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FM Asks CBEC to Prepare for GST in Address to Chief Commissioners

GST Preparations – Quadrupling of Tax Payers to 50 lakhs Expected

15 June 2010 – The FM is personally monitoring the progress in the introduction of GST which is due for implementation in April 2011. The Finance Minister exhorted the Empowered Committee to push the GST regime by bringing about consensus among the states. A constitutional amendment will be required for this with a new list for single rate for all over India.

The proposed Goods & Service Tax (GST) will be the most important reform in indirect tax administration in post Independent India, which will change the way business is conducted in India. The senior officers of the Department are holding series of interactions with all the stakeholders including the Trade and Industry so as to fine tune the design and concept of the proposed GST.

Introduction of GST will bring in great changes in the current architecture of Central Excise and Service tax. A few taxes currently levied by the States are also likely to be subsumed within the GST.

The transition from existing taxation regime to the proposed GST regime is going to be an administrative

challenge for CBEC as the number of taxpayers is likely to increase from 13 lakhs to 50 lakhs. CBEC needs to organize several suitable training programmes with its training institute for capacity development of human resources to successfully manage this transition. He asked for the shifting of the administrative processes to the technology mode by adoption of appropriate technology and optimum

utilization of its motivated work force CBEC will deliver the best services to taxpayers, provide conducive business environment and would successfully implement GST.

New Post for Service Tax Member in Board, Consultant on GST Appointed

In order to strengthen the Service Tax administration in the country and to facilitate a smooth transition to GST regime, the Ministry has cre-

ated a post of Member (Service Tax) in the apex scale (Rs. 80,000) in CBEC. Besides this one consultant (a retired IC&CES Officer) has also been appointed to study the Best Global Practices for adoption in implementation of GST.

Nilekani Joins GST Band Wagon

The FM had announced the Technology Advisory Group for



The Union Finance Minister, Pranab Mukherjee addressing the Annual Conference of Chief Commissioners and Directors General of Customs, Central Excise and Service Tax, in New Delhi on June 15, 2010. The Minister of State for Finance, S.S. Palanimanickam and Revenue Secretary Sunil Mitra are by the FM's side. CBEC Chairman V. Sridhar and Member (Central Excise) Dr. S. Dutt Majumder are by the Secretary side but not in the photo.

No Charge Sheet on Last Day of Retirement, Please

In the last year's conference, the FM has emphasized the need for expediting vigilance matters. He asked for focused approach with proper adherence to prescribed time-lines to expedite vigilance matters. He said that he does not want that charge sheets filed against employees on the last day of retirement after they have put in more than 30 years of service to Government. Guilty must be punished but at the same time but those who have performed their duties and are victims of frivolous complaints should be adequately protected. The Department should focus on preventive vigilance and adopt a strategy for zero tolerance for corruption. CBEC has been asked to take proactive action to check litigation with its employees by setting up an internal mechanism in the form of a committee to decide a case on merit before moving for litigation in a higher court. A comprehensive proposal to streamline and strengthen the vigilance administration in line with best global practice must be prepared.

Unique Projects (TAGUP) under Chairmanship of Dr. Nandan Nilekani, Chairman UIDAI. He has already had three meetings with officers on GST related IT matters.

Parallel Sessions on GST, HR and Vision; New Group on Best Practices

CBEC structured the Conference by parallel sessions on preparation for GST implementation, HR issues, and Vision for the future. There was a presentation of Best Practices in important area by some field formations. The Finance Minister said that adoption of Best Practices would lead to standardization of departmental practices and procedures, which lead out disputes.

The Finance Minister noted that he had to forego Rs. 42,000 crores in cuts on indirect taxes as part of stimulus packages. The stimulus has produced results as seen from the growth in manufacturing sector, which in turn has helped subsequently through higher collection of central excise duty.

Indian economy grew by 7.4% in 2009-10. (The Chief Economic Advisor in a press conference said that the Index of Industrial production has reached 19.6% and growth is at 8.9% as fixed at target Rs. 3.13 lakh crores for 2010-11 compared to Rs. 2.47 lakh crores achieved in the earlier year. There is a step up of 21% on the previous year).

Emphasis on Checks – Vision Covers Revenue and Trade Facilitation

Vision of the Department encompasses revenue collection as well as trade facilitation and taxpayer services. Compliance is through Audit, Anti-Evasion and Anti-Smuggling efforts. The trust of your efforts should be in the realm of Audit and Anti-Evasion.

WCO Document on Customs in the 21st Century

In the realm of international Customs, the WCO has brought out a document on the role of Customs administration in the 21st century. This document talks about ten building blocks identified by the WCO which would form the new strategic directions for Customs. They include Globally Networked Customs leading to Customs to Customs Cooperation. Intelligence driven risk management, Customs-Trade partnership which would result in mutually beneficial outcomes, enabling technology and tools, and integrity.

Risk Management and Post Clearance Audit in Customs

On the Customs side Risk Management Sys-

tem has been introduced and CBEC intends to implement Post clearance Audit in a big way.

IT and Audit

The FM exhorted the Chief Commissioners to have a strong IT enabled Audit mechanism. An effective intelligence system to check the evasion of taxes but punish the wrong doers must be in place. Time is of essence in the functioning of investigation and intelligence agencies. Real time exchange of information amongst intelligence agencies will work as a force, he advised. The pace, magnitude and change of character of economic crimes requires the enforcement agencies to be constantly on their toes.

Land Ports Authority and Security

Customs has changed and would continue to change in the area of cross border trade, which at some time could pose threat to national security. The setting up of Land Ports Authority of India (LPAI) as a single agency responsible for coordinated functioning of various Government agencies and service providers at the Integrated Check Posts (ICPs) will strengthen the role of customs in matters of national security, the FM said.

