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CBEC Extends 24x7 Customs Clearance Facility for Export Cargo from 1st July, 2013

Beginning 1st July, 2013, Customs clearance of all export goods will take place on 24x7 basis from four major Air Cargo Complexes/airports i.e., Bangalore, Chennai, Delhi and Mumbai. Thus, all exports including those made under export incentives scheme as well as duty drawback scheme will now be able to be move out of the country on 24x7 basis. Government expects this initiative to greatly facilitate the exporting community and boost the country's export by reducing dwell time and enabling exporters to meet their deadlines.

The expansion of the 24x7 facility at the four major Air Cargo Complexes/Airports follows closely on the heels of similar customs clearance facility for exports made under Free Shipping Bills i.e. without claiming export incentives with effect from (w.e.f.) 1st June, 2013 from all thirteen (13) EDI connected Air Cargo Complexes/Airports in the country. These 13 Air Cargo Complexes/Airports are Ahmedabad, Amritsar, Cochin, Calicut, Coimbatore, Goa, Hyderabad, Indore, Jaipur, Kolkata, Nashik, Vishakhapatnam and Thiruvananthapuram.

The extension of 24x7 customs clearance facility for imports and exports has been under consideration of Government for some time. Thus, last year w.e.f. 1st September, 2012, the customs began functioning on 24x7 basis to clear select export consignments under Free Shipping Bills as well as identified import consignments which were facilitated by its Electronic Risk Assessment System. This was begun on pilot basis at four ports i.e. Chennai, JNPT, Kolkata and Kandla and four airports i.e., Bangalore, Chennai, Delhi and Mumbai. The facility was welcomed by the trade and industry which appreciated the fact that the customs had taken this step to facilitate exports despite facing serious staff constraints. The present expansion of the 24x7 customs clearance facility to all exports from identified customs stations addresses the requirement of exporters who export under export incentive schemes and would allow them to exploit their full potential.

Department of Revenue Introduces RMS in Exports

ICD Mulund and Patparganj to Implement from 15 July

Sub: Introduction of Risk Management Systems (RMS) in Exports

23-CBEC
24.06.2013
(DoR)

Attention is invited to the Board Circular No. 43/2005-Cus dated 24.11.2005 whereby Risk Management System (RMS) was introduced in Imports as a trade facilitation measure and for selective interdiction of high risk consignments for Customs control.

2. Implementation of RMS in Imports has been one of the most significant steps in the ongoing Business Process Reengineering initiative of the department. In continuation of this initiative, the Board has now decided to introduce RMS in exports in Customs locations where the Indian Customs EDI Systems (ICES) is operational. The RMS in exports will enable low risk consignments to be cleared based on self assessment of the declarations by exporters. This will enable the department to enhance the level of facilitation and speed up the process of cargo clearance. By expediting the clearance of compliant export cargo, the RMS for exports will contribute to reduction in dwell time, thereby achieving the desired objective of reducing the transaction cost in order to make the business internationally competitive. The RMS in Exports is scheduled for **implementation from 15.07.2013 onwards**.

3. The RMS for exports is developed with the following components (i) ensuring appropriate control measures for proper and speedy disbursement of drawback and other export incentives (ii) effective utilization of human resources, to match the workload with the resources available (iii) ensuring proper and expeditious implementation of existing control over export under the applicable Allied Acts and Rules.

4. With the introduction of the RMS in exports, the present practice of routine verification of self-assessment and examination of Shipping Bills will be discontinued and the focus will be on quality assessment, examination and post clearance audit (PCA) of Shipping Bills selected by the Risk Management System.

5. Shipping Bills filed electronically into ICES through the Service Centre or the ICEGATE will be processed by RMS. The RMS will process the data through a series of steps/corridors and produce an electronic output for the ICES. This output from RMS will determine the flow of the Shipping Bill in ICES i.e. whether the Shipping Bill will be taken up for Customs control (verification of self-assessment or examination or both) or to be given "Let Export Order" directly after payment of Export duty (if any) without any verification of self-assessment or examination. The RMS will also provide instructions for Appraising Officer/Superintendent, Examining Officer/Inspector or the Let Export Order (LEO) Officer, wherever necessary. The decisions communicated by the RMS on the need for verification of self-assessment and/or examination and the appraising and examination instructions communicated by the RMS have be followed by the field formations. It is possible that in a few cases, the field formations might decide to apply a particular treatment to the Shipping Bill which is at variance with the instructions received for the RMS owing to risks which are not factored in the RMS. Such a course of action shall however be

taken only with the prior approval of the jurisdictional Commissioner of Customs or an officer authorised by him for this purpose, who shall not be below the rank of Addl./Joint Commissioner of Customs, and after recording the reason for the same. A brief remark on the reasons and particulars of Commissioner's authorization should be made by the officer examining the goods in the departmental comments in the EDI system.

