cash, and the said authorisation is produced before the proper officer of customs at the time of clearance of the goods for en-

dorsement of the import particulars and in cases where the authorisation holder has opted that the Cenvat Credit under Cenvat Credit Rules, 2004 in respect of the additional duty under section 3 of the Customs Tariff Act, 1975 (51 of 1975) paid (hereinafter referred to as additional duty of customs) shall not be taken, the proper officer endorses "Not valid for Cenvat Credit" on the bill of entry:

Provided that the benefit of import of capital goods for creation of modern infrastructure shall be extended only to such retailers who have a minimum area of 1000 square metres:

Provided further that catalyst for one subsequent charge shall be allowed, under the authorisation in which plant, machinery or equipment and catalyst for initial charge have been imported, except in cases where the Regional Authority issues a separate authorisation for catalyst for one subsequent charge after the plant, machinery or equipment and catalyst for initial charge have already been imported;

(4) that the **capital goods imported under the said authorisation are installed and put to use, after their import**, in the authorisation holder's factory or premises and at the time of registration of the said scrip a certificate, confirming such installation and use of the goods, from the jurisdictional Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise, as the case may be, which has been issued prior to the date of the first application filed by the authorisation holder for issuance of duty credit scrip against the said authorisation, is produced before the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be:

Provided that if the authorisation holder, including an authorisation holder who is a CSP, is not registered with the Central Excise or if the authorisation holder is a service provider (other than a CSP), as the case may be, he may produce the said certificate of installation and usage issued by an independent Chartered Engineer:

Provided further that in the case of manufacturer authorisation holder and merchant authorisation holder having supporting manufacturer(s) or vendor(s) or in the case of import of irrigation equipment for use in contract farming for export of agricultural products or in the case of authorisation holder rendering services, the capital goods may be installed at the factory or premises of such other person whose name and address is endorsed on the said authorisation and also on the shipping bills for fulfillment of the export obligation and the authorisation holder and such other person jointly and severally fulfill the export obligation and all other conditions. This shall not apply to a CSP:

Provided also that agro units located in Agri Export Zones or service providers in Agri Export Zones may move the capital goods within the Agri Export Zones under intimation to the juris-

ditional Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise, as the case may be, subject to the condition that the authorisation holder shall maintain accurate record of such movement;

(5) that where the goods **imported under the said authorisation are found defective or unfit for use, they may be re-exported back to the foreign supplier within three years from the date of payment of duty** on the importation thereof subject to the condition that, -

(a) at the time of re-export the goods are identified to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, to be the same goods which were imported;

(b) when the re-export of the goods has been made under claim of duty drawback, no duty remission in the form of duty credit scrip for the duty paid at the time of import on the re-exported goods shall be allowed;

(c) after any duty remission in the form of duty credit scrip has been claimed in respect of the duty paid on the goods imported under the said authorisation, no duty drawback shall be allowed when the goods are re-exported and the export obligation shall also not be re-fixed;

(6) that goods imported under the said authorisation **are not disposed of or transferred by sale or lease or any other manner** by the authorisation holder till the date of last export against which the said scrip is issued;

(7) that the **total export obligation to be fulfilled is equivalent to eighty five percent. (85%) of six times the amount which is the sum of applicable duty of customs** under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) paid (hereinafter referred to as basic customs duty), additional duty of customs, Education Cess under section 94 of the Finance (No.2) Act, 2004 (23 of 2004) paid and Secondary and Higher Education Cess under section 136 of the Finance Act, 2007 (22 of 2007) paid on goods imported under the said authorisation, on Free On Board basis, which is to be fulfilled within an export obligation period of six years from the date of issue of the said authorisation:

Provided that additional duty of customs shall not be taken for computation for the purpose of fixation of export obligation when the Cenvat Credit in respect of additional duty of customs has not been taken:

Provided further that the export obligation shall be 75% of the export obligation specified above when fulfilled by export of following green technology products, namely, equipment for solar energy decentralised and grid connected products, bio-mass gassifier, bio-mass or waste boiler, vapour absorption chillers, waste heat boiler, waste heat recovery units, unfired heat recovery steam generators, wind turbine, solar collector and parts thereof, water treatment plants, wind mill and wind mill turbine or engine, other generating sets - wind powered, electrically operated vehicles - motor cars, electrically operated vehicles - lorries and trucks, electrically operated vehicles - motor cycle and mopeds, and solar cells:

Provided also that for units located in Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura, the export obligation shall be 25% of the export obligation specified above:

Provided also that where a sick unit is notified by the Board for Industrial and Financial Reconstruction (BIFR) or where a rehabilitation scheme is announced by the concerned State Government in respect of sick unit for its revival, the export obligation may be fulfilled within the time period allowed by the Regional Authority as per the rehabilitation package prepared by the operating agency and approved by BIFR or rehabilitation department of State Government. In cases where the time period is not specified in the rehabilitation package, the export obligation may be fulfilled within the time period allowed by the Regional Authority which shall not exceed nine years:

Provided also that where the capital goods are imported for technological upgradation as per conditions specified in Para 5.8 of the Foreign Trade Policy, the export obligation shall be fulfilled within a period of six years from the date of issue of authorization under the said para:

Provided also that the export obligation shall be 50% of the export obligation specified above in the case of separate authorisation for spares (including refurbished/ reconditioned spares), moulds, dies, jigs, fixtures, tools and refractory for initial lining, for the existing plant and machinery (imported earlier, under para 5.22 of Handbook of Procedures Volume 1 or otherwise), in which the CIF value of import of the above spares, etc is limited to 10% of the CIF value of the plant and machinery imported under the authorisation (para 5.22 of Handbook of Procedures Volume 1) or 10% of the book value of the plant and machinery imported earlier otherwise than under para 5.22 of Handbook of Procedures Volume 1, as the case may be;

(8) that the **duty remission granted as duty credit in the said scrip bears the same proportion to the amount which is the basic customs duty** on the goods imported under the said authorisation which were **considered for fixation of export obligation**, as the extent of export obligation fulfilled (over and above the average export obligation) bears to the total export obligation:

Explanation 1. – For the purpose of condition (8),-

(a) the amount of duty remission shall not include the duty paid, any portion of which has been rebated, including by way of duty drawback;

(b) the amount of duty remission shall not include the duty paid which are not assessed finally;

(c) extent of export obligation fulfilled shall be the export obligation fulfilled till the last export included in the said scrip less the export obligations fulfilled that have been counted towards the previously issued duty credit scrips against the said authorisation;

(d) in condition (c) above, the export obligation fulfilled till the last export included in the said scrip shall be taken as the total export obligation

fulfilled in the following cases—

(i) where the authorisation holder fulfills seventy five percent. (75%) or more of the export obligation as specified in condition (7) [over and above hundred percent. (100%) of the average export obligation], within half of the period specified for export obligation as mentioned in said condition (7), in which case the balance export obligation shall stand condoned;

(ii) where the Regional Authority regularises shortfall, in the export obligation as specified in condition (7), not exceeding five per cent. (5%) of such export obligation, in which case the said shortfall shall be condoned;

(e) the *Explanation 2* to this notification relating to 'Export obligation' shall apply severally to each duty credit scrip, including the said scrip, issued against the said authorisation;

(f) the exports and supplies made within the export obligation period specified in condition (7) shall count towards fulfillment of export obligation;

(g) for fulfillment of export obligation, the payments against exports/supplies should have been realised.

(9) that where the first proviso to condition (7) is applied, the Cenvat Credit in respect of additional duty of customs shall not been taken and at the time of registration of the said scrip a certificate, from the jurisdictional Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise, as the case may be, to the effect that Cenvat Credit in respect of additional duty of customs on goods imported under the said authorisation has not been taken, is produced by the authorisation holder before the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be:

Provided that when the authorisation holder is not registered with Central Excise, he may produce the said certificate on self-certification basis;

(10) that the duty remission in the said scrip does not relate to duties paid on the imports made under the said authorisation which have not been installed and put to use;

(11) that the duty remission in the said scrip has not been obtained as a consequence of indigenous sourcing of capital goods;

(12) that the said scrip is issued, on request of the authorisation holder in form ANF5B for duty remission, by the Regional Authority specifying the same port of registration as mentioned in the said authorisation and it indicates details of the said authorisation, total export obligation fixed and its calculation, details of previous duty credit scrips issued against the said authorisation and the calculation of duty credit;

(13) that the imports under the said authorisation, the exports for fulfilling the export obligations and import of goods against the said scrip are undertaken through the seaports, airports or through the Inland Container Depots or through the Land Customs Stations as mentioned in the Table 2 annexed hereto or a Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005):

Provided that the Commissioner of Customs may, by special order or a public notice and subject to such conditions as may be specified by him, permit import and export through any other seaport, airport, inland container depot or through a land customs station within his jurisdiction;

(14) that for the purposes of registration, the said scrip is produced by the authorisation holder at the specified port of registration before the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, along with –

(a) the said authorisation and the bill(s) of entry under which the imports under the said authorisation were made on payment of applicable duties in cash;

(b) evidence showing the extent of export obligation fulfilled within the export obligation period;

(c) certificate confirming installation and use as prescribed in condition (4) above;