Fake Currency Notes

The FM said that he has seen many reports from DRI, wherein on basis of intelligence received from Customs Overseas Intelligence Network (COIN) substantial amounts of fake Indian currency notes have been seized and this information has also been shared with other intelligence agencies. He asked for better coordination between COIN and Income Tax Overseas Units (ITOUS) on the part of DRI.

FM Laments 133rd Position of India in World Ranking in Trade Facilitation

As per World Bank doing business 2010 Report in terms of ease of doing business India ranks 133, which is not a good sign. Singapore ranks 1st and China 89th. In India, it takes 17 days to export, in China 21 days and in Singapore 5 days. Similarly for starting a business it takes 30 days in India, 37 days in China, 3 days in Singapore.

IPR Enforcement

Enforcement of Intellectual Property Rights (IPR) enforcement with effective remedies against its infringement is important for promoting free and fair international trade and encouragement of innovation and investment. Grant of IPRs and their proper enforcement creates access to quality products for the consumers. The valuation of Intellectual Property Rights and transfer

of embedded Intellectual Property Rights in an e-commerce regime is one of the biggest challenges to the Tax Authorities in cross border transactions.

India has emerged as a global Hub for research and development activities and a large number of multi-national enterprises are carrying out research in our country which is leading to generation of many patents in India. It is an appropriate time now to build capacity building in the area of valuation and enforcement of Intellectual Property Rights. (CBEC has already taken an initiative for organizing a study tour to the USA for 15 Customs officers to the US Patent and Trade Mark Office to study the best practices on IPR enforcement at borders through government and private sector partnership). Skill developments including development through Mid-Carrier Training Programmes in emerging areas of taxations, which have potential to reduce the tax base of the country.

HR Plan

There is an intense and long stretched litigation among officers in Group 'B' Appraiser cadres over seniority issues. This matter is likely to attain finality and the seniority list is likely to be finalized shortly. The FM asked the CBEC to ensure that the service litigation matter is attended to with priority. It should always look out for ways and means to avoid litigation with its own employees. Cadre restructuring of CBEC has been pending for quite some time, which has adversely affected not only the implementation of core areas of work in the department but also the morale of the employee.

The number of direct recruit IC&CES Officers has varied from zero in one year to more than 170 in another year, which reflects the missing elements in long term planning for CBEC's human resource policy and cadre management. He asked the CBEC to prepare a long term human resource plan for its employees.

– ABS News Service–

EU-GCC Talks Stall, Despite German Support

The Gulf Cooperation Council - a six-member bloc made up of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates - suspended its free trade talks with the EU on Thursday, despite German Chancellor Angela Merkel's public support for the partnership. It was not the first setback for the talks, which have progressed in fits and starts since their launch in 1990.

GCC Director General of the External Economic Relations Department, Abdel Aziz Abu Hamad Aluwaisheg, blamed the failure of the talks on a clause that the EU wanted to add to the agreement that would prevent GCC countries from imposing duties on EU exports.

Dollar-Rupee rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
14-Jun-10	46.7675	46.7675	46.5025	46.5575	46.5575	523586	2676245	1248126.40	46.5700
11-Jun-10	46.8850	47.0050	46.7975	46.9300	46.9300	512704	2379329	1116206.70	46.8200
10-Jun-10	47.1225	47.1950	47.0100	47.0500	47.0500	558054	2419873	1139526.79	46.9800
9-Jun-10	47.0450	47.2800	46.9850	47.1250	47.1250	576406	2972326	1401235.38	46.9800

[Source: NSE and RBI Website]

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Anti-dumping Investigation Initiated on Sewing Machine Needles from China

[Ref: F. No. 14/10 /2010-DGAD dated 19th May 2010]

Subject: Initiation of anti-dumping investigation concerning imports of Sewing Machine Needles, originating in or exported from China PR

Whereas M/s. Altek Beissel Needles Limited – Kelambakkam, Kanchi (herein after referred to as the applicant), has filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 (herein after referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred to as the Rules), alleging dumping of Sewing Machine Needles originating in or exported from China PR (herein after referred to as “subject country”) and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods.

2. And whereas, the Authority finds sufficient prima facie evidence of dumping of the subject goods from China PR and injury to the domestic industry and causal link between the dumping and injury, the authority hereby initiates an

investigation into the alleged dumping and consequent injury to the domestic industry in terms of Rule 5 of the said Rules to determine the existence, degree, and effect of any alleged dumping and to recommend the amount of anti-dumping duty which if levied would be adequate to remove the injury to the domestic industry.

Product under Consideration

3. The product under consideration in the present investigations is Sewing Machine Needles. The scope of the product under consideration includes sewing machine needles meant for both household and industrial purposes. Under each of the two groups of Sewing machine needles, there are various sizes, and point style (normal, ball point, leather point etc.) There are many types of needles, which are used for sewing woven, knit garment, leather, embroidery etc. The different needles are known by “Systems”. Within each System, there are many sizes of needles. For each size there could be many point styles.

gation is China PR.

Normal value

8. The petitioner has claimed that China PR should be treated as non-market economy and therefore the Normal Value should be determined in accordance with Para 7 of Annexure-I of the AD Rules. The Authority at the stage of initiation has considered the cost of production in India duly adjusted for selling, general and administrative cost and profit as the basis of normal value. Individual Chinese exporters may rebut this presumption and the authority shall examine the market economy claims of individual exporters in terms of the relevant Rules.

