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Excise Free Goods on Sale in Duty Free Shops in India against Rs. 35K Baggage Allowance

- Measure to Make Indian TVs Competitive with Bangkok and Singapore Baggage Goods
- No Export Status, Only Excise Exemption to Supplies

The Government issued notification on 23 May 2013 so as to allow excise duty-free sale of goods manufactured in India to international passengers or members of crew arriving from abroad at the Duty Free Shops (DFSs) located in the arrival halls of international airports and to passengers going out of India at the DFSs located in the departure halls of international airports in the country. Directions have also been issued to specify the procedure for removal of the goods from the factory of production without payment of duty to go downs or retail outlets of DFSs and related matters.

Passengers or members of crew coming from aboard are entitled to a duty-free baggage allowance subject to the conditions specified in the Baggage Rules, 1998. DFSs located in the arrival halls sell duty-free imported goods. Indigenous goods are also being sold in the arrival halls, but they are not duty free. Passengers going out of India are permitted to purchase duty-free imported goods from DFSs located in the departure halls of international airports. However, excise duty-free indigenous goods are not available for sale in such DFSs. It is in this context that representations were received requesting to permit excise duty-free sale of goods manufactured in India both on the arrival side as well as the departure side so as to ensure parity with the imported goods and to promote brand INDIA.

The Government held discussions with the different stakeholders and decided to permit excise duty-free sale of indigenous goods to passengers or members of crew arriving from abroad within the overall permissible baggage allowance under the Baggage Rules, 1998 and to permit excise duty-free sale of indigenous goods to passengers going abroad. Now, a passenger arriving from abroad will have the choice to buy either duty-free imported goods or duty-free indigenous goods within his overall permissible baggage allowance.

(It is a moot point as to how many Indian manufacturers will be able to avail of the facility given the negative attitude of the revenue officers. Further, the duty free shops may not be all that keen to stock Indian goods. There is also the issue of export incentives on sales to duty free shops. Last, "duty free" does not mean "profit free". Thus the concession may not be passed on to the consumer and will be absorbed in the pipeline from manufacturer to duty free retailer).

19-CE In exercise of the powers conferred by sub-
23.05.2013 section (1) of section 5A of the Central
(DoR) Excise Act, 1944(1 of 1944), the Central
Government, being satisfied that it is

necessary in the public interest so to do, hereby exempts the goods falling under the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) (hereinafter referred to as indig-

enous goods) when brought into duty free shops located in the arrival halls at the International Customs Airports from the factories of their manufacture situated in India for sale to passengers or members of crew arriving from abroad, from the whole of the duty of excise leviable thereon which is specified in the said Schedule, subject to the following conditions, namely:-

(i) the owner of the duty free shop shall follow the procedure specified by the Central Board of Excise and Customs vide Circular No. 970/04/2013-CX, dated 23rd May, 2013, governing the movement of excisable indigenous goods to the warehouses or retail outlets of Duty Free Shops appointed or licensed under the provisions of the Customs Act, 1962 (52 of 1962) and sale therefrom to the passengers or members of crew arriving from abroad;

(ii) the passenger or member of crew arriving from abroad shall be allowed clearance of excisable indigenous goods in his bonafide baggage, free of duty, subject to the maximum permissible allowance as applicable to such passenger or member of crew under the provisions of the Baggage

Rules, 1998, issued vide notification of the Government of India, in the Ministry of Finance (Department of Revenue) No. 30/1998-Customs (N.T.), dated the 2nd June, 1998, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.296 (E), dated the 2nd June, 1998, as amended from time to time;

(iii) the permissible allowance including the restrictions and prohibitions, if any, shall be determined under the said Baggage Rules read with all the "Appendixes" and "Annexure", which shall apply, *mutatis mutandis*, to sale of indigenous excisable goods to passengers or members of crew arriving from abroad;

(iv) the value of goods which shall be allowed clearance free of duty to the passenger or member of crew arriving from abroad within the permissible allowance as specified under the said Baggage Rules shall include the value of excisable indigenous goods, duty free as well as the value of imported goods purchased duty free;

(v) where the value of goods exceeds the maximum permissible allowance which is allowed to be cleared duty free, the passenger or member of crew arriving from aboard shall be liable to pay duty as applicable to dutiable articles in excess of such permissible allowance imported by a passenger or a member of crew in his baggage under the Baggage Rules, 1998 read with the Customs Act, 1962 and the rules made thereunder:



Provided that where there are any quantitative restrictions on goods to be allowed as baggage under the said Baggage Rules, the duty payable on such goods in excess of such quantitative restrictions and other consequences such as penalty, etc. shall apply *mutatis mutandis* to indigenous goods sold in the Duty Free Shops as are applicable under the said Baggage Rules, 1998 read with the Customs Act, 1962 and the rules made thereunder to the imported goods sold in excess of such quantitative restrictions.

[F. No. 354/192/2010-TRU (Pt)]

18-CE In exercise of the powers
23.05.2013 conferred by sub-section (1)
(DoR) of section 5A of the Central
Excise Act, 1944(1 of 1944),

the Central Government, being satisfied that it is necessary in the public interest so to do, hereby rescinds the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 145/1989-Central Excise, dated the 19th May, 1989, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.561 (E), dated the 19th May, 1989, except as respects things done or omitted to be done before such rescission.