(d) certificate that Cenvat Credit has not been taken as prescribed in condition (9) above, where applicable;

(e) undertaking from the authorisation holder to the effect that,-

(i) the goods imported under the said authorisation have not been disposed of or transferred by sale or lease or any other manner till the date of last export against which the said scrip is issued;

(ii) the duty remission in the said scrip does not include the duty paid, any portion of which has been rebated, including by way of duty drawback; and

(iii) all the conditions have been complied with respect to the duty credit in the said scrip,

and the said Deputy Commissioner or Assistant Commissioner, as the case may be, upon being satisfied, allows the said scrip to be registered and the Customs authority endorses details of the said scrip and the remark "Drawback not available on re-export" on the bill(s) of entry, and registers the said scrip;

(15) that the said scrip and goods imported against it shall be freely transferable;

(16) that the said scrip is produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods and the proper officer taking into account the debits already made under this exemption debits the duties leviable on the goods, but for this exemption;

(17) that the validity of the said scrip shall be eighteen months from the date of issue and the said scrip shall be valid on the date on which actual debit of duty is made;

(18) that where the importer, under this notification, does not claim exemption from the additional duty of customs leviable under section 3 of the Customs Tariff Act, 1975 (51 of 1975) he shall be deemed not to have availed the benefit under this notification for the purpose of calculation of the said additional duty of customs;

(19) that the benefit under this notification shall not be available to the items listed in Appendix

37B of the Handbook of Procedures Volume 1; (20) that the importer shall be entitled to avail of the drawback or Cenvat credit of additional duty leviable under section 3 of the said Customs Tariff Act against the amount debited in the said scrip.

Explanation 2. – For the purpose of this notification, -

(A) “Capital goods” has the same meaning as assigned to it in Paragraph of 9.12 of the Foreign Trade Policy;

(B) “Common Service Provider” (CSP) means a service provider who is designated or certified as a Common Service Provider by the Director General of Foreign Trade (DGFT), Department of Commerce or State Industrial Infrastructural Corporation in a Town of Export Excellence;

(C) “Export obligation”, -

(I) means obligation on the authorisation holder to export to a place outside India, goods manufactured or capable of being manufactured or services rendered by the use of capital goods imported under the said authorisation and the export obligation shall be over and above the average level of exports achieved by the authorisation holder in the preceding three licensing years for the same and similar products within the export obligation period and such average shall be the arithmetic mean of export performance in the last three years for the same and similar products:

Provided that in case of export of goods relating to handicraft, handlooms, cottage, tiny sector, agriculture, animal husbandry, floriculture, horticulture, pisciculture, viticulture, poultry, sericulture, carpet, coir and jute, the authorisation holder shall not be required to maintain the average level of exports:

Provided also that in case of export of goods relating to aquaculture (including fisheries), the authorisation holder shall not be required to maintain the average level of exports subject to the condition that said authorisation has been obtained for goods other than fishing trawlers, boats, ships and other similar items:

Provided also that the goods, excepting tools, imported under said authorisation by the aforesaid sectors, shall not be allowed to be transferred for a period of five years from the date of imports even in cases where export obligation has been fulfilled. Transfer of capital goods would, however, be permitted within the group companies, after fulfillment of export obligation but before five years from the date of imports, under intimation to Regional Authority and jurisdictional Central Excise Authority:

Provided also that exports made to such countries as notified by Director General of Foreign Trade, shall not be counted for fixing the average level of exports:

Provided also that exports against only such shipping bills which mention the authorisation number and date of the said authorisation shall be counted for the fulfillment of the export obligation;

Provided also that in the case of authorisation issued to a CSP, -

(i) the reference to ‘authorisation holder’ in this Explanation shall be taken to mean a refer-

ence to ‘CSP and specific users whose details are informed prior to export by CSP to the Regional Authority’;

(ii) for the exports by users of the common service to be counted towards fulfillment of export obligation of CSP, the respective shipping bills of the users of common service shall contain the authorisation details of the CSP and the concerned Regional Authority shall be informed about the details of the users prior to such export; and

(iii) the exports counted against the authorisation shall not be counted towards fulfillment of other specific export obligations against all other authorisations issued under Chapter 5 of the Foreign Trade Policy, including para 5.22 of Handbook of Procedures Volume 1;

(II) shall be fulfilled through physical exports and the export proceeds realised in freely convertible currency. However the following categories of supplies, shall also be counted towards fulfillment of export obligation:

(a) deemed exports, namely:

(i) supply of goods against Advance Authorisation/Advance Authorisation for Annual Requirement/ Duty Free Import Authorisation (DFIA);