Export Price

9. Export price of the subject goods from the subject country has been determined on the basis of

(a) Transaction-wise import data collected from Secondary Sources (IBIS),

(b) Summary imports information from DGCI&S and

(c) Information published by the China Customs.

10. In case of DGCI&S and IBIS, adjustments have been made on account of ocean freight, marine insurance, inland freight, etc. in the exporting country to arrive at ex-factory export price. The applicant has claimed export price based on China customs data without any adjustments. There is sufficient prima facie evidence with regard to export price claimed by the applicant.

Dumping Margin

11. Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of the subject country. There is sufficient evidence that the normal value of the subject goods in China is significantly higher than the ex-factory export price indicating, prima facie, that the subject goods are being dumped by exporters from China into the Indian market.

Injury and Causal Link

12. The applicant has furnished information on various parameters relating to material injury. Analysis of the information shows that imports from subject country have increased in the period of investigation in absolute term as also in relation to production and consumption in India. Various economic parameters like the loss in market share, significant decline in the profitability of the domestic industry, significant deterioration in return on investment and cash profit, prima facie, indicate collectively and cumulatively that the domestic industry has suffered material injury on account of dumped imports of subject goods from China PR.

Initiation of Antidumping Investigations

13. The Designated Authority, in view of the foregoing paragraphs, finds that sufficient prima facie evidence of dumping of the subject goods from the China PR, injury to the domestic industry and causal link between the dumping and

Corrigendum to Initiation Notification – Needle Coverage Extended to Entire Chapter 84

[Ref: F. No. 14/10 /2010-DGAD dated 8th June 2010]

Subject: Initiation of anti-dumping investigation concerning imports of Sewing Machine Needles, originating in or exported from China PR.

Attention is invited to Initiation Notification No. 14/10 /2010-DGAD dated 19th May 2010 on the above noted subject.

2. In partial modification thereof, the following shall be added after Para 3 of the in the initiation notification

“3A. The product under consideration is classified under Chapter 84 of the Custom Tariff Act, 1975 under Customs sub-heading number 8452.30. However, the Customs classification is indicative only and no way binding on the scope of product under consideration”.

Like Article

4. The applicant has claimed that there are no known differences in subject goods produced by the petitioner and exported from China PR. Both products have comparable characteristics in terms of parameters such as physical characteristics, manufacturing process & technology, functions & uses, product specifications and tariff classification, etc. The goods produced by the domestic industry are comparable to the goods imported from China PR in terms of essential product properties. The goods offered by the domestic industry are like article to the goods imported from China PR.

Domestic Industry and Standing

5. The petition has been filed by M/s Altek Beissel Needles Limited. There are three more producers of the product under consideration in India. M/s. TVS Sewing Needles Limited has suspended operations, allegedly as a result of continued dumping. The other two producers,

M/s. Schmetz India Private Ltd and M/s. Groz Beckert Asia Private Ltd. are: -

a) 100% subsidiaries of their parent company in Germany,

b) export their entire production to their parent company, and,

c) import all needles from their respective German parent companies for re-sale in India.

6. Therefore, according to the information provided in the petition, the production of Altek Beissel Needles Limited constitutes 100% of Indian production during the period of investigation. Thus, the applicant constitutes “domestic industry” for the purpose of the present investigations. Further, the applicant has the standing to file the case for anti dumping investigation on behalf of domestic industry as per Rule 2(b) and Rule 5(3)(a) of Anti Dumping Rules.

Country Involved

7. The country involved in the present investi-

injury exist. The Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rule 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty which, if levied, would be adequate to remove the injury to the domestic industry.

Period of Investigation (POI)

14. The Period of Investigation for the purpose of the present investigation is January 2009 – December 2009 (12 months). The injury investigation period will, however, cover the period 2006-07, 2007-08, 2008-09 and the POI.

Submission of Information

15. The known exporters in the subject country, the Government through their Embassy, the importers in India known to be concerned with this investigation and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority at the following address:

The Designated Authority
Directorate General of Anti Dumping & Allied Duties, Ministry of Commerce & Industry, Department of Commerce, Government of India, Room No. 243, Udyog Bhavan, New Delhi – 110007.

16. In terms of Rule 6(7) of the Rules, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information,

such information is not susceptible to summarization, a statement of reason thereof, is required to be provided. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Designated Authority may record findings on the basis of facts available and make such recommendations to the Central Government as deemed fit.

17. As per Rule 6(5) of Rule supra, the Designated Authority is also providing opportunity to the industrial users of the article under investigation and to representative consumer organizations, who can furnish information relevant to the investigation regarding dumping, injury and causality. Any other interested party may also make its submissions relevant to the investigation within the time limit set out below.

Time Limit

18. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are however required to submit the information within forty days from the date of the letter addressed to them separately.

Inspection of Public File

19. In terms of Rule 6(7), the Designated Authority maintains a public file. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by interested parties.

Export Goods Description and Documentation Details must in Phyto-Sanitary Certificate

The following Public Notice was issued by the Commissioner of Customs (Export) Air Cargo Complex, Mumbai on 20th May 2010.

Sub: Export goods description and documentation – Quality Issues.

20-PN Exporters, CHAs and Trade
20.05.2010 are already aware that full and clear/unambiguous description of export goods is essential on Shipping Bill and on the export Invoice.

2. Often export is to be made, inter alia, on the basis of a Certificate (to the effect that consignment either meets specified norms or consignment does not violate specified norms) issued by an Agency (like the Phyto-Sanitary Authority, Wild-Life Authority, etc). In such cases, Certificate should be presented to Customs only after Exporter/CHA is satisfied that Certificate is complete in all respects.