6. Board has decided to implement RMS in export in two phases. In the first phase the RMS will process the data and provide the output to ICES only up to goods examination stage. In the second phase, the RMS will also process the Shipping Bill data after the Export general Manifest (EGM) is filed electronically and provide output to ICES for selection of shipping Bills for Drawback scrutiny and Post Clearance Audit (PCA).

7. With the implementation of export RMS, a Post Clearance Audit (PCA) function will be introduced in respect of exports after the LEO is given for export consignment. The objective of PCA is to monitor, maintain and enhance compliance levels, while reducing the dwell time of cargo. The RMS will select the Shipping Bills for audit, after issue of LEO, and these selected Shipping Bills will be directed to the audit officers for scrutiny by the ICES. It may be noted that the auditors are specifically being instructed to scrutinize declarations with reference to exports incentives, duty drawback and other compliance requirements Wherever necessary, RMS will provide instructions for audit Officers. In case any possible short levies or undue claim of export incentives are noticed, the officer will issue a Consultative Letter setting out the ground for their views to the exporters/CHAs. Audit Officers should also scrutinize declarations with reference to data quality and advise the exporters/ CHAs suitably where the quality of their declarations is found deficient. Such advise is expected to be followed and will be monitored by the Local Risk Managers (LRM).

8. As in the case of Import, the national management of the Risk Management systems shall be the responsibility of the Risk Management Division. There will be a single Local Risk Manager (Admin) for a location for both import and export.

9. The implementation of RMS for exports will necessitate reorganization for staff. Board desires the Chief Commissisoner of Customs to undertake a comprehensive re-organization of the officers deployed for processing of Shipping Bills. The present appraising facilities should be right-sized in tune with the quantum of Shipping Bills coming for assessment. A separate PCA section needs to be created and sufficient staff should be diverted to the Post Clearance Audit. The strength of the staff for examination of cargo would also be required to be readjusted.

10. With the introduction of RMS in exports, the selection of Shipping Bills for verification of Self-assessment and/or examination will be based on the output given by RMS to ICES. Accordingly the examination and assessment norms contained in the Board's Circulars No. 06/2002 –Cus dated 23.01.2002, 01/2009-Cus dated 13.01.2009 and 28/2012-Customs dated 16.11.2012 would stand modified to that extent. However, owing to some technical reasons if the RMS fails to provide output to ICES or RMS output is not received at ICES end in time, the existing norms of assessment and examination prescribed by the aforementioned circulars will be applicable.

11. To begain with, RMS in Exports will be introduced w.e.f. **15.7.2013** at ICD Mulund and ICD Patparganj. With the implementation of RMS in exports the existing facilitation scheme viz. Accelerated Clearance System vide Circular No.30/2003-Cus dated 4.4.2003. would be phased out. As the deployment of the export RMS is likely to take place in a phased manner across the ICES locations, the existing facilitation scheme will continue to be operative in each Customs station until the operationalisation of the export RMS at the station.

12. Board desires DG (Systems) to forward the detailed instruction/draft public notice to field formation separately.

13. Any difficulty in implementation of these instructions should be brought notice of the Board immediately.

F.No.450/28/2011-Cus.IV

EU Launches WTO Complaint on Chinese Steel Duties

The EU lodged a WTO complaint last week against China regarding the Asian country's imposition of anti-dumping duties on imports of high-performance stainless steel seamless tubes (HP-SSST). The two sides will now have 60 days to conduct consultations before Brussels can request the establishment of a dispute panel to rule on the case.

China currently imposes duties ranging from 9.7 to 11.1 percent on imports of this particular steel from the EU. Japan has already filed a similar case (DS454) against China regarding the same type of products, with a panel being established in May to hear the case. Should the EU complaint reach the panel stage, the two cases could be combined to be reviewed by the same panel.

Trade Restrictions on the Rise among G-20 Members, WTO Warns

Trade restrictive measures by the Group of 20 economies are once again on the rise, according to the latest monitoring report released by the WTO this week. The news comes just months after the organisation reined in its 2013 trade growth forecasts by more than one percentage point, in light of continued global economic uncertainty.

The report, which covers the period between mid-October 2012 and mid-May 2013, is part of the organisation's effort to monitor G-20 countries' adherence to their post-financial crisis pledge to avoid resorting to trade protectionism.

The document is released jointly with the UN Conference on Trade and Development (UNCTAD) and Organisation for Economic Co-operation and Development's (OECD) report on investment measures. The three organisations have issued these two reports at roughly six-month intervals since September 2009.

Over 100 new trade restrictions

Despite having reaffirmed their commitment to refrain from raising or imposing new barriers to trade and investment at last year's leaders' summit in Los Cabos, Mexico, this latest report finds that G-20 countries have continued to implement trade restrictive measures, with over 100 such measures recorded in the last seven months.