(ii) supply of goods to Export Oriented Units (EOUs) or Software Technology Parks (STPs) or Electronics Hardware Technology Parks (EHTPs) or Bio-Technology Parks (BTPs);

(iii) supply of goods to projects financed by multilateral or bilateral agencies or Funds as notified by the Department of Economic Affairs (DEA), the Ministry of Finance (MOF) under International Competitive Bidding (ICB) in accordance with procedures of those agencies or Funds, where legal agreements provide for tender evaluation without including customs duty; supply and installation of goods and equipments (single responsibility of turnkey contracts) to projects financed by multilateral or bilateral agencies or Funds as notified by DEA, MOF under ICB, in accordance with procedures of those agencies/Funds, where bids may have been invited and evaluated on the basis of Delivery Duty Paid (DDP) prices for goods manufactured abroad;

(iv) supply of goods to any project or purpose in respect of which the Ministry of Finance, by a

notification, permits import of such goods at zero customs duty and the supply is made under ICB procedure;

(v) supply of goods to mega power projects as provided in sub-clause (ii) of clause (f) of para 8.2 of Foreign Trade Policy;

(vi) supply of goods to nuclear power projects through competitive bidding as provided in clause (j) of para 8.2 of Foreign Trade Policy;

(b) supply of ITA-1 items to Domestic Tariff Area, provided realisation is in free foreign exchange;

(c) royalty payments received in freely convertible currency and foreign exchange received for Research and Development (R&D) services; and

(b) payments received in rupee terms for port handling services in terms of chapter 9 of the Foreign Trade Policy.

(D) “Foreign Trade Policy” means the Foreign Trade Policy, 2009-2014, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) vide notification number G.S.R. 1293 (E) of the Government of India, Ministry of Commerce and Industry, Department of Commerce No.1 (RE – 2012) /2009-2014 dated the 5th June, 2012, as amended from time to time;

(E) “Handbook of Procedures, Volume 1” means the Handbook of Procedures Volume 1, 2009-14, published in the Gazette of India, Extraordinary, Part I, Section 1 vide public notice of the Government of India in the Ministry of Commerce and Industry, Department of Commerce, No.1 (RE – 2012) /2009-2014 dated the 5th June, 2012, as amended from time to time;

(F) “Manufacture” has the same meaning as defined in clause (f) of section 2 of the Central Excise Act, 1944 (1 of 1944);

(G) “Regional Authority” means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation including a duty credit scrip under the said Act;

(H) “Town of Export Excellence” (TEE) means a selected town producing goods of Rs. 750 Crore or more based on potential of growth in exports. However, for TEE in handloom, handicraft, agriculture and fisheries sector the threshold limit would be Rs.150 Crore.

Table 1

SNo.	Description of goods
1.	Capital goods for pre-production, production and post-production.
2.	Capital goods in Semi Knocked Down (SKD)/Completely Knocked Down (CKD) conditions to be assembled into capital goods by the authorisation holder.
3.	Spare parts of CIF value upto 10% of the CIF value of goods specified at Serial Nos.1 and 2 as actually imported and required for maintenance of capital goods so imported, assembled, or manufactured.
4.	Spare parts of CIF value upto 10% of the book value of the existing plant and machinery of the authorisation holder.

Table 2

SNo.	Port, ICD, LCS	Located at
1.	Seaports	Bedi (including Rozi-Jamnagar), Chennai, Cochin, Dahej, Dharamtar, Haldia (Haldia Dock complex of Kolkata port) Kakinada, Kandla, Kattupalli (Tamilnadu), Kolkata, Krishnapatnam, Ennore (Tamilnadu) and Karaikal (Union territory of Puducherry), Magdalla, Mangalore, Marmagao, Muldwarka, Mumbai, Mundhra, Nagapattinam, Nhava Sheva, Okha, Paradeep, Pipavav, Porbander, Sikka, Tuticorin, Visakhapatnam and Vadinar.