3. Illustrations (not exhaustive list) of completeness are -

a) Certificate being such that it can be directly correlated to the particular consignment (say for example, export Invoice number detail being inbuilt on the phyto-sanitary certificate).

b) Stamps of the Agency and signatures of concerned officer feature on every page forming the Annexure/Description Sheet attached with a Certificate.

4. In absence of declarations being full & clear/unambiguous and relevant certificates being complete, the relevant consignments are likely to be subjected to query and even examination.

This is for information and necessary action by Exporters, CHAs and Trade.

F. No. S/6-Misc-163/10(X) Shed ACC

Government Back Tracks on LDC Concessions

Concession Slashed from 80% of Applied Rate to 60%

Applied Rates for Sensitive Goods Doubled

Ntnf 67 In exercise of the powers
08.06.2010 conferred by sub-section (1) of
(DoR) section 25 of the Customs Act,
1962 (52 of 1962), the Central

Government, on being satisfied that it is 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. 96/2008-Customs, dated the 13th August, 2008 which was published in the Gazette of India, Extraordinary, vide number G.S.R. 590 (E), dated the 13th August, 2008, namely:-

In the said notification,-

(a) in the opening paragraph, in clause (i) for the figures and words "80 per cent", the figures and words "60 per cent" shall be substituted.

(b) in Appendix I, in the Table, in column (4),-

(i) for the entry "2%", wherever it occurs, the entry "4%" shall be substituted;

(ii) for the entry "3%", wherever it occurs, the entry "6%" shall be substituted;

(iii) for the entry "4%", wherever it occurs, the entry "8%" shall be substituted;

(iv) for the entry "5%", wherever it occurs, the entry "10%" shall be substituted;

(v) for the entry "6%", wherever it occurs, the entry "12%" shall be substituted;

(vi) for the entry "9%", wherever it occurs, the entry "18%" shall be substituted;

(vii) for the entry "10%", wherever it occurs, the entry "20%" shall be substituted;

(viii) for the entry "12%", wherever it occurs, the entry "24%" shall be substituted;

(ix) for the entry "15%", wherever it occurs, the entry "30%" shall be substituted;

(x) for the entry "18%", wherever it occurs, the entry "36%" shall be substituted;

(xi) for the entry "20%", wherever it occurs, the entry "40%" shall be substituted;

(c) in the Schedule, after S. No. 23 and the entries relating thereto, the following S. No. and entries shall be added, namely,-

S. No.	Name of the Country
24	Republic of East Timor
25	Republic of Zambia

[F. No. 354/189/2005-TRU (Vol II)]

Misuse of EPCG Scheme by Rashmi Cement Ltd.

[Ref: DIR, Kolkata Press Release dated 9th June 2010]

On the basis of specific information DRI Kolkata Zonal Unit searched the office and factory premises of M/s. Rashmi Cement Ltd. on 04.06.2010, who imported "prime mild steel hot rolled coils" at concessional rate of duty under E.P.C.G. scheme through Kolkata port and sold in the local market without utilisation in their factory for manufacture of capital goods as declared. Preliminary investigation revealed that they had imported 4841 MT of mild steel hot rolled coils under E.P.C.G. scheme in March, 2010 and out of which 3749 MT was sold into local market and thus evading a huge amount of Customs Duty. On initiating the investigation, the importer admitted the aforesaid fact and paid the entire differential duty of Rs. 1.81 crores involved on the imported goods on 07.06.2010. Further investigation is in progress.

Documents Verification for First Time Importers

The following Public Notice was issued by the Commissioner of Customs (Export) Air Cargo Complex, Mumbai on 21st May 2010.

Sub: First time import of goods- Verification of documents.

21-PN
21.05.2010 It has been observed that some unscrupulous importers are importing / attempting to import goods using the IEC No. of other persons, who, on verification, turn out in many cases to be fictitious in the sense that they do not exist at the given address or do not have any knowledge / idea about the import consignment, nor do they have any finance for / experience in the business of imports and in fact they are dummies. Such imports by the said unscrupulous importers set a chain of economic offences starting from mis-declaring the description, value and quantity to Customs down to non-payment of Sales Tax / VAT, Income Tax, Octroi, Money Laundering, generation of black money and violations of foreign exchange laws.

2. As a preventive measure, it has been decided to look into the aspect of the genuinity of the importers, who are importing goods for the FIRST TIME through ACC, SAHAR. This will be done from documents like the following:

(i) Copy of VAT/Sales Tax Registration certificate.

(ii) Certificate from the Bank with whom the Bank Account is being maintained by the im-

porter certifying the signatures, name and address of the importer.

(iii) Proof of payment / remittance through the importer's account.

(iv) Balance sheet of the previous year.

(v) Copy of the last Income Tax Return/VAT or Sales Tax Return filed,

The above documents will have to be submitted by the importer or his Clearing Agent (CHA) to the concerned Assessing Officer. The CHA are expected to play a positive role in this regard in terms of Regulation 13 of Customs House Agents Licencing Regulations, 2004. Once the documents (i) to (v) above are filed, import will be allowed on payment of duties applicable. If there is any difficulty in making available any of these documents, the importer may approach Additional Commissioner incharge of the Group to make relaxation.

3. In respect of RMS facilitated B/Es, documents as prescribed above shall be submitted to the officer who has to grant Out Of Charge.

4. This practice / requirement shall come into force with immediate effect.

F.No.S/3-Misc- PRO-147/2010

AH has not been defaulted on export obligation in respect of any Advance Authorization / EPCG Authorization issued to him in the past and also that he has not been penalized, during the last 3 financial years, under provisions of Customs Act, 1962, Central Excise Act, 1944, Foreign Exchange Management Act (FEMA) and /or Foreign Trade (Development and Regulation) Act 1992.