[F. No.354/192/2010-TRU (Pt)]

07-CE(NT) In exercise of powers
23.05.2013 conferred by sub-rule (1) of
(DoR) rule 20 of the Central Excise
Rules, 2002, the Central

Government hereby extends the facility of removal of all excisable goods falling under the First Schedule to the Central Excise Tariff Act,

1985 (5 of 1986) from the factory of production, intended for storage in a godown or retail outlet of a Duty Free Shop in the Departure Hall or the Arrival Hall, as the case may be, of International Airport, appointed or licensed as "warehouse" under Section 57 or 58 of the Customs Act, 1962 (52 of 1962), as the case may be, and for sale therefrom, against foreign exchange to passengers going out of India or to the passengers or members of crew arriving from abroad, subject to limitations, conditions and safeguards as may be specified by the Central Board of Excise and Customs in terms of sub-rule (2) of rule 20 of Central Excise Rules, 2002

[F.No.209/08/2011-CX.6]

09-CE(NT) In exercise of powers
23.05.2013 conferred by sub-rule (2) of
(DoR) rule 9 of the Central Excise
Rules, 2002, the Central Board
of Excise and Customs makes the following
further amendment in the notification No.36/
2001-Central Excise (N.T.) dated the 26th June,
2001 (GSR 465 E dated 26th June, 2001),
namely:

In the said notification, after para (2), the following shall be inserted, namely:-

"(2A) hereby declares that where a godown or retail outlet of a Duty Free Shop is appointed or licensed under the provisions of sections 57 or 58 of the Customs Act, 1962 (52 of 1962), as the case may be, such godown or retail outlet shall be deemed to be registered as warehouse under rule 9 of the Central Excise Rules, 2002.

[F.No.209/08/2011-CX.6]

New Standards for Import of Bulk Drugs into EU - Legislation will Come into Force from 2 July 2013

The Government of India has demonstrated its keenness to meet international requirements for exports of pharmaceutical products yet again by taking timely action for complying with the new procedural requirements of the European Union (EU) for import of Active Pharmaceutical Ingredients (APIs) into the EU. APIs are commonly referred to as bulk drugs in the pharmaceutical industry and are used in the making of formulations (medicines).

European Union issued a new Directive/2011/62/EC dated 8th June 2011 amending earlier Directive 2001/83/EC. The stated objective of this Directive is to lay down a community code relating to medicinal products for human use and to ensure that the defective products do not reach consumers. The Directive lays down a system of control over the entire supply chain for pharmaceuticals. It controls manufacture and import to marketing, wholesale and retail distribution. The said directive will be operational from 2nd July 2013.

The changes broadly being introduced now *vis-a-vis* existing regulations, are as below:

Current Regulation

Exporter of Active Pharmaceutical Ingredients (APIs) to EU countries should either have a Certificate of Suitability (COS) issued by EU Authority of a Drug Master File (DMF) filed with

respective Regulatory Authorities of the respective Member State. Also a Qualified Person (QP) of the company in EU intending to use the API has to certify that the API is manufactured under Good Manufacturing Practice (GMP) prescribed in International Conference for Harmonisation (ICH) guideline Q7A.

New Legislation

The new legislation coming into force from 02.07.2013 requires a 'written confirmation' by a competent authority nominated by the Government of India that the API has been manufactured in accordance with EU-GMP standards and that the Manufacturing Facility where the API was manufactured is subject to control and enforcement of GMP standards and is equivalent to those in the EU countries.

To comply with the above requirements, the Department of Health & Family Welfare officially declared the Central Drugs Standard Control Organization (CDSCO) on 12.11.2012. It was also decided that a protocol for the procedure to be complied by the India API Exporters would be laid down by the CDSCO which has been done.

The Department of Commerce has been seized of this issue right from the beginning since EU is an important market for the pharma industry.



Kituyi Next UNCTAD Head



Former Kenyan trade minister Mukhisa Kituyi has been nominated by UN Secretary-General Ban Ki-moon to serve as the new head of the UN Conference on Trade and Development (UNCTAD), the agency announced last week.

Kituyi's candidacy is next set to go to the UN General Assembly for approval by the organisation's 194 member states. If confirmed, he will replace current UNCTAD Secretary-General Supachai Panitchpakdi of Thailand, who has served two terms as the organisation's head since being appointed in 2005. Before taking the top job at UNCTAD in 2005, Supachai was the WTO's Director-General for a period of three years.

The term of the new UNCTAD chief would begin on 1 September and last for four years. Kituyi, who served as Kenya's trade minister from 2002-2007 and was a member of his country's parliament for over a decade, is currently the chief executive of the Nairobi-based Kenya Institute of Governance and a non-resident fellow at the Washington-based Brookings Institution's Africa Growth Initiative.

The former Kenyan government official was reportedly under consideration for the UN agency's top post in 2009, before Supachai was nominated to serve a second term. Kituyi also briefly vied for the position of WTO Director-General in late 2004, in a race that ultimately went to current chief Pascal Lamy.

The news of Kituyi's UNCTAD nomination last Thursday was announced just days after the WTO formally concluded its own leadership contest, which saw Brazil's Roberto Carvalho de Azevêdo win the role of Director-General from a nine-candidate field.

Some trade observers have speculated that the elimination of the WTO selection's two African candidates - Alan Kyerematen of Ghana and Amina Mohamed of Kenya - in the first round of that contest may have helped set the stage for someone from that continent to be chosen to head the UN trade and development body.

Before Supachai, previous UNCTAD Secretaries-General have hailed from Brazil, Ghana, Sri Lanka, Venezuela, and Argentina.