2.	Airports	Ahmedabad, Bangalore, Bhubaneswar, Chennai, Cochin, Coimbatore, Dabolim (Goa), Delhi, Hyderabad, Indore, Jaipur, Kolkata, Lucknow (Amausi), Mumbai, Nagpur, Rajasansi (Amritsar), Srinagar, Trivandrum, Varanasi and Visakhapatnam.
3.	Inland Container Depots	Agra, Ahmedabad, Anaparthi (Andhra Pradesh), Babarpur, Bangalore, Bhadohi, Bhatinda, Bhilwara, Bhiwadi, Bhusawal, Chettipalayam (Tamilnadu), Chheharata (Amritsar), Coimbatore, Dadri, Dappar (Dera Bassi), Daulatabad (Wanjarwadi and Maliwada), Delhi, Dhannad Rau (District Indore), Dighi (Pune), Durgapur (Export Promotion Industrial Park), Faridabad, Garhi Harsaru, Gauhati, Guntur, Hyderabad, Irugur Village (Tamilnadu), Irungattukottai (SIPCOT Industrial Park, Kattrambakkam Village, Sriperumbudur Taluk, Kanchipuram District, Tamilnadu), Jaipur, Jalandhar, Jamshedpur, Jodhpur, Kanpur, Karur, Kheda (Pithampur, District Dhar), Kota, Kundli, Loni (District Ghaziabad), Ludhiana, Madurai, Malanpur, Mandideep (District Raisen), Mairipalem Village (in Edlapadu Taluk of District Guntur), Miraj, Moradabad, Nagpur, Nasik, Patli (Gurgaon), Pimpri (Pune), Pitampur (Indore), Pondicherry, Raipur, Rewari, Rudrapur (Nainital), Salem, Singanalur, Surat, Surajpur, Talegaon (District Pune), Thudiyalur (Tamilnadu), Tirupur, Tondiarpet (TNPM) in Chennai, Tuticorin, Udaipur, Vadodara, Varanasi, Veerapandi (Tamilnadu) and Waluj (Aurangabad).
4.	Land Customs Stations	Agartala, Amritsar Rail Cargo, Attari Road, Changrabandha, Dawki, Ghojadanga, Hilli, Jogbani, Mahadipur, Nepalganj Road, Nautanva (Sonauli), Petrapole, Ranaghat, Raxaul, Singhabad and Sutarkhandi.

[F.No.605/10/2013-DBK]

Domestic Procurement at Zero Excise Duty in Post Export 2013-14 EPCG Notified

14-CE 18.04.2013 (DoR)

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944),

read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and sub-section (3) of section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods specified in the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), when cleared against a Post Export EPCG duty credit scrip issued by the Regional Authority in accordance with paragraph 5.11 under Chapter 5 {Export Promotion Capital Goods (EPCG) Scheme} of the Foreign Trade Policy which provides for duty remission in proportion to export obligation fulfilled (hereinafter referred to as the said scrip) from,-

(i) the whole of the duty of excise leviable thereon under the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);

(ii) the whole of the additional duty of excise leviable thereon under section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957); and

(iii) the whole of the additional duty of excise leviable thereon under section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978).

2. The exemption shall be subject to the following conditions, namely:-

(a) that the conditions (1) to (14) specified in paragraph 2 of the Notification No. 23/2013 - Customs, dated the 18th April, 2013 are complied and the said scrip has been registered by the Customs authority at the specified port of registration (hereinafter referred as the said Customs authority);

(b) that the holder of the scrip, who may either

be the person to whom the scrip was originally issued or a transferee-holder, presents the said scrip to the said Customs authority along with a letter or proforma invoice from the supplier or manufacturer indicating details of its jurisdictional Central Excise Officer (hereinafter referred as the said Officer) and the description, quantity, value of the goods to be cleared and the duties leviable thereon, but for this exemption;

(c) that the said Customs authority, taking into account the debits already made towards imports under Notification No. 23/2013-Customs, dated the 18th April, 2013, and this exemption, debits the duties leviable, but for this exemption in or on the reverse of the said scrip and also mentions the necessary details thereon, updates its own records and sends written advice of these actions to the said Officer;

(d) that the validity of the said scrip shall be eighteen months from the date of issue and the said scrip shall be valid on the date on which the above debit of duty is made;

(e) that at the time of clearance, the holder of the scrip presents the said scrip debited by the said Customs authority to the said Officer along with an undertaking addressed to the said Officer that in case of any amount short debited in the said scrip he shall pay on demand an amount equal to the short debit, along with applicable interest;

(f) that based on the said written advice and undertaking, the said Officer endorses the clearance particulars and validates, on the reverse of the said scrip, the details of the duties leviable, but for this exemption, which were debited by the said Customs authority, and keeps a record of such clearances;

(g) that the manufacturer retains a copy of the said scrip, debited by the said Customs authority and endorsed by the said Officer and duly attested by the holder of the scrip, in support of the clearance under this notification;

(h) that the benefits under this notification shall

Retreaded Tyres Policy Streamlined



Subject: Amendment in Policy Condition 1 to Chapter 40 of ITC(HS), 2012.

10-Ntfn(RE) 22.04.2013 (DGFT)

In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), read with paragraph 2.1 of the Foreign Trade Policy, 2009-2014, as amended from time to time, the Central Government hereby amends Policy Condition 1 to Chapter 40 of ITC (HS) 2012, Schedule 1 (Import Policy) as under:

2. Presently, the bracketed portion at the end of Policy Condition 1 appended to Chapter 40 of ITC (HS) 2012, Schedule 1 (Import Policy) reads as under:

"[This policy condition applies to EXIM codes 4012 11 00, 4012 12 00, 4012 13 00, 4012 19 10, 4012 19 20, 4012 20 10, and 4012 20 90]."