In addition,

I. If AH claims Nil BG in terms of Para 3.1 (a) to (e) of Board's Circular No.58/2004 - Cus dated 21.10.2004 (as modified, by Cir No. 17/2009-Cus), he shall submit-

A) If registered with Central Excise, the relevant proof duly certified by jurisdictional Superintendent of Central Excise

B) If not registered with Central Excise but registered member of an Export Promotion Council, a certificate from the concerned EPC

C) In other cases, a Certificate (along with evidences of export) duly authenticated by a practicing Chartered Accountant (who is a Service Tax assessee and declares his ST code and other registration details on the Certificate)

II. If AH claims concessional (non - Nil) BG in terms of Para 3.1 (f) (1) of Board's Circular No.58/2004 - Cus dated 21.10.2004 (as modified) he shall submit any one of the following document sets -

A) Permanent Central Excise Registration Certificate duly certified by Jurisdictional Superintendent of Central Excise and PAN Card

B) Permanent S.S.I. Registration Certificate issued by District Industries Centre and PAN Card

C) Permanent Registration Certificate issued by Secretariat for Industrial Assistance, New Delhi and PAN Card or

D) Any other Registration Certificate as a proof of his manufacturer exporter status and previous export performance certificate certified by Chartered Accountant/any Export Promotion Council and PAN Card.

III. If AH claims concessional (non - Nil) BG in terms of Para 3.1 (f) (2) or (3) of Board's Circular No.58/2004 - Cus dated 21.10.2004 (as modified, last by Cir No. 17/2009-Cus dated 25.5.2009) any set of documents showing evidencing fulfillment of criteria specified in said amended Board's Circular.

IV. If AH claims concessional (non - Nil) BG in terms of Para 3.1 (g) of Board's Circular No.58/2004 - Cus dated 21.10.2004 (as modified, last by Cir No. 17/2009-Cus dated 25.5.2009), at-tested copy of the appointment as Custodian by jurisdictional Customs/Central Excise Authority.

a) DOS/TA (EPCG) shall submit the file with the abovementioned documents, and a letter (for confirming genuineness of BG) addressed to the concerned Bank/Financial Institution, to the AO/Supdt (EPCG) who shall further scrutinise and cross check the terms and conditions of the Bond/BG including calculation of duty foregone as per the relevant Customs notification and exemption duty structure for

Procedure for Registration of EPCG Authorizations

The following Public Notice was issued by the Commissioner of Customs (Export) Air Cargo Complex, Mumbai on 8th June 2010.

Sub: Procedure for Registration of Authorization and Obligations of Authorization Holders - EPCG Scheme.

22-PN
08.06.2010 Reference is invited to various Customs Notifications pertaining to the EPCG scheme, related Board's Circulars like No. 38/1997- Cus dated 9.9.1997, 24/2002- Cus dated 6.5.2002, 58/2004- Cus dated 21.10.2004, 17/2009- Cus dated 25.5.2009, 26/2009- Cus dated 30.9.2009, 5/2010- Cus dated 16.3.2010, as well as this office Public Notices such as No. 20/2003 dated 24.4.2003, 8/2009 dated 31.3.2009 and 14/2009 dated 30.6.2009.

2. The procedure to be followed in registering EPCG Authorizations (EPCGAs) and the broad mechanism of monitoring obligations are being consolidated and/or prescribed as follows. It may be noted that these shall not, in any way, interfere with the requirements of the customs notifications and specific Board's Circulars.

Procedure for Registration of EPCGAs

3. After bulletin verification at New Custom House, Mumbai, the Authorization Holder (AH) (reference to who shall include his authorized representative) will bring original customs copy of EPCGA (including condition sheet) to License Section where Appraiser (License) shall check the particulars against 'Alerts' and, if there is no alert, endorse 'No Alert' with signature and stamp and return the EPCGA to AH. However, if there is an Alert, matter will be

escalated to DC/AC (License).

4. AH will then submit to DOS/TA (EPCG) -
a) Application requesting registration of license.

b) Original Customs copy of EPCGA including condition sheet along with photocopy.

c) Original Bond (with photocopy) in format prescribed (vide Board's Cir No. 58/2004 - Cus) covering the duty ordinarily leviable but for the relevant exemption, and interest @ 15% for the period as per export obligation specified on the EPCGA.

d) Original Bank Guarantee (with two copies) signed by two Officers of the Bank and valid for the entire period of export obligation under the EPCGA, as the case may be. If validity of BG is for lesser period, then too BG validity should be valid for at least 3 years and with unconditional self renewal clause or undertaking from Bank to keep it alive till Bond (for which BG given) is fully discharged by Customs.

e) It may be noted that normal bank guarantee is 100%.

f) But where a lower BG is claimed in terms of Board's Circular No.58/2004 - Cus dated 21.10.2004 (as modified, by Cir No. 17/2009-Cus) -

AH shall submit an Affidavit affirming that

Bond amount, and claim of BG other than 100% in terms of Board's Circulars, its renewal clauses. The AO/Supdt shall, inter alia, indicate in his noting the month/year in which each of the block obligations would fall due. AO/Supdt also make the appropriate recommendation regarding acceptance of Bond/BG and its countersignature to the DC/AC and put up the file.

b) On acceptance of Bond/BG by DC/AC, the reverse of the original EPCGA shall bear endorsement of both AO/Supdt and DC/AC (EPCG).

c) AO/Supdt (EPCG) shall then return file to DOS/TA (EPCG) along with the letter for confirming genuineness of the BG, signed by the AO/Supdt.