Various EU industry members have been expressing their concern about the ability of India to comply with the new procedure by the deadline of 2nd July 2013. However, Government of India is optimistic that its pharma industry would be able to meet regulatory requirements within the given time frame.

Following are the salient features of the guidelines laid down by the CDSCO, which is also hosted on their website:

1. Application for issue of "written confirmation" for APIs for medicinal products for

Cont'd..72

WEEKLY INDEX OF CHANGES

Zero Duty on Oil Cake/Oil Cake Meal Import upto 30 Sept 2013

Ntnfn 30 In exercise of the powers
21.05.2013 conferred by sub-section (1)
(DoR) 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
makes the following further amendments in the
notification of the Government of India in the
Ministry of Finance (Department of Revenue),

No. 12/2012-Customs, dated the 17th March,
2012 which was published in the Gazette of
India, Extraordinary, vide G.S.R. 185(E), dated
the 17th March, 2012, namely:-
In the said notification,-

(a) in the Table, **after the S. No. 104A** and the
entries relating thereto, the following serial num-
ber and the entries shall be **inserted**, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
"104B	2304	De-oiled soya extract	Nil	-	-
	2305	Groundnut oil cake/oil cake meal	Nil	-	-
	230630	Sunflower oil cake/oil cake meal	Nil	-	-
	230690	Canola oil cake /oil cake meal	Nil	-	-
	230690	Mustard oil cake/oil cake meal	Nil	-	-"

(b) in the **proviso**, **after** clause (ba) the following clause shall be **inserted**, namely:-

"(bb) the goods specified against serial number 104B of the said Table on or after the first day of October, 2013".

[F. No. 354/141/2012-TRU]

DGFT Liberalises Transfer/Sale of Weapons Imported by Shooters subject to NRAI Certification

Subject: Amendment in Para 2.43.2 (c) of Handbook of Procedure Vol.I, 2009-2014.

14-PN(RE) In exercise of powers
17.05.2013 conferred under paragraph 2.4
(DGFT) of the Foreign Trade Policy
2009-2014, the Director

General of Foreign Trade makes the following
amendment in the Handbook of Procedure Vol.I,
2009-2014:

2. Presently, **Para 2.43.2 (c)** of Handbook of
Procedure Vol.I, 2009-2014 **reads** as under:

"Prior Permission of DGFT shall also not be
required for transfer of imported weapons (fire-
arms) by the Renowned Shooters* after 5 years
from date of import. In respect of those shooters
categorized as Renowned Shooter for at least 3
consecutive years, no permission would be
required from DGFT after 3 years from date of
import."

3. The above Paragraph is **replaced** as under:

"Prior Permission of DGFT shall also not be
required for transfer of weapon/s (firearm/s)
imported by a Renowned Shooter (as defined in

Policy Condition 3 of Chapter 93 of ITC(HS)
2012) for the purpose of his/her pursuing shoot-
ing as a sport to any upcoming shooter as
certified either by the National Rifle Association
of India (NRAI) or the Department of Sports,
Ministry of Youth Affairs & Sports **after two
years from the date of import**. The transferee
can subsequently transfer/resell to any buyer
as certified by the NRAI or Department of Sports
for the sole purpose of pursuing shooting as a
sport **after one year from the date of its first
sale**. Such transfer/sale is subject to the provi-
sions of the Arms Act, 1959 and other rules/
regulations by state/local police. NRAI/Depart-
ment of Sports will maintain the required
records."

4. Effect of this Public Notice

The present dispensation of transfer/sale of
imported weapons (firearms) by shooters has
been liberalized.

Anti-dumping Duty on Peroxosulphates Hiked in Review – Measure Valid for Five Years

Duty Shifted to Dollar per MT from Rupee per KG

Ntnfn 11-ADD Whereas, the designated
16.05.2013 authority vide notification No.
(DoR) 15/9/2011-DGAD, dated the
13th March, 2012, published in

the Gazette of India, Extraordinary, Part I, Sec-
tion 1, dated the 13th March, 2012, had initiated
review in terms of sub-section (5) of section 9A
of the Customs Tariff Act, 1975 (51 of 1975)
(hereinafter referred to as the Customs Tariff
Act), read with rule 23 of the Customs Tariff
(Identification, Assessment and Collection of
Anti-dumping Duty on Dumped Articles and for
Determination of Injury) Rules, 1995, in the
matter of continuation of anti-dumping duty on

imports of Peroxosulphates (Persulphates), fall-
ing under tariff-item 28334000 of the First Sched-
ule to the Customs Tariff Act (herein after re-
ferred to as the subject goods) , originating in, or
exported from the People's Republic of China
(China PR) and Japan (hereinafter referred to
as the subject countries), imposed *vide* notifica-
tion of the Government of India, in the Ministry
of Finance (Department of Revenue) No. 96/
2007-Customs, dated the 29th August, 2007,
published in the Gazette of India, Extraordinary,
Part II, Section 3, Sub-section (i), *vide* number
G.S.R.567 (E), dated the 29th August, 2007,
read with notification of the Government of

Chief Commissioners Must Transmit Monthly DTR to DGCIS

[Ref: CBEC Instruction dated 21 May 2013]

Subject: Issues related to transmission of
trade data

A Committee under the chairmanship of DG
NIC with representatives of Department of
Commerce and Department of Revenue had
been constituted to consider the issues of
timely and accurate transmission of trade
data and give its recommendations.

2. The Committee in its report has recom-
mended that in order to ensure data cover-
age, completeness and timely submission
of trade data Commissionerate at Customs
station should be directed to certify and
inform DGCIS on monthly basis that all trade
data has been sent to them.