The applicability of Policy Condition already finds a mention against the relevant 8 digit codes. Hence, the portion mentioned in the bracketed portion is not required.

3. The bracketed portion at the end of Policy Condition 1 appended to Chapter 40 of ITC (HS) 2012, Schedule 1 (Import Policy) stands **deleted**.

4. Effect of this notification

The redundancy in Policy Condition 1 appended to Chapter 40 of ITC (HS) 2012, Schedule 1 (Import Policy) is removed with immediate effect.

not be available to clear the items listed in Appendix 37B of the Handbook of Procedures, Volume 1;

(i) that the benefits under this notification shall not be available to goods or items, the imports of which are not permitted against the said scrip; and

(j) that the said holder of the scrip, to whom the goods were cleared, shall be entitled to avail the drawback or CENVAT credit of the duties of excise leviable under the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), against the amount debited in the said scrip and validated at the time of clearance.

Explanation - For the purposes of this notification,-

(A) "Export obligation" shall have the same meaning as specified in Notification No. 23/2013- Customs, dated the 18th April, 2013;

(B) "Foreign Trade Policy" means the Foreign Trade Policy, 2009-2014, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) *vide* notification number G.S.R.

1293(E) of the Government of India, Ministry of Commerce and Industry, Department of Commerce No.1 (RE – 2012) /2009-2014 dated the 5th June, 2012, as amended from time to time; (C) "Handbook of Procedures, Volume 1" means the Handbook of Procedures Volume 1, 2009-14, published in the Gazette of India, Extraordinary, Part I, Section 1 vide public notice of the Government of India in the Ministry of Commerce and Industry, Department of Commerce,

No.1 (RE – 2012) /2009-2014 dated the 5th June, 2012, as amended from time to time; (D) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation, including a duty credit scrip under the said Act. [F.No.605/10/2013-DBK]

Nine Tariff Lines Import Restricted as Ozone Depleting Substances

Subject: Amendment in Chapter 29 and Chapter 38 of ITC(HS), 2012 Schedule 1 (Import Policy).

09-Ntnf(RE) In exercise of powers
22.04.2013 conferred by Section 5 of the
(DGFT) Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), read with paragraph 2.1 of the Foreign Trade Policy, 2009-2014, as amended from time to time, the Central Government hereby

makes the following amendments in the ITC (HS) 2012, Schedule 1 (Import Policy):

2. Consequent to a review, import policy of the following items in Chapter 29 and Chapter 38 is revised from 'restricted' to 'free' as they are not Ozone Depleting Substances. After revision, the import policy is as under:

Exim Code	Item Description	Policy	Policy Conditions
2903 19 10	Tetrachloroethane	Free	
3824 78 00	Containing perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs), but not containing chlorofluorocarbons (HCFCs)	Free	

3. Import policy of the following items in Chapter 29 and Chapter 38 is revised from 'free' to 'restricted' as they are Ozone Depleting Substances. After revision, the import policy is as under:

Exim Code	Item Description	Policy	Policy Conditions
2903 19 20	Trichloroethane	Restricted	Import permitted as per Policy Condition 1 below.
3808 91 22	Methyl bromide	Restricted	Import permitted as per Policy Condition 3 below.
3824 71 00	Containing chlorofluorocarbons (CFCs), whether or not containing hydrochlorofluorocarbons (HCFCs), perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs)	Restricted	Import permitted as per Policy Condition 3 below.
3824 72 00	Containing bromochlorodifluoromethane, bromotrifluoromethane or dibromotetrafluoro-ethanes	Restricted	Import permitted as per Policy Condition 3 below.
3824 73 00	Containing Hydrobromofluorocarbons (HBFCs)	Restricted	Import permitted as per Policy Condition 3 below.
3824 74 00	Containing Hydrochlorofluorocarbons (HCFCs), whether or not containing perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs), but not containing chlorofluorocarbons (CFCs)	Restricted	Import permitted as per Policy Condition 3 below.
3824 75 00	Containing carbon tetrachloride	Restricted	Import permitted as per Policy Condition 3 below.
3824 76 00	Containing 1,1,1-trichloroethane (methyl chloroform)	Restricted	Import permitted as per Policy Condition 3 below.
3824 77 00	Containing bromomethane (methyl bromide) or bromochloromethane	Restricted	Import permitted as per Policy Condition 3 below.