d) DOS/TA (EPCG) will Record in EPCG Master Register, against S/40 number (Serial number of entry in the Register), the details of EPCGA, Customs Notification, the relevant month/year in which different block obligations are due (from the file), duty foregone, details of Bond, details of BG accepted including BG No., expiry date, name and full address of Bank/FI, etc.

e) Then DOS/TA (EPCG) shall send file containing original Bond & Bank Guarantee to BBG Cell for generation of Job Number.

f) BBG cell will send the Job Number print-out (Bond Checklist) to DC/AC (EPCG), who will electronically accept the Bond in EDI System, thereby generating the Bond Number.

g) The Bond Number shall be endorsed by BBG Cell on the file/original EPCGA along with endorsement of having received the original Bond/BG and then file will be returned to DOS/TA (EPCG).

h) DOS/TA (EPCG) will endorse EDI Bond Number in EPCG Master Register and endorse the S/40 number on the letter (already signed by AO/Supdt) to the Bank/Financial Institution, and cross check that relevant photocopies of EPCGA, Bond, BG continue to be in the file along with the original EPCGA .

i) Then DOS/TA (EPCG) shall return the original EPCGA to the AH against acknowledgement in the S/40 Register, only after ensuring that the entries in EPCG Master Register specified in j) and n) above are complete.

j) The DOS/TA (EPCG) shall issue the letter to Bank/Financial Institution and keep files serially, S/40-wise in EPCG Section.

k) Meanwhile, the AH shall submit the details of EPCGA & Bond Number to the AO/Supdt (License) by way of producing the original EPCGA which contains these details on its reverse. The AO/Supdt (License) will then activate the EPCGA in EDI.

l) In cases where the Bank confirms authenticity of BG, it shall be so entered in EPCG Master Register and countersigned by AO/Supdt (EPCG). Where no reply is received from Bank/FI in 10 days, the DOS/TA (EPCG) shall put up the file to the Group AC/DC (EPCG) through the AO/Supdt (EPCG) for further necessary action.

m) In the intervening time, with the AO/Supdt (License) having activated the EPCGA in EDI, import may occur under the relevant EPCG

License/Customs notification.

n) When import occurs, the AO/Supdt of Import Shed granting 'Out of Charge' will invariably forward photocopy of the Bill of Entry to EPCG Section, where DOS/TA shall enter the details of Bill of Entry in the EPCG Master Register and specifically indicate on the Register, the month/year in which the six month period for producing Installation/Registration (in case of vehicle) Certificate shall fall due.

Obligation of Authorization Holders related to Bank Guarantees & Installation; Interim-block and Overall Export Obligations

5. There are specific obligations on Importer/AHs in the Customs notifications. These include, –

a) Keeping their Bank Guarantees valid till Bond is discharged by Customs

b) Producing before the DC/AC of Customs the Installation Certificate (or, in case of import of vehicles, Certificate of Registration as Tourist Vehicle) within 6 months of import. Amongst other things, the Installation Certificate (or, in case of import of vehicles, Certificate of Registration as Tourist Vehicle) should carry details directly correlate-able with the specific bill of entry and EPCGA, for it to be acceptable.

c) Fulfilling at least 50% of export obligation up to the penultimate (last but one) block (including specific obligations for blocks prior to the penultimate block, if any); fulfilling overall export obligation in specified time frame, etc. AH have to submit proof of fulfillment of export obligation. In doing so, AH shall submit information in Statement (format specified in Annexure A) and documents (shipping bills, BRCs) enabling the verification. The time frames/limits for submission (of such proof) broadly dovetail the export obligation periods.

6. Upon submission of installation certificates and proof of fulfillment of export obligations, the EPCG Section (Monitoring) shall deal the matter in individual files and decide outcome at the level of DC/AC. This outcome shall also be

recorded on EPCG Master Register by DOS/TA and counter signed by AO/Supdt and DC/AC. It may be noted that where Installation Certificate is issued by Chartered Engineers, in 10% cases (selected by DC/AC), the outcome shall be decided by DC/AC only after contents of Certificate are cross-confirmed from Jurisdictional Central Excise Authority.

7. Presently, the active customs notifications require 50% of export obligation to be completed in first block (penultimate block). If this is verified in detail by EPCG Section (Monitoring) and found satisfactory at level of DC/AC, then when EODC is received from DGFT at end of second/final block, Customs would likely accept that EODC without further verification. Exceptions to this will arise where – (a) there is specific intelligence suggesting misuse (b) there are reasonable grounds recorded in writing calling for not accepting without verification (c) EODC from DGFT bear requirement that Customs carry out verification.

8. In all pending cases, where the export obligations up to the penultimate (last but one) block (including specific block obligations for blocks prior to the penultimate block, if any) and/or installation certificates, are already due but have not yet been verified by EPCG Section (Monitoring), the AHs are requested to come forward to have these verified. This will, inter alia, aid processing when final block gets over. In absence of such pre-final verifications, the acceptance of the final EODC will be more time consuming and require production of older records for verification. Therefore, it is in AH's interest to come forward for pre-final verifications.

9. In cases where Customs does not receive its copy of EODC directly from DGFT, but AH submits its own copy, then this latter copy will be first sent to DGFT for confirming its genuineness.

The procedure shall be reviewed when EODCs begin to get transmitted electronically from DGFT to ACC

F.No.: S/3-Misc-EPCG-64/2010 ACC

Annexure A

Block Wise Export Obligation Fulfilment Statement

(on Company/Firm letter head)

Refer to customs file No. _____. The export obligation in respect of the EPCG Licence No _____ dated _____ is fulfilled for the Block _____. The details are as under:

Import Details

Sr No:
Bill of Entry No & date:
Duty foregone Amount:
Date of submission of Installation Certificate:
Remarks:

Export Details

Sr No:
Shipping Bill No & Date:
FOB value:
Port of Export:
BRC Date:

Remarks:
Summary:
1. Total Export Obligation to be fulfilled in Block:_____

2. Total Export Obligation fulfilled:_____

3. BRC yet to be received for the amount: _____

The Foreign Exchange which is pending for realization shall be realized within the time permitted by the FEMA. We further state that the above details are true to the best of my knowledge.