3. Accordingly Board has decided that All
Chief Commissioners of Customs having
jurisdiction over non- EDI locations should
ensure that complete trade data in the form
of DTR on monthly basis is sent in time to
DGCIS. The Commissionerate should also
certify and inform DGCIS that all trade data
for the period has been sent to them. Similar
exercise should be undertaken in case of
EDI enabled Customs stations where manual
clearances have been affected.

4. Suitable instructions may be issued to all
concerned officers for strict compliance of
aforementioned instructions.

F.No.528/69/2012-STO (TU)

India, in the Ministry of Finance (Department of
Revenue)No. 20/2012-Customs (ADD), dated
the 4th April, 2012, published in the Gazette of
India, Extraordinary, Part II, Section 3, Sub-
section (i), *vide* number G.S.R.287 (E), dated
the 4th April, 2012;

And whereas the designated authority, in its
final findings in Sunset Review *vide* notification
No. 15/9/2011-DGAD, dated the 12th March,
2013, published in the Gazette of India, Extraor-
dinary, Part I, Section 1, dated the 12th March,
2013, has come to the conclusion that-

(a) there has been continued dumping of the
subject goods from China PR and the dumping
is likely to continue, if the anti-dumping duty is
allowed to cease;

(b) the subject goods are entering the Indian
market at dumped prices from China PR and the
dumping margin is above de-minimis and should
the present anti-dumping duties be revoked,
dumping of the subject goods may continue
causing injury to the domestic industry;

(c) as regards the country of Japan, consider-
ing the magnitude and price of Japan's exports
of subject goods world over, in the event of
revocation of antidumping duty, the subject
goods are likely to be dumped in India causing
injury to the domestic industry,

and has recommended continued imposition
of definitive anti-dumping duty on such rates on
imports of the subject goods originating in, or
exported from, the subject countries, as speci-

fied in the Table therein.

Now, therefore, in exercise of the powers conferred by sub-section (1), and sub-section (5) of section 9A of the Customs Tariff Act, read with rules 18 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of the aforesaid findings and recommendation of the designated

authority, hereby imposes on the goods, the description of which is specified in column (3) of the following Table, specification of which is specified in column (4) of the said Table, falling under Tariff-item of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country specified in the corresponding entry in column (5), exported from the country specified in the corresponding entry in column (6), pro-

duced by the producer specified in the corresponding entry in column (7), exported by the exporter specified in the corresponding entry in column (8), and imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entry in column (9), in the currency as specified in the corresponding entry in column (11) and per unit of measurement as specified in the corresponding entry in column (10) of the aforesaid Table, namely:-

Table

SNo.	Tariff-item	Description of goods	Specification	Country of origin	Country of exports	Producer	Exporter	Duty amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	2833 40 00	Peroxosulphates or Persulphates	Ammonium Persulphates, Potassium Persulphates or Sodium Persulphates	China PR	China PR	R Any	Any	420	MT	US \$
2	2833 40 00	-do-	-do-	China PR	Any	Any	Any	420	MT	US \$
3	2833 40 00	-do-	-do-	Any	China PR	Any	Any	420	MT	US \$
4	2833 40 00	-do-	-do-	Japan	Japan	Any	Any	822	MT	US \$
5	2833 40 00	-do-	-do-	Japan	Any	Any	Any	822	MT	US \$
6	2833 40 00	-do-	-do-	Any	Japan	Any	Any	822	MT	US \$

2. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, amended and superseded earlier) from the date of publication of this notification in the Official Gazette.

3. The anti-dumping duty imposed under this notification shall be payable in Indian currency.

Explanation.- For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers

conferred by section 14 of the Customs Act, 1962, (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.354/32/2007-TRU (Pt-I)]

Tariff Value of Gold Down by US\$26 per 10 gms

55-Cus(NT) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue),

No. 36/2001-Customs (N.T.) dated, the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii) vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1 and TABLE-2, the following Tables shall be substituted namely:-

“Table-1

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	831 (i.e. no change)
2	1511 90 10	RBD Palm Oil	836 (i.e. no change)
3	1511 90 90	Others – Palm Oil	834 (i.e. no change)
4	1511 10 00	Crude Palmolein	840 (i.e. no change)
5	1511 90 20	RBD Palmolein	843 (i.e. no change)
6	1511 90 90	Others – Palmolein	842 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	1075 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	3910 (i.e. no change)
9	1207 91 00	Poppy seeds	4395 (i.e. no change)

Table-2

SNo.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	440 per 10 grams
2	71 or 98	Silver, in any form in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	761 per kilogram (i.e. no change)”

[F. No. 467/01/2013-Cus. V]

Second Task Force on Transaction Cost under DGFT Pujari

Subject: Constitution of 2nd Task Force on Transaction Cost

02-TN In pursuance of the 20.05.2013 announcement made by (DGFT) Commerce and Industry Minister on 18.4.2013, the

Second Task Force on Transaction Cost has been constituted under the Chairmanship of Director General of Foreign Trade under following terms of reference:

- To identify reasons for high transaction cost in exports.
- To identify areas, where Indian exporters face administrative impediments that lead to increase in transaction cost.
- Compare procedural complexities in exports between India and its major competitors.
- Suggest guidelines/ steps for removal of procedural complexities drawing from the global best practices.
- Suggest guidelines/ steps to move towards transparent and increasingly paperless processing through digital platform.