4. The following Policy Condition is inserted after Policy Condition 2 appended to Chapter 38 ITC (HS) 2012, Schedule 1 (Import Policy):

"(3) Import is permitted by actual users against a licence from a country which is a party to the "Montreal Protocol on Substances that Deplete the Ozone Layer". List of countries which are parties to the Montreal Protocol (details can be accessed from website: www.unep.org/ozone) is in Appendix IV to this Schedule. However, import from countries, which are not parties to the Montreal Protocol is 'Prohibited'."

5. Part A, B and C of Appendix IV to ITC (HS)

2012, Schedule 1 (Import Policy) have been revised and substituted as at **Annexure** to this Notification.

6. Effect of this Notification

Import of items containing Ozone Depleting Substances (ODS) has been restricted and non-ODS items have been made free. A revised list of countries which are parties to the Montreal Protocol under Appendix IV to Schedule 1 is notified.

[Appendix-IV of this Notification, please see www.worldtradescanner.com]

Incremental Exports Incentivisation Scheme (IEIS) for 2013-14 Amendments in Duty Credit Scrips to Chapter 3 of FTP

Subject: Amendments in Chapter 3 of Foreign Trade Policy 2009-14

03-Ntnf(RE) In exercise of the powers
18.04.2013 conferred by Section 5 of the
(DGFT) Foreign Trade (Development and Regulation) Act, 1992 read

with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby makes the following amendments in the Foreign Trade Policy (FTP) 2009-14 with immediate effect:

2. A new paragraph 3.14.5 of FTP 2009-14 is added as below:

"3.14.5 Incremental Exports Incentivisation Scheme (IEIS) on annual basis"

Entitlement

(a) Objective of the Scheme is to incentivize incremental exports.

(b) An IEC holder would be entitled for a duty credit scrip @ 2% on the incremental growth (achieved by the IEC holder) during the current year (for example, say for the period 01.04.2013 to 31.3.2014) compared to the previous year (for example, say for the period from 01.04.2012 to 31.3.2013) on the FOB value of exports. Incremental growth shall be in respect of each exporter (IEC holder) without any scope for combining the exports for Group Company.

(c) Incentive will be admissible only if the IEC holder has achieved growth in the financial year 2013-2014 vis a vis financial year 2012-2013. Quantum of benefit will be calculated on the incremental growth achieved subject to eligibility criteria given in para 3.14.4(d) of FTP 2009-14.

Eligibility Criteria

(d) For the purpose of the scheme, export performance shall not be allowed to be transferred from any other IEC holder. Benefit under the scheme will not be allowed to an exporter who had made no export during fiscal year 2011-12 and fiscal year 2012-13. The following exports shall not be taken into account for calculation of export performance or for computation of entitlement under the Scheme:

(i) Export of imported goods or exports made through trans-shipment.

(ii) Export from SEZ/EOU/EHTP/STPI/BTP/FTWZ

(iii) Deemed Exports

(iv) Service Exports

(v) Third Party exports

(vi) Diamond, Gold, Silver, Platinum, other precious metal in any form including plain and studded jewellery and other precious and semi-precious stones.

(vii) Ores and concentrates of all types and in all formations.

(viii) Cereals of all types.

(ix) Sugar of all types and all forms.

(x) Crude / petroleum oil and crude / primary and base products of all types and all formulations.

(xi) Export of milk and milk products.

(xii) Export performance made by one exporter on behalf of other exporter.

(xiii) Supplies made to SEZ units.

(xiv) Items, export of which requires an export authorisation (except SCOMET), will not be considered.

(xv) Export of Meat and Meat Products.

(xvi) Exports to Singapore, UAE and Hong Kong.
Special Provision

(e) The scheme is region specific and will cover exports to USA, Europe and Asian countries only. In addition export to 53 countries in Latin America and Africa (as mentioned in Public Notice 3 dated 18th April 2013) will be entitled to this benefit. Disclaimer provisions of para 3.17.10 (b) of FTP shall not be admissible. This benefit will be over and above any benefit being claimed by the exporter under any of the Chapter 3 Schemes.

Utilisation of Scrip

(f) The duty credit scrip will be freely transferable. Such scrips shall also be eligible for domestic sourcing and for payment of Service Tax as per para 3.17.5 of FTP 2009-14.

3. The following is added at the end of Para 3.12.4 of FTP 2009-14:

“SFIS benefit will be allowed on the Net Foreign Exchange earned.”

4. Following is added at the end of Para 3.12.6(a) of FTP 2009-14:

“Service providers who are also engaged in manufacturing activity can use their SFIS scrip for importing / domestic sourcing of capital goods(as defined in para 9.12 of FTP) including spares related to the manufacturing sector business of the service provider. Such manufacturing sector business of the service provider would have to be endorsed on the SFIS scrip from relevant RA.”