During this period, trade remedy investigations accounted for 61 percent of all trade restrictive measures, with anti-dumping investigations and temporary tariff increases being the most prevalent.

Notably, 70 trade facilitation measures have been implemented since the last monitoring report. However, in the same time period, the share of trade-facilitating measures has decreased from 55 percent of all trade measures to 40 percent.

Moreover, only 19 percent of trade restrictions imposed since October 2008 have been eliminated, as compared to 21 percent last year, fuelling concerns that such measures are accumulating rather than dissipating.

G-20 should "unlock the potential for trade" in time for Bali

The weakness of import demand within the EU, which previously accounted for 35 percent of all world merchandise imports in 2011, has had far-reaching repercussions within the international trade system. In total, imports of developed economies fell by two percent and imports of developing countries rose by two percent, leaving a zero percent overall growth in world imports in the second half of last year, according to the report.

Despite the worrying increase in G-20 restrictions, the report notes that the trade impact of import measures is only approximately 0.2 percent, indicating that countries have overall been successful in resisting widespread protectionism.

However, given the uncertain prospects for the global economy, WTO Director-General Pascal Lamy reiterated previous calls to G-20 governments to avoid "making matters worse" by adopting isolationist and trade-restrictive policies.

Instead, he said, governments should focus on "unlock[ing] the potential for trade to grow stronger" by ensuring a successful WTO ministerial conference in Bali this December, such as by clinching a deal on trade facilitation.

WEEKLY INDEX OF CHANGES

India Extends Ban on Milk and Milk Products from China for One More Year

Subject: Prohibition on import of milk and milk products from China.

23-Ntfn(RE) 18.06.2013 (DGFT) In exercise of powers conferred under Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with paragraph 2.1 of the Foreign Trade Policy, 2009-2014, as amended from time to time, the Central Government hereby makes the following amendment in ITC (HS) 2012, Schedule 1 (Import Policy):

2. The prohibition on import of milk and milk products (including chocolates and chocolate products and candies/ confectionary/ food preparations with milk or milk solids as an ingredient) from China is effective till 23/06/13 as per the Notification No. 4 (RE-2012)/2009-2014 dated 02/07/2012.

3. The matter has been reviewed and the prohibition on the same from China is extended for one more year, i.e., till 23.6.2014 or until further orders, whichever is earlier.

4. Effect of this Notification

Prohibition on import of milk and milk products (including chocolates and chocolate products and candies/ confectionary/ food preparations with milk or milk solids as an ingredient) from China is extended for one more year, i.e., till 23.6.2014 or until further orders, whichever is earlier.

Coconut Oil Exports Permitted through All LCS on Nepal, Bhutan, Bangladesh and Pak Borders in Addition to All EDI Ports

Subject: Amendment in Notification No 39(RE-2012)/2009-14 dated 25th March, 2013 relating to export of edible oils.

22-Ntfn(RE) 18.06.2013 (DGFT) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014 (as amended from time to time), the Central Government hereby amends, with immediate effect, Notification No 39(RE-2012)/2009-14 dated 25th March 2013 relating to Sl. No. 92 of Schedule 2 of ITC(HS) Classification of Export & Import Items.

2. Export of edible oils was initially prohibited for a period of one year with effect from 17.03.2008 vide Notification No. 85 dated 17.03.2008 which was extended from time to time. Vide Notification No. 24(RE-2012)/2009-14 dated 19th October 2012, prohibition on export of edible oil has been extended till further orders.

3. Following exemptions are permitted from the prohibition on export of edible oils:

(a) Castor oil

(b) Coconut oil from all EDI Ports and through all Land Custom Stations(LCS) on Indo-Nepal, Indo-Bangladesh, Indo-Bhutan and Indo-Pakistan borders.

(c) Deemed export of edible oils(as input raw material) from DTA to 100% EOUs for production of non-edible goods to be exported

(d) Edible oils from Domestic Tariff Area (DTA) to Special Economic Zones (SEZs) to be consumed by SEZ units for manufacture of processed food products, subject to applicable value addition norms

(e) Edible oils produced out of minor forest produce, ITC(HS) Code 15159010, 15159020, 15159030, 15159040, 15179010 and 15219020.

(f) 10,000 MTs of Organic edible oils per annum. The conditions notified in Notification No. 50 dated 03.06.2011 for export of organic edible oils will continue to apply.

4. Export of edible oils in branded consumer packs of upto 5 Kgs is permitted with a Minimum Export Price of USD 1500 per MT.