Date: (Signature)
Place: Name & Designation
Company Seal

Note- signature and seal should be there on each page of this document or its attachments

Reinforced Nylon Tyres SION Notified

Subject: Amendment of SION A-1667

74-PN(RE) In exercise of the powers conferred under Paragraph 08.06.2010 2.4 of the Foreign Trade Policy, 2009-14 and Paragraph (DGFT) 1.1 of the Handbook of Procedures (Vol.1), the Director

General of Foreign Trade hereby makes the following amendments/corrections in the Handbook of Procedures, Vol.II, 2009-2014, as amended from time to time.

2. In the statement of Standard Input Output Norms (SION) as contained in the Handbook of Procedures (Vol.II), 2009-2014, as amended from time to time, amendments/corrections are made against SION entry at **A-1667** as mentioned in ANNEXURE "A" to this Public Notice.

This issues in public interest.

Annexure "A" to Public Notice No. 74/2009-2014 Dated: 08.06.2010

Export Item	Qty	Import Item	Qty
Automobile Tyres reinforced with Nylon tyre-cord	100 kg	1 (a) Natural Rubber	44 kg
Warp-sheet or rayon tyre cord warp-sheet		1 (b) Synthetic Rubber (PBR/SBR - 1502/1712/1723/1783)	8.6 kg
		1 (c) V.P.Latices	0.4 kg
		2. Carbon Black	23 kg
		3. Nylon/ Tyre Yarn/ Cord/ Warp Sheet/Fabric(both dipped and undipped)	13 kg
		4. Bead wire	4 kg
		5. Pigments/ chemicals the following :-	
		(a) Rubber chemicals (Antioxidants, Accelerator, Antiozonant, Retarders and Peptizers). (Import of antioxidants however, shall not exceed 1 kg for each 2 kgs of Rubber chemicals allowed)	2.00 kg
		(b) Zinc oxide	2.00 kg
		(c) All other Miscellaneous materials/ chemicals viz., microcrystalline wax, paraffin wax, pigments and softeners, stearic acid solvents, plasticisers synthetic resins, bonding/ coupling agents, activatorsand fillers Dip Chemicals (excluding resorcinol) mould release agents, tackifiers and catalysts and syloff	7.40 kg
		(d) Resorcinol	0.10 kg
		(e) Insoluble Sulphur	0.50 kg
		6. Furnace Oil/ L.S.H.S.	23.8 Litres

Note: 1. In case of Bus/Truck Tyres, out of the total quantity 8.6 kgs. the quantity of SBR allowed is up to 3 kgs (maximum) and the quantity of PBR allowed is 5.6 kgs.

2. The above norm is also applicable for Tubeless Tyres with Natural Rubber Inner Liner.

3. If the firm import Dipped fabric, items allowed for dipping i.e. Resorcinol and V.P. Latex shall not be allowed but a weight of 0.61 kg may be added.

Customs Valuation Exchange Rates

June 2010	Imports	Exports	
Schedule I			
1 Australian Dollar	39.60	38.50	
2 Canadian Dollar	44.80	43.65	
3 Danish Kroner	7.95	7.70	
4 EURO	59.10	57.50	
5 Hong Kong Dollar	6.15	6.00	
6 Norwegian Kroner	7.30	7.10	
7 Pound Sterling	69.15	67.25	
8 Swedish Kroner	6.05	5.90	
9 Swiss Franc	41.35	40.30	
10 Singapore Dollar	34.00	33.15	
11 U.S. Dollar	47.85	46.95	
Schedule II			
1 Japanese Yen	53.25	51.80	

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

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

(Source: Customs Notification 42(NT)/26.05.2010)

Commodity Spot Prices in India – 11-13 June 2010

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

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 11-13 June.