5. The following is added at the end of existing Para 3.12.6 (b) of FTP 2009-14:

“Utilisation of Duty Credit Scrip shall also be permitted for payment of duty in case of Import/ domestic sourcing of motor cars, SUV’s and all purpose vehicles as Professional Equipment by Hotels, Travel agents, Tour operators or tour trans-

port operators and companies owning/operating golf resorts. Such vehicles (operating on road and requiring registration) will have to be registered for Tourist purpose only. Proof of registration will need to be submitted to RA concerned within 6 months of import/domestic procurement.”

6. Para 3.13.3 of FTP stands deleted with immediate effect.

7. Sub para (g) is added at the end of para 3.13.4 of FTP:

“Transferability of the Agri Infrastructure Incentive Scrip shall be allowed to supporting manufacturer of the status holder. Such transferability would have to be endorsed on the Agri Infrastructure Incentive Scrip from relevant RA.”

8. Following is added at the end of Para 3.16.3 of FTP 2009-14:

“SHIS can be transferred to a manufacturer group company of the scrip holder even though the group company is not a status holder. Group company is defined in para 9.28 of FTP. Such transfer will have to be endorsed by relevant RA.”

9. Para 3.17.2 (i) of FTP 2009-14 stands deleted with immediate effect.

10. Sub para (d) is added after 3.17.5(c):

“Duty credit scrips issued under FPS, FMS and VKGUY can be used for payment of Service Tax. Scrip holder shall be entitled to avail drawback benefits or CENVAT credit of the Service Tax debited in the said scrip in accordance with DOR rules.”

11. Following is added at the end of Para 3.17.11 of FTP 2009-14:

“Duty credit scrips can be used for payment of composition fee under FTP, for payment of application fee under FTP, if any and for payment of value shortfall in EO under para 4.28 (b) of HBP v1 2009-14.

Effect of this Notification

The Scheme to incentivize incremental exports for the year 2013-14 and other amendments to Chapter 3 of FTP are being notified.

DGFT Invites Suggestions on ITC (HS) Coding from Stakeholders on Draft VKGUY, FPS and MLFPS

Subject: Increasing accuracy of data capturing by DGCI&S- Alignment of Chapter 3 schemes with ITC HS

01-TN Various items have been added from time to time under 18.04.2013 (DGFT) Appendix 37A i.e. Vishesh Krishi and Gram Udyog Yojna (VKGUY) and Appendix 37D i.e. Focus Product Scheme (FPS) and Market Linked Focus Product Scheme (MLFPS) in the Hand Book of Procedure Vol-I.

2. ITC (HS) codes mentioned against few items in the Appendices did not match the description against respective ITC (HS) codes in the ITC (HS)classification of export and import item book. An effort has been made to align the items description in the Appendices 37 A & 37 D with ITC (HS) classification of export and import items.

3. Draft Appendix 37 A (VKGUY) and Appendix 37 D (FPS and MLFPS) have been prepared after alignment. Before notifying the above appendices, it has been decided to seek views of all stake holders on the draft Appendices about correctness of the ITC (HS) code and description of item. Draft Appendices will be available on the website of DGFT www.dgft.gov.in up to 17.05.2013.

4. All stakeholder are requested / encouraged to give feedback /suggestion on the above draft preferably through e-mail to hardeep.singh@nic.in up to 24.00 hrs on 17.05.2013.

[Enclosures: Draft Appendix 37 A, 37D (Table1), 37D (Table2) is available at our website www.worldtradesScanner.com]

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Customs Valuation Exchange Rates			
19 April 2013		Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]			
1	Australian Dollar	56.70	55.15
2	Bahraini Dinar	147.50	139.20
3	Canadian Dollar	53.55	52.10
4	Danish Kroner	9.70	9.40
5	EURO	72.10	70.25
6	Hong Kong Dollar	7.05	6.90
7	Kenyan Shilling	66.35	62.25
8	Kuwaiti Dinar	195.60	184.25
9	New Zealand Dollar	46.35	45.10
10	Norwegian Kroner	9.60	9.25
11	Pound Sterling	83.95	81.90
12	Singapore Dollar	44.30	43.25
13	South African Rand	6.10	5.75
14	South Arabian Riyal	14.85	14.00
15	Swedish Kroner	8.60	8.35
16	Swiss Franc	59.25	57.70
17	UAE Dirham	15.15	14.30
18	U.S. Dollar	54.50	53.55
Schedule II [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees]			
1	Japanese Yen	55.75	54.30

(Source: Customs Notification 40(NT)/18.04.2013)