5. The prohibition will not apply to export of Peanut Butter, ITC (HS) Code 15179020. [This already stands notified at Sl. No. 10 of the Table in Para 1 of Notification No. 31(RE-2012)/2009-14 dated 4th February, 2013]

6. Effect of this notification

Export of coconut oil is being permitted through all Land Custom Stations(LCS) on Indo-Nepal, Indo-Bangladesh, Indo-Bhutan and Indo-Pakistan borders in addition to export through all EDI ports.

No Mandatory Re-export of Parts for Testing and Evaluation in Previous Export of Parts Found Defective

Subject: Amendment in Para 2.38 of Foreign Trade Policy, 2009-2014.

24-Ntfn(RE) 19.06.2013 (DGFT) In exercise of powers conferred under Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with paragraph 2.1 of the Foreign Trade Policy, 2009-2014, as amended from time to time, the Central Government hereby makes the following amendment in paragraph 2.38 of Foreign Trade Policy, 2009-2014:

2. The existing sentence in Para 2.38 of Foreign Trade Policy, 2009-2014 will be followed by:

"However, re-export of such defective parts/ spares by the Companies/firms and Original Equipment Manufacturers shall not be mandatory if they are imported exclusively for undertaking root cause analysis, testing and evaluation purpose."

3. After the amendment, Para 2.38 of Foreign Trade Policy, 2009-2014 shall be as under:

"Goods or parts, except restricted under ITC (HS) thereof, on being exported and found defective, damaged or otherwise unfit for use may be imported for repair and subsequent re-export. Such goods shall be allowed clearance without an Authorisation and in accordance with customs notification. *However, re-export of such defective parts/ spares by the Companies/firms and Original Equipment Manufacturers shall not be mandatory if they are imported exclusively for undertaking root cause analysis, testing and evaluation purpose.*"

4. Effect of this Public Notice

Defective parts/spares imported exclusively for undertaking root cause analysis, testing and evaluation purpose by the Companies/ firms and Original Equipment Manufacturers may not be re-exported.

Anti-dumping Investigation on Phenol from Taiwan and USA Initiated on Complaint of Hindustan Organic Chemicals

[Ref: Anti-dumping Initiation Notification No.14/19/2012-DGAD dated 7th May 2013]

Subject: Initiation of Anti-Dumping Duty investigation concerning imports of "Phenol" originating in or exported from Chinese Taipei and USA.

M/s Hindustan Organic Chemicals Limited, (hereinafter referred to as 'petitioner' or " the applicant") has filed an application (also referred to as petition) before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter 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 as amended from time to time (hereinafter referred to as the AD Rules) for initiation of Anti-Dumping Duty investigation concerning imports of Phenol (hereinafter also referred to as the subject goods) originating in or exported from Chinese Taipei and USA. (hereinafter also referred to as the subject countries). M/s Hindustan Organic Chemicals Limited has provided relevant information.

Product under consideration

2. The product under consideration in the present petition and proposed investigation is "Phenol". Phenol is a basic organic chemical normally classified under Chapter 29 of the Customs Tariff Act. The product is marketed in two forms – bulk and packed. Bulk sales are normally in loose form, whereas packed consignments can be of much smaller container loads and generally packed in drums. Phenol is

used in Phenol Formaldehyde Resins, Laminates, Plywood, Particle Boards, Bisphenol-A, Alkyl Phenols, Pharmaceuticals, Diphenyl Oxide etc. This product is classified under Customs Tariff heading no. 29071110.

However, the said Customs classification is indicative only and in no way binding on the scope of the present investigation.

Like Articles

3. The applicant has claimed that the subject goods, which are exported from subject countries into India, are identical to the goods produced by the domestic industry. Phenol produced by the domestic industry and imported from subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The two are technically and commercially substitutable and hence should be treated as 'like article' under the AD Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the applicant in India is being treated as 'Like Article' to the subject goods being imported from the subject countries.

Domestic Industry & Standing

4. The application has been filed by M/s Hindustan Organic Chemicals Limited. Another domestic producer M/s SI group has supported the application. It is noted that the applicant and supporter accounts for total Indian production of subject goods in the country. It is also noted that the production by the petitioner constitutes a major proportion in total production of the like product produced in India. It is also noted that petitioner has not imported the product under consideration, nor are they related to an importer or exporter of the product under consideration. It is thus determined that the application has been made by or on behalf of the domestic industry and the application satisfies the requirements of 'standing' under Rule 5 of the AD Rules. Further, the Applicant constitutes 'Domestic Industry' in terms of Rule 2(b) of the AD Rules.

Subject Countries

5. The countries involved in the present investigation are Chinese Taipei and USA.

Normal value

6. The Petitioner has submitted that efforts were made to get information/evidence of price of subject goods in the domestic market of subject countries. However, petitioner was not able to get such information. The petitioner has therefore constructed normal value for all subject countries taking into account international raw material price, best consumption norm of domestic industry and reasonable profit margin. The Authority examined the claim of the petitioner and notes that there is sufficient prima facie evidence of normal value of the subject goods in the subject countries.