Commodity	Unit	Market	11-Jun	12-Jun	13-Jun
CER (Carbon Trading)	1 MT	Mumbai	726.5	737.5	737.5
Chana	100 KGS	Delhi	2105	2096	2075
Masur	100 KGS	Indore	3443	3451	3450
Potato	100 KGS	Agra	467.6	467.6	465.7
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Areca nut	100 KGS	Mangalore	7511	7515	7573
Cashewkern	1 KGS	Quilon	304	305	305
Cardamom	1 KGS	Vandanmedu	1652.4	1662.3	1514.2
Coffee ROB	100 KGS	Kushalnagar	73.3	73	71.3
Jeera	100 KGS	Unjha	12319	12326	12369
Pepper	100 KGS	Kochi	15900	15820	15978
Red Chili	100 KGS	Guntur	4890	4890	4876
Turmeric	100 KGS	Nzmbad	14800	14800	14975
Guar Gum	100 KGS	Jodhpur	4800	4850	4900
Maize	100 KGS	Nzmbad	994	994	997
Wheat	100 KGS	Delhi	1285.8	1286.3	1282.9
Mentha Oil	1 KGS	Chandausi	802.5	788.6	768
Cotton Seed	100 KGS	Akola	1260	1258	1285
Castorsd RJK	100 KGS	Rajkot	3235.5	3238.5	3228.5
Guar Seed	100 KGS	Jodhpur	2180	2156	2165
Soya Bean	100 KGS	Indore	1883.5	1888.5	1900
Mustrdsd JPR	20 KGS	Jaipur	505	506.1	510
Sesame Seed	100 KGS	Rajkot	5225	5238	5288
Coconut Oil Cake	100 KGS	Kochi	1170	1170	1170
RCBR Oil Cake	1 MT	Raipur	6360	6383	6400
Kapaskhali	50 KGS	Akola	1044.5	1044	1065.5
Coconut Oil	100 KGS	Kochi	5408	5408	5460
Refsoy Oil	10 KGS	Indore	438.5	437.8	438.35
CPO	10 KGS	Kandla	368.3	368.1	368
Mustard Oil	10 KGS	Jaipur	485.5	485.8	476.3
Gnutoilexp	10 KGS	Rajkot	705.7	706	710
Castor Oil	10 KGS	Kandla	690	691	690
Crude Oil	1 BBL	Mumbai	3546	3454	3454
Furnace Oil	1000 KGS	Mumbai	29677	29677	29677
Sourcrd Oil	1 BBL	Mumbai	3560	3560	3516
Brent Crude	1 BBL	Mumbai	3502	3483	NA
Gur	40 KGS	Muzngr	973.8	975.9	983.6
Sugars	100 KGS	Kolhapur	2564	2554	2550
Sugarm	100 KGS	Delhi	2804	2801	2785
Natural Gas	1 mmBtu	Hazirabad	218.3	223.8	223.8
Rubber	100 KGS	Kochi	16879	16934	17055
Cotton Long	1 Candy	Kadi	28970	28980	28990
Cotton Med	1 Maund	Abohar	2898.5	2903.5	2896.5
Jute	100 KGS	Kolkata	3456	3414	3406
Gold	10 GRMS	Ahmd	18635	18719	18610
Gold Guinea	8 GRMS	Ahmd	14908	14975	14888
Silver	1 KGS	Ahmd	29225	29185	29150
Sponge Iron	1 MT	Raipur	17870	17885	17870
Steel Flat	1000 KGS	Mumbai	33310	33540	32860
Steel Long	1 MT	Bhavnagar	26300	26620	26490
Copper	1 KGS	Mumbai	296.5	299.75	299.75
Nickel	1 KGS	Mumbai	903.5	903.5	918.7
Aluminium	1 KGS	Mumbai	90.45	90.45	90.6
Lead	1 KGS	Mumbai	78.45	78.45	77.95
Zinc	1 KGS	Mumbai	80.6	80.6	81.15
Tin	1 KGS	Mumbai	788.5	788.5	787.5

(Source: MCX Spot Prices)

WELCOME TO THE WORLD OF CUSTADA

Developed in Collaboration with Ministry of Finance

A. CUSTADA and NONTADA on CD and Online

This CD consists of 570 files in the database covering CUSTADA (Customs Tariff Database) and NONTADA (Non Tariff Database) for your information and comments. The database files are in Microsoft Word7 and Hyper Text formats for running matter. Tables are in Excel format. The list of the files is enclosed for your reference.

This data CD is also available online at www.custadaindia.com. This site contains search engine and download features. It is updated everyday. Use this website by user id and password which will be given by ABS to registered users.

B. The database consists of two sections:

1. Main database covering tariff, import policy, NTBs, country preferences, import and export values and quantity for the three years 06-07, 07-08 and 08-09.
2. Main database for country preferences giving effective preferential duties for specific countries/ country groups.

UPDATED TILL 10 June, 2010 and covers changes in the February Budget 2010 as well as Foreign Trade Policy.

C. Subjects covered in this CD

- (a) Customs Tariff of India covering chapters 1-98
- (b) Export Tariff of India

(c) 203 Exemption Notifications

(d) 149 Anti-dumping and 7 Safeguard notifications

(e) Country Preferences Database

(f) Write ups on key subjects like IT Agreement, Special CVD

(g) Non Tariff Barriers and Import Procedures of key items

D. Updation of data

The CD will be updated monthly. A hardcopy of the entire database in book form is available including the February Budget 2010-2011 changes. The database is updated every day.

Hotline and helpdesk is available 6 days a week during 9:30 am to 6:00 pm on 91-11-23281314, Call Omana/Sanjay.

www.worldtradesScanner.com gives the changes taking place every day in the database. Access to this website is currently free. Similarly, the changes are also covered in our hardcopy Weekly Index of Changes which is also available in PDF form on www.worldtradesScanner.com.

E. Help Desk

Users are welcome to contact us for assistance to clear doubts, if any. Email direct to the editor at arungoyal.delhi@gmail.com or call 98100 79983.

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Exclusions under Zero Duty EPCG Scheme

Subject: Amendment in Para 5.1A of HBP Vol.I, 2009-2014

73-PN(RE) In exercise of the powers
08.06.2010 conferred under Paragraph 2.4
(DGFT) of the Foreign Trade Policy,
2009-14 and Paragraph 1.1 of
the Handbook of Procedures (Vol.1), the Director General of Foreign Trade hereby makes the following amendments in the Handbook of Procedures, Vol.I, 2009-2014, as amended from time to time.

2. The words "Imports under "appearing in the first line of sub-para 4 of Para 5.1A of HBP Vol.I stand deleted.

This issues in public interest.

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Disagreements on issues such as tariffs and petrochemical subsidies are among the many reasons why free trade talks between the two regional groupings have stalled over the past two decades.

This setback comes only a day after Merkel stated in a Qatar press conference that the two parties were "millimetres away" from signing an agreement, according to Qatar newspaper Gulf Times. The German chancellor just completed a four-day trip to the region, where she visited GCC embers Bahrain, Qatar, Saudi Arabia, and the United Arab Emirates.