- Task Force will submit report in six months.
- All stakeholders, administrative Ministries/ Departments of Government of India/ State Governments and Trade & Industry Bodies are invited to send suggestions for consideration of the task force at transactioncost@nic.in. Suggestions can be sent preferably by 17.6.2013

Service Tax Exemption Applicable on FPS, FMS, VKGUY and SHIS under FTP 2009-2014

Ntnf 29
16.05.2013
(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 makes the following amendments in each of the notifications of the Government of India in the Ministry of Finance (Department of Revenue) specified in column (2) of the Table below, in the manner specified in the corresponding entry in column (3) of the said Table, namely :-

Table

SNo.	Notification number and date	Amendments
(1)	(2)	(3)
1.	92/2009-Customs, dated the 11th September, 2009 [Vide number G.S.R. 658 (E), dated the 11th September, 2009] FPS under FTP 2009-2014 (Q/31)	In the said notification, in the opening paragraph, in condition (ii), for the words, figures and letters "notification No. 29 of 2012 - Central Excise, dated the 9th July, 2012," the words, figures and letters "notification Nos. 29 of 2012 - Central Excise, dated the 9th July, 2012 and 7 of 2013 - Service Tax, dated the 18th April, 2013," shall be substituted.
2.	93/2009-Customs, dated the 11th September, 2009 [Vide number G.S.R. 659 (E), dated the 11th September, 2009] FMS under FTP 2009-2014 (Q/28)	In the said notification, in the opening paragraph, in condition (ii), for the words, figures and letters "notification No. 30 of 2012 - Central Excise, dated the 9th July, 2012," the words, figures and letters "notification Nos. 30 of 2012 - Central Excise, dated the 9th July, 2012 and 6 of 2013-Service Tax, dated the 18th April, 2013," shall be substituted;
3.	95/2009-Customs, dated the 11th September, 2009 [Vide number G.S.R. 661(E), dated the 11th September, 2009] VKGUY under FTP 2009-2014 (Q/8)	In the said notification, in the opening paragraph, in condition (i), for the words, figures and letters "notification No. 32 of 2012 - Central Excise, dated the 9th July, 2012," the words, figures and letters "notification Nos. 32 of 2012 - Central Excise, dated the 9th July, 2012 and 8 of 2013-Service Tax, dated the 18th April, 2013," shall be substituted.
4.	104/2009-Customs, dated the 14th September, 2009 [Vide number G.S.R. 674 (E), dated the 14th September, 2009] SHIS under FTP 2009-2014 for Capital Goods (Q/4)	In the said notification, in the opening paragraph, for condition (2), the following condition shall be substituted, namely:- "(2) that the said scrip has not been issued in violation of the condition contained in the sub-paragraph (5) of paragraph 2 of notification No.101 of 2009 - Customs, dated the 11th September, 2009 or sub-paragraph (4) of paragraph 2 of notification No.102 of 2009 - Customs, dated the 11th September, 2009 or the second proviso to sub-paragraph (1) of paragraph 2 of notification No. 05 of 2013 - Customs, dated the 18th February, 2013 or sub-paragraph (3) of paragraph 2 of notification No. 22 of 2013 - Customs, dated the 18th April, 2013 or first proviso to sub-paragraph (1) of paragraph 2 of notification No. 23 of 2013-Customs, dated the 18th April, 2013, as the case may be;"
5.	23/2013-Customs, dated the 18th April, 2013, vide number G.S.R. 249 (E), dated the 18th April, 2013. Zero Duty Post Export 2013-14 EPCG Scrip	In the said notification, in paragraph 2, in condition (16), for the words "made under this exemption", the words, figures and letters "made under this exemption and the debits made under the notification No. 14 of 2013 - Central Excise, dated the 18th April, 2013," shall be substituted.

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

Amendments in Served from India, FMS, VKGUY and FPS Schemes Excise Notifications

17-CE
16.05.2013
(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, being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in each of the notifications of the Government of India in the Ministry of Finance (Department of Revenue) specified in column (2) of the Table below, which shall be amended or further amended, as the case may be, in the manner as specified in the corresponding entry in column (3) of the said Table, namely :-

Table

SNo.	Notification number and date	Amendments
(1)	(2)	(3)
1.	34/2006-Central Excise dated the 14th June, 2006 [Vide number G.S.R. 365 (E), dated the 14th June, 2006] SFIS	In the said notification,- (i) in opening paragraph,- (a) for the word and figures "paragraph 3.6.4", the words and figures "paragraph 3.6.4 or paragraph 3.12" shall be substituted; (b) in the condition (ii), for the proviso, the following proviso shall be substituted, namely:- "Provided that except in case of goods covered at sub-paragraph (iii) above, transfer of the said certificate and goods may be allowed subject to actual user condition within the service providers of the group company or managed hotels as defined in Chapter 9 of the Foreign Trade Policy;"; (ii) in the Explanation, in item (ii), for the words "as amended from time to time;"; the words, figures and letters "or the Foreign Trade Policy 2009-14, published as the notification of the Government of India in the Ministry of Commerce and Industry, vide No.1/2009-2014, dated the 27th August, 2009, as amended from time to time, as the case may be;" shall be substituted.
2.	29/2012-Central Excise dated the 9th July, 2012 [Vide number G.S.R. 541(E), dated the 9th July, 2012] Excise Duty Debit against FPS Duty Credit Scrip (Q/32)	In the said notification, in paragraph 2, in condition (f), for the figures and word "2009 and", the figures, words and letters "2009, the debits made under notification No. 7 of 2013 - Service Tax, dated the 18th April, 2013 and" shall be substituted.
3.	30/2012-Central Excise dated the 9th July, 2012 [Vide number G.S.R. 542(E), dated the 9th July, 2012] Debit of Excise Duty against FMS Duty Credit Scrip (Q/29)	In the said notification, in paragraph 2, in condition (f), for the figures and word "2009 and", the figures, words and letters "2009, the debits made under notification No. 6 of 2013-Service Tax, dated the 18th April, 2013 and" shall be substituted.
4.	32/2012-Central Excise dated the 9th July, 2012 [Vide number G.S.R. 544(E), dated the 9th July, 2012] Excise Duty Debit against VKGUY Duty Credit Scrip (Q/9)	In the said notification, in paragraph 2, in condition (f), for the figures and word "2009 and", the figures, words and letters "2009, the debits made under notification No. 8 of 2013 - Service Tax, dated the 18th April, 2013 and" shall be substituted.