Export Price

7. The applicants have claimed export price for product under consideration based on DGCI&S published data to assess the volume and value of imports in India. Price adjustments have been made on account of ocean freight, marine insurance, commission, port expenses, inland freight expenses and bank charges. There is sufficient prima facie evidence of export price of the subject goods in the subject countries.

Dumping Margin

8. The applicant has provided sufficient evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices, prima-facie indicating that the subject goods originating in or exported from the subject countries are being dumped, to justify initiation of an antidumping investigation.

Injury and Causal Link

9. The applicant has claimed that they have suffered material injury and have furnished evidence regarding injury having taken place as a result of the alleged dumping from subject countries in terms of increase in imports in absolute terms, decline in production, sales, capacity utilization, deterioration in profits, return on capital employed and cash profit etc. The applicant has also claimed adverse price effects as evidenced by price suppression and price undercutting. The Authority considers that there is sufficient evidence of 'injury' being suffered by the applicant caused by dumped imports of subject goods from subject countries to justify initiation of an antidumping investigation.

Initiation of Investigations

10. The Authority finds that sufficient prima facie evidence of dumping of the subject goods originating in or exported from the subject countries, 'injury' to the domestic industry and causal link between the dumping and 'injury' exist to justify initiation of an anti-dumping investigation. The Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the AD 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

11. The period of investigation for the present investigation is from 1st January 2012 to December 2012. However, the injury investigation period will cover the periods April 2009-March 2010, April 2010-March 2011, April 2011 to March 2012 and the Period of Investigation (POI).

Submission of information

12. The known exporters in the subject countries and their Governments through their Embassies in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

The Designated Authority,
Directorate General of Anti-Dumping & Allied Duties, Ministry of Commerce & Industry,
Department of Commerce
Room No.240, Udyog Bhawan,
New Delhi -110107.

Time limit

13. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the 'facts available' on record in accordance with the AD Rules.

Submission of Information on Non-Confidential basis

14. All interested parties shall provide a confidential and non-confidential summary in terms of Rule 7 (2) of the AD Rules for the confidential information provided as per Rule 7 (1) of the AD Rules. The non-confidential version or non-confidential summary of the confidential information should be in sufficient detail to provide a meaningful understanding of the information to the other interested parties. If in the opinion of the party providing information, such information is not susceptible to summary; a statement of reason thereof is required to be provided.

15. Notwithstanding anything contained in para above, if the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its

Gold Jewellery Articles and Parts Drawback Rates Hiked

64-Cus(NT)
20.06.2013
(DoR)

In exercise of the powers conferred by sub-section (2) of section 75 of the Customs Act, 1962 (52 of 1962), sub section (2) of section 37 of the Central Excise Act, 1944 (1 of 1944), and section 93A read with sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994), read with rules 3 and 4 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, the Central Government, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.92/2012-Customs(N.T.), dated the 4th October, 2012 published *vide* number G.S.R. 742 (E) dated the 4th October, 2012, namely:-

In the said notification, in the Schedule, in Chapter 71, for tariff item 711301 and entries relating thereto, the following tariff item and entries shall be substituted, namely :-

"711301	Articles of jewellery and parts thereof, made of gold	Gms.	` 173.70 per gram of net gold content (.995 or more purity) in the jewellery	` 173.70 per gram of net gold content (.995 or more purity) in the jewellery".

[F. No. 609/19/2013-DBK]

disclosure in a generalised or summary form, it may disregard such information.

Inspection of Public File

16. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

Non-cooperation

17. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Governments as deemed fit.

17 Categories Excluded for Calculation of Export Performance under Incremental Export Reward Scheme – Amendments in Excise Notification

21-CE
13.06.2013
(DoR)

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and sub-section (3) of section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue)No. **30/2012-Central Excise dated the 9th July, 2012**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 542(E), dated the 9th July, 2012, namely :-

In the said notification, in **paragraph 2**, in condition (a),-

(a) for the word and figure "Volume I", the words and figures "Volume I in terms of entitlement under paragraph 3.14.2 or against the exports to the countries or regions specified in paragraph 3.14.4(e) or paragraph 3.14.5(e) of the Foreign Trade Policy, as the case may be" shall be **substituted**;

(b) in the **first proviso**, for the words "the Focus Market Scheme", the words and figures "paragraph 3.14.2 of the Foreign Trade Policy" shall be **substituted**;

(c) after the first proviso, the following proviso shall be **inserted**, namely:-

"Provided further that for the purpose of calculation of export performance or for computation of entitlement under paragraph 3.14.4 or paragraph 3.14.5 of the Foreign Trade Policy, the incremental growth shall be in respect of each exporter [Importer Exporter Code (IEC) holder] without any scope of combining the export for group company or for transferring export performance from any other IEC holder and the incremental growth shall be in terms of freely convertible currency to the designated markets. The following categories of exports shall not be counted for calculation of export performance or for computation of entitlements:

(i) Export of imported goods or exports made through trans-shipment;
(ii) Export from SEZ/ EOU /EHTP /STPI /BTP/ FTWZ;
(iii) Deemed Exports;
(iv) Service Exports;
(v) Third Party exports;
(vi) Diamond, Gold, Silver, Platinum, other precious metal in any form including plain and studded jewellery and other precious and semi-precious stones;
(vii) Ores and concentrates of all types and in all formations;
(viii) Cereals of all types;
(ix) Sugar of all types and all forms;
(x) Crude/petroleum oil and crude / primary and base products of all types and all formulations;
(xi) Export of milk and milk products;
(xii) Export performance made by one exporter on behalf of other exporter;
(xiii) Supplies made to SEZ units;
(xiv) Items, export of which requires an export authorisation (except SCOMET);
(xv) Export of Meat and Meat Products;
(xvi) Exports to Singapore, UAE and Hong Kong,
(xvii) SEZ/EOU/EHTP/BTP/FTWZ products exported through DTA units;''.

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

17 Categories Excluded for Calculation of Export Performance under Incremental Export Reward Scheme – Amendments in Service Tax Notification

11-ST
13.06.2013
(DoR)

In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) **No.6/2013-Service Tax, dated the 18th April, 2013**, published in the Gazette of India, Extraordinary, Part II, section 3, subsection(i), vide number G.S.R. 254(E), dated the 18th April, 2013, namely:-

In the said notification, in para 3, in condition (a),-

(i) for the word and figure "Volume I", the words and figures "Volume I in terms of entitlement under paragraph 3.14.2 or against exports to the countries or regions specified in paragraph 3.14.4(e) or paragraph 3.14.5(e) of the Foreign Trade Policy, as the case may be" shall be **substituted**;

(ii) in the first proviso, for the words "the Focus Market Scheme", the words and figures "paragraph 3.14.2 of the Foreign Trade Policy" shall be **substituted**;

(iii) after the first proviso, the following proviso shall be **inserted**, namely:-

"Provided further that for the purpose of calculation of export performance or for computation of entitlement under paragraph 3.14.4 or paragraph 3.14.5 of the Foreign Trade Policy, the incremental growth shall be in respect of each exporter [Importer Exporter Code (IEC) holder] without any scope of combining the export for group company or for transferring export performance from any other IEC holder and the incremental growth shall be in terms of freely convertible currency to the designated markets. The following categories of exports shall not be counted for calculation of export performance or for computation of entitlement:

(i) Export of imported goods or exports made through trans-shipment;
(ii) Export from SEZ or EOU or EHTP or STPI or BTP or FTWZ;
(iii) Deemed Exports;
(iv) Service Exports;
(v) Third Party exports;
(vi) Diamond, Gold, Silver, Platinum, other precious metal in any form including plain and studded jewellery and other precious and semi-precious stones;
(vii) Ores and concentrates of all types and in all formations;
(viii) Cereals of all types;
(ix) Sugar of all types and all forms;
(x) Crude or petroleum oil and crude or primary and base products of all types and all formulations;
(xi) Export of milk and milk products;
(xii) Export performance made by one exporter on behalf of other exporter;
(xiii) Supplies made to SEZ units;
(xiv) Items, export of which requires an export authorisation (except SCOMET);
(xv) Export of Meat and Meat Products;
(xvi) Exports to Singapore, UAE and Hong Kong,
(xvii) SEZ or EOU or EHTP or BTP or FTWZ products exported through DTA units;''.

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

DGFT Mumbai will Accept More than Three Files from Exporters

Sub: Facility for submission of documents etc. related to more than three files at the counter.

01-TN
13.05.2013
(DGFT)

At present, documents of exporters relating to only 3 files are being accepted at a time at the counter. This means, the exporter has to come repeatedly to this office to submit documents relating to his/her other files.

In order to facilitate Trade and reduce transaction costs to the exporters, it is herewith instructed that the counter shall accept all the documents which have been brought by the exporters for submission even if they relate to more than three files.

However, in order to facilitate proper processing of files in the sections, the counter shall give call dates in a staggered manner in sets of three files, pertaining to a party. For instance, if an exporter has brought documents relating to 11 files for redemption, for three files a call date after 15 days shall be given, for the second set of three files, call date after 16 days shall be given and so on.