5. 33/2012-Central Excise dated the 9th July, 2012 [Vide number G.S.R. 545(E), dated the 9th July, 2012]
Excise Duty Debit on Capital Goods against SHIS Duty Credit Scrip for Status Holders (Q/5)
- In the said notification, in paragraph 2, in condition (a), for the second proviso, the following proviso shall be substituted, namely:-
"Provided further that the said scrip has not been issued in violation of the condition contained in the sub-paragraph (5) of paragraph 2 of notification No.101 of 2009 – Customs, dated the 11th September, 2009 or sub-paragraph (4) of paragraph 2 of notification No.102 of 2009 – Customs, dated the 11th September, 2009 or the second proviso to sub-paragraph (1) of paragraph 2 of notification No. 05 of 2013 – Customs, dated the 18th February, 2013 or sub-paragraph (3) of paragraph 2 of notification No. 22 of 2013 – Customs, dated the 18th April, 2013 or first proviso to sub-paragraph (1) of paragraph 2 of notification No. 23 of 2013-Customs, dated the 18th April, 2013, as the case may be;"

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

Software Export Realisation Period Cut to 9 months from 12 Months – Valid Till 30 Sept.2013

Sub: Export of Goods and Software – Realisation and Repatriation of export proceeds – Liberalisation

AP(DIR Srs) Attention of Authorised Dealer
Cir.105 Category-I (AD Category-I)
20.05.2013 banks is invited to A.P.
(RBI) (DIR Series) Circular No. 52
dated November 20, 2012

extending the enhanced period for realization and repatriation to India, of the amount representing the full value of goods or software exported, from **six months to twelve months** from the date of export. This relaxation was available up to March 31, 2013.

2. The issue has since been reviewed and it has been decided, in consultation with the Government of India, to bring down the above stated realization period from twelve months to **nine months** from the date of export, **with immedi-**

ate effect, valid till September 30, 2013.

3. The provisions in regard to period of realization and repatriation to India of the full export value of goods or software exported by a unit situated in a Special Economic Zone (SEZ) as well as exports made to warehouses established outside India remain unchanged.

4. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. The directions contained in this circular have been issued under sections 10 (4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Reporting for Liberalised Remittance Scheme

Sub: Liberalised Remittance Scheme for Resident Individuals – Reporting

AP(DIR Srs) Attention of all Authorised
Cir.106 Dealer Category - I (AD
23.05.2013 Category - I) banks is
(RBI) invited to A. P. (DIR Series)
Circular No.36 dated April 04,

2008, in terms of which, AD Category -I banks were required to furnish information on the number of applications received and the total amount remitted under the Liberalised Remittance Scheme (the Scheme), on a monthly basis, in the prescribed format in both hard copy as well as soft copy in Excel format. All AD banks were also advised to submit the monthly statement before 5th of the succeeding month to the Reserve Bank of India.

2. Since October 2008, AD Banks were required to submit the LRS data through the Online Returns Filing System (ORFS) of Reserve Bank, in addition to submitting the same in hard copy.

3. It has now been decided, to collect the data **in soft form only** and to dispense with the submission of hard copies of the monthly statements by the AD banks. Accordingly, with effect from July 01, 2013, AD Category – I banks are required to upload the data (LRS data of June 2013) in ORFS on or before fifth of the following month. **Where there is no data to furnish, AD banks are advised to upload 'nil' figures in**

the ORFS system.

4. AD banks can upload the LRS data by accessing ORFS through the URL <https://secweb.rbi.org.in/ORFSMainWeb> as hitherto.

5. In case any clarifications are required, AD banks may send their queries through e-mail or contact by phone at 22601000 extn:2676 or 22701232 (direct)

6. The directions contained in this circular

Narcotics Controlled Substances

[Ref: Department of Revenue Notification dated 26th March 2013]

Whereas, the Central Government, having regard to the available information as to the possible use of substances mentioned in the Table below in the production or manufacture of various narcotic drugs and psychotropic substances, and also to implement the provisions of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and psychotropic Substances, 1988, decided to declare them as controlled substances;

Now, therefore, the Central Government in exercise of the powers conferred by clause (viid) of section 2 of the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985), hereby declares the substances mentioned in the Table below as controlled substance for the purposes of the said clause, namely: -

Table

SNo.	Description of substance
1.	Ergometrine and its salts
2.	Ergotamine and its salts
3.	Isosafrole
4.	Lysergic acid and its salts
5.	3, 4-methylenedioxyphenyl-2-propanone
6.	Methyl ethyl ketone
7.	Norephedrine (Phenylpropanolamine), its salts and preparations thereof
8.	l-phenyl-2propanone
9.	Phenylacetic acid and its salts
10.	Piperonal
11.	Potassium permanganate
12.	Safrole and any essential oil containing 4% or more safrole
13.	Preparations of Ephedrine
14.	Preparations of Pseudoephedrine

[F.No.N-11012/3/2010-NC-II]

have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

EU-China Solar Row Escalates, Settlement Rumours Fly

The Sino-European spat over trade in solar panels has continued to escalate in recent weeks, with officials in Beijing warning that Brussels' planned anti-dumping duties could have severe implications for their bilateral relationship. Meanwhile, conflicting news reports have also emerged over the past few days regarding whether a negotiated settlement aimed at defusing the row may soon be on the horizon.