Rupee Value under Indo-USSR Deferred Payment Protocol Revised to Rs. 75.705663 w.e.f 5 June

Subject: Deferred Payment Protocols dated April 30, 1981 and December 23, 1985 between Government of India and erstwhile USSR

AP(DIR Srs) Cir.112 20.06.2013 (RBI)

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to A.P. (DIR Series) Circular No.95 dated April 4, 2013, wherein the Rupee value of the special currency basket was indicated as Rs.73.141761 effective from March 18, 2013.

2. AD Category-I banks are advised that a further revision has taken place on May 31, 2013 and accordingly, the Rupee value of the special currency basket has been fixed at **Rs.75.705663 with effect from June 05, 2013**.

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

4. 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.

Haiti Included in LDC List

Ntfn 33 19.06.2013 (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 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**, published in the Gazette of India, Extraordinary, *vide* number G.S.R. 590 (E), dated the 13th August, 2008, namely:-

In the said notification, in the Schedule, **after serial number 30** and the entries relating thereto, the following serial number and entries shall be **added**, namely:-

SNo.	Name of the Country
"31	Republic of Haiti".

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

Negotiators See Glimmer of Hope on WTO Food Stockholding Talks

Trade negotiators may have identified key ingredients in a potential deal on food stockholding for the WTO's ninth ministerial conference in Bali, Indonesia this December, trade sources say.

Delegates expressed cautious optimism that informal consultations held by the chair of the agriculture negotiations, New Zealand ambassador John Adank, had helped to identify possible elements of an eventual accord - even though they warned that no agreement had yet been reached.

A number of developing countries are seeking to expand the scope under WTO rules for them to subsidise food purchases from low-income, resource-poor producers when building government stockpiles or providing domestic food aid. However, developed countries in particular have expressed concern that the move could allow countries to provide unlimited sums of trade-distorting farm support to their farmers - potentially undermining producers in other countries.

Governments that put forward the proposal, from the G-33 group of countries with sizeable smallholder farming populations, have argued that some progress on agricultural trade is vital to "balancing" a Bali deal on trade facilitation - which proponents say would cut red tape and bureaucracy at national borders.

Three elements emerge

Firstly, governments could recognise that a set of farm subsidy programmes used mostly by developing countries would be allowed without limits under WTO rules, so long as these did not cause more than minimal trade distortion. Negotiators have proposed that land reform, rural livelihoods, and poverty alleviation programmes could be among the programmes covered.

Secondly, a "peace clause" could commit countries to refrain from challenging food stockholding and domestic food aid programmes in the WTO's dispute settlement process. Although Adank has pointed to past commitments with similar effect, negotiators told that the details of any such accord have yet to be agreed.

Thirdly, governments could agree to continue discussing the issue after the Bali ministerial has ended. A US call for a post-Bali "work programme" on trade and food security was initially met with scepticism from developing countries, who feared the move could delay substantive progress on their concerns.

Developed countries have claimed that countries such as India have been holding the trade facilitation talks "hostage" to the stockpiling proposal. New Delhi has meanwhile argued that developed country concessions on the G-33 proposal are an essential part of a successful Bali outcome.

One delegate said that negotiators were also unlikely to coalesce around four "variables" that the G-33 had proposed, which proponents say could provide developing countries with more flexibility, in a bid to build consensus.

Export competition: US, EU dig in heels

A proposal on cutting export subsidies and export credits, tabled by the G-20 group of developing countries active on agriculture, continued to receive a cool reception from developed countries that historically have made use of these instruments.

The US and EU were particularly opposed to the issue being addressed in Bali, sources said-despite a ministerial agreement eight years ago to phase these measures out in 2013.

G-20 countries were looking at how best to address criticism that their proposal did not effectively discipline export competition in developing countries, trade sources said.

However, other sources told that both members had expressed their unwillingness to discuss the issue even before the proposal had been tabled.

A third agriculture issue, easing the administration of tariff quotas, has not been discussed in detail by negotiators since the G-20 tabled a proposal on this last September. However, trade sources widely expect it to form part of an eventual Bali package, if progress is made on other areas.

U.S. 30-Year Bonds End 3 Days of Losses as Yields Boost Demand

Treasury 30-year bonds snapped a three-day losing streak as the highest yields since 2011 fueled demand and Federal Reserve Bank of Dallas President Richard Fisher said investors shouldn't overreact to the central bank's plan to slow bond purchases.

U.S. 10-year (USGG10YR) notes pared losses as volatility surged. Treasuries slid earlier as government debt from Australia to Germany fell on bets a cut in accommodation from the Fed will lead to an eventual end of record low central-bank interest rates. Fed Chairman Ben S. Bernanke said June 19 U.S. policy makers may begin tapering their quantitative-easing program this year and end it in mid-2014. The Treasury will sell $99 billion in notes this week.