Tensions between Brussels and Beijing on the solar trade subject have been running particularly high ever since reports emerged earlier this

month of the European Commission's plans to impose duties on solar panel imports from China. The provisional duties are set to average 47 percent, with a range of 37 to 68 percent.



The duties are expected to be approved by early June. The Commission must then determine whether to alter - or revoke - the final duties by December.

These particular duties are aimed at targeting the practice of dumping, which involves companies selling their products abroad at prices below normal market values, causing harm to the domestic industry of the importing country. They are the

result of an investigation that the Commission launched last September in response to a complaint by the EU Pro Sun coalition, a group of 25 European solar panel manufacturers headed by the German-based SolarWorld.

The same coalition of companies that lodged the anti-dumping complaint has also asked the Commission to determine whether China's producers had received unfair subsidies; the results of that investigation are expected by August.

The 27-country EU bloc is China's main export market for solar panels, making up nearly 80 percent of all Chinese export sales, according to European Commission data. In 2011, for instance, the Asian country exported €21 billion worth of solar panels and their main components to the EU.

The US, for its part, already has both anti-dumping and anti-subsidy - also known as countervailing - duties in place on imports of

Chinese solar cells, following a separate investigation conducted by the US Department of Commerce last year.

As Beijing rhetoric ramps up, Berlin warns against duties

Since the news broke of the Commission's decision, Chinese officials have stressed that the imposition of these duties could have major ramifications for Brussels-Beijing trade ties. Commerce Ministry spokesman Shen Danyang warned last week, for instance, that such a move would "seriously damage" the bilateral relationship.

The implications of a trade fall-out with Beijing has also caused strains within the EU bloc, with Germany putting pressure on the European Commission to refrain from imposing the measures. The provisional duties, Economy Minister Philipp Rösler said on Sunday, 19 May, are a "grave mistake."

India, Iran Talk to Smooth Oil Flow, Remove Insurance Hurdle

His Excellency Mr. Rostam Ghasemi, Minister of Oil of Islamic Republic of Iran visited India for discussions with his counterpart, Dr. M. Veerappa Moily, Minister for Petroleum & Natural Gas, Government of India. In the meeting held on 27 May 2013, the two delegations reviewed on-going cooperation in the hydrocarbons sector.

2. The Indian refiners have a long-standing relationship with the National Iranian Oil Company (NIOC). During the visit, the Iranian side encouraged the Indian side to increase its crude purchase. The Indian side explained that it would encourage companies to maintain their engagement in terms of crude oil purchase, taking into account their requirements, based on commercial and international considerations.

3. The two sides also discussed the marine insurance charged by the Iranian insurance



companies for shipment of oil to India and arranging ships for carrying out the voyage.

4. Both sides also discussed the issue of reinsurance cover for the composite insurance of Indian refineries, which has recently affected crude purchase from Iran.

5. The two sides agreed to address the trade balance between the two countries. The Indian side requested the Iranian side to consider sourcing more goods from India to rectify the trade balance. The Iranian side agreed to consider this request.

6. Both sides agreed to discuss outstanding issues related to the development of Farzad B gas field.

7. Both sides agreed to continue the cooperation in supply/ purchase of crude oil and resolve any outstanding issues of mutual interest.

Trade Probe into China Telecoms May Be Imminent, EU Commission Warns

The European Commission could soon find itself on a trade collision course with China regarding imports of mobile telecommunications networks and their essential elements, having announced last week that it is ready to open an investigation into alleged dumping and unfair subsidies should bilateral negotiations on the subject fail.

The Commission has said that it has been gathering evidence for the past year in advance of a possible probe. However, it will hold off on launching the anti-dumping and anti-subsidy investigation for the time being, EU Trade Commissioner Karel De Gucht explained in a statement last week, in order to "allow for negotiations towards an amicable solution with the Chinese authorities."

In an interview with Reuters on Friday, the EU trade chief specifically cited telecoms equipment makers Huawei and ZTE Corp - two of the

world's largest producers in this field - as being among those that are allegedly dumping their products on the EU market. Europe accounts for 15 percent of the former's overseas business, according to Chinese statistics.



The probe, if launched, would deal with the hardware used in telecommunications networks across Europe, such as base stations, for instance. It would not deal with mobile phones, antennas, or other smaller products. Chinese exports of these telecommunications products to the EU are valued at just over €1 billion a year, according to European Commission estimates.

EU, China trade tensions on the rise

The news has ramped up tensions between the two trading partners, who are already in the midst of a heated row over the Commission's plan to impose anti-dumping duties on solar panel imports from China. However, EU offi-

EU-India Trade Talks Stumble



Talks between India and the EU last week failed to make significant progress on their long-awaited trade deal, despite the goal

of concluding the negotiations in the near future. The Brussels meetings reportedly ended with "substantial gaps," despite hopes that last month's ministerial-level discussions could have set the stage for an imminent breakthrough.

Intellectual property, insurance, and data security remain key sticking points between the two parties, official negotiators cited by Indian newspaper Business Standard have said. Bilateral trade between the two sides hit €79.9 billion in 2011, according to EU statistics, up from €28.6 billion in 2003. Negotiations for a bilateral pact have been ongoing since 2007; if completed, the deal would cover a market of 1.7 billion people.

cial have been quick to quell any suggestions that Brussels and Beijing might be involved in a "trade war," noting that the solar and telecoms probes are separate processes.

Chinese officials, for their part, have cautioned that the proposed telecoms investigation could have serious effects on bilateral trade ties if the Commission indeed decides to move forward.

No timeline for investigation launch, but clock is "ticking"

EU officials have not outlined what would be the deadline for launching an investigation, or if such a deadline is in place. De Gucht has said that he will revert back to the College of Commissioners "in due course," without specifying further details.

"The clock is ticking," EU Trade Spokesman John Clancy told reporters last week in response to questions regarding timeline. "We have had an open-door policy for negotiations with our Chinese partners for approximately one year, and we look forward, at this stage, that the Chinese authorities step forward and engage with us in terms of these specific negotiations in a serious manner, because this is currently a very serious situation that we are looking at."

EU Considering Duties on Imports of Biodiesel from Indonesia, Argentina

The European Commission is considering possible anti-dumping duties on imports of biodiesel from Indonesia and Argentina, according to unnamed sources cited by Reuters. The provisional duties could be confirmed as early as next week, pending the final investigation results.

The investigation was launched by the Commission last year, in response to a request by the European Biodiesel Board (EBB), which represents manufacturers accounting for over a quarter of EU biodiesel production. The EBB has claimed that the two countries, which together make up 90 percent of biodiesel imports into the EU, maintain differential export taxes -

in other words, higher export taxes for the raw materials used to produce biodiesel than on biodiesel itself. The group argues that the practice discourages raw material exports in favour of biodiesel exports.

The news comes shortly after Argentina - in a

separate development - filed its own complaint at the WTO against the EU and some of its member states over allegedly unfair trade practices involving the importation and marketing of biodiesel, as well as the subsidisation of the 27-country bloc's domestic market.

Cont'd..66

- human use is to be made by the exporter in prescribed format.
2. After satisfying the completeness of documents submitted, inspection shall be conducted and after satisfactory outcome thereof, formal written confirmation shall be issued.
3. Non-compliances noticed after inspection shall be communicated to the EU as per their requirement.
4. A time frame of 45 days has been prescribed for disposal of satisfactory applications and the written confirmation shall be valid for the three years.
5. Detailed forms have been laid down for purposes prescribed under various Articles of the EU Directives by the CDSCO – running

into nearly 70 pages.
 In due course of time, online application filing and tracking system would be evolved to bring in sufficient expediency and transparency in the system. This landmark achievement underlines the seriousness the Government of India towards pharma exports. Compliance by pharma industry with the EU directive is expected to have a very positive impact on the companies as many of them aspiring to export to the developed countries shall in the process upgrade their plants to WHO GMP standards.
 The detailed guidelines laid down by CDSCO and also approvals granted for various exporters are available at <http://www.cdsc0.nic.in/>.
 [Source: PIB (MoC&I) Press Release dated 23 May 2013]

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COOL Compliance Deadline Renews Meat Labelling Debate

With the WTO-established deadline for the US to bring its country-of-origin labelling (COOL) requirements for beef and pork into compliance set for 23 May, Canada and Mexico have both made public comments questioning whether Washington's planned reforms will be enough to resolve the dispute.

A WTO dispute panel had ruled that COOL- a US government regulation enacted in 2008- was in violation of Washington's international obligations at the global trade body in November 2011. The Appellate Body broadly confirmed the ruling last June. In advance of today's compliance deadline, Canada has said that it has already prepared a list of US products that it would aim to target in retaliation for US non-compliance, should the WTO authorise countermeasures.

Although US regulators argue that their planned changes - which would require meat to be labelled with information about where an animal was born, fed, and slaughtered - would be in compliance with WTO rules, Canadian Agriculture Minister Gerry Ritz has responded that the proposal "actually makes things worse." Similar concerns have also been tabled by his Mexican counterpart, Enrique Martinez.

Customs Valuation Exchange Rates

17 May 2013		Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]			
1	Australian Dollar	55.05	53.55
2	Bahraini Dinar	149.75	141.35
3	Canadian Dollar	54.50	53.15
4	Danish Kroner	9.65	9.35
5	EURO	71.80	70.00
6	Hong Kong Dollar	7.15	7.00
7	Kenyan Shilling	67.60	63.50
8	Kuwaiti Dinar	197.70	185.95
9	New Zealand Dollar	45.65	44.45
10	Norwegian Kroner	9.55	9.25
11	Pound Sterling	84.50	82.50
12	Singapore Dollar	44.70	43.55
13	South African Rand	6.10	5.75
14	South Arabian Riyal	15.05	14.20
15	Swedish Kroner	8.35	8.10
16	Swiss Franc	57.50	56.05
17	UAE Dirham	15.35	14.50
18	U.S. Dollar	55.30	54.35
Schedule II [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees]			
1	Japanese Yen	54.40	53.00

(Source: Customs Notification 54(NT)/16.05.2013)