Thirty-year (USGG30YR) bond yields fell four basis points, or 0.04 percentage point, to 3.55 percent at 5 p.m. New York time. They increased seven basis points earlier to 3.65 percent, the highest since Sept. 1, 2011. They rose 28 basis points last week, the most since August 2009. The price of the 2.875 percent securities due in May 2043 gained 18/32, or $5.63 per $1,000 face amount, to 87 21/32.

The 10-year note yield was little changed at 2.54 percent. It climbed 13 basis points to 2.66 percent, the highest since August 2011, and fell two basis points to 2.51 percent. The yield rose 40 basis points last week, the most in 10 years.

Relative Strength

A technical gauge signaled U.S. government securities might be poised to end their slide. The 14-day relative-strength index, a monitor of momentum, was 77.6 for the 10-year (USGG5YR) note and 69.2 for the 30-year bond. A level above 70 suggests the yield may change direction.

Fisher, who has been among the most vocal critics within the Fed of its unprecedented measures to bolster the economy, said central-bank policy remains accommodative.

Fisher said he favors scaling back the Fed's monthly bond purchases if the economy makes the kind of progress officials currently expect. Policy makers raised their growth forecasts for next year to a range of 3 percent to 3.5 percent and reduced their outlook for unemployment to as low as 6.5 percent.

Tariff Value of Gold Down by US$29 per 10 gms

66-Cus(NT) 24.06.2013 (DoR) 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	852 (i.e. no change)
2	1511 90 10	RBD Palm Oil	859 (i.e. no change)
3	1511 90 90	Others – Palm Oil	856 (i.e. no change)
4	1511 10 00	Crude Palmolein	866 (i.e. no change)
5	1511 90 20	RBD Palmolein	869 (i.e. no change)
6	1511 90 90	Others – Palmolein	868 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	1043 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	3930 (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	421 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	709 per kilogram (i.e. no change)"

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

Exchange Rates for Customs Valuation

Rupee Falls to 59.20 in Import Valuation

63-Cus(NT) 20.06.2013 (DoR) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 59/2013-CUSTOMS (N.T.), dated the 6th June, 2013 *vide* number S.O. 1465(E), dated the 6th June, 2013, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa* shall, **with effect from 21st June, 2013** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo.	Currency	Imprted Goods Current	Imprted Goods Previous	Exported Goods Current	Exported Goods Previous
***Schedule I** – Rate of exchange of one unit of foreign currency equivalent to Indian rupees*					
1.	Australian Dollar	56.35	55.00	54.85	53.65
2.	Bahrain Dinar	160.20	153.85	151.30	145.30
3.	Canadian Dollar	58.15	55.20	56.60	53.85
4.	Danish Kroner	10.70	10.05	10.35	9.75
5.	EURO	79.45	74.60	77.65	72.90
6.	Hong Kong Dollar	7.65	7.35	7.50	7.20
7.	Kenya Shilling	70.50	68.25	66.55	64.15
8.	Kuwait Dinar	213.40	203.20	201.05	191.80
9.	Newzeland Dollar	47.50	46.05	46.25	44.70
10.	Norwegian Kroner	10.40	9.85	10.05	9.55
11.	Pound Sterling	92.75	87.40	90.75	85.35
12.	Singapore Dollar	47.15	45.65	46.00	44.60
13.	South African Rand	6.05	5.95	5.70	5.55
14.	Saudi Arabian Riyal	16.10	15.45	15.20	14.60
15.	Swedish Kroner	9.25	8.70	8.95	8.45
16.	Swiss Franc	64.70	60.30	63.50	58.65
17.	UAE Dirham	16.45	15.80	15.55	14.90
18.	US Dollar	59.20	56.85	58.20	55.85
***Schedule II** – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees*					
1.	Japanese Yen	62.40	57.05	60.80	55.65

[F.No.468/03/2013-Cus.V]

Clearer Guideposts

Fed Bank of Minneapolis President Narayana Kocherlakota, who has called for easier policy, said the Fed must emphasize in its statement that it will remain accommodative "for a considerable time" after the end of quantitative easing. Kocherlakota, who also doesn't vote this year, spoke in a conference call with reporters.

The Fed needs to set clearer guideposts for the outlook for record stimulus, Kocherlakota said in an earlier statement.

Volatility in Treasuries, as measured by Bank of America Merrill Lynch's MOVE index, climbed to 110.98, according to the latest available data, the highest since Nov. 17, 2011. It has averaged 62 this year.

Treasury trading volume at ICAP Plc, the largest inter-dealer broker of U.S. government debt, rose 8 percent to $545 billion. The 2013 average is $312 billion.

The real yield, the difference in U.S. 10-year note yields and the annual inflation rate, widened to 1.19 percentage points, the most since March 2011, exceeding the 1.13 percentage-point average of the past decade.

Fed Purchases

The Fed has been buying $40 billion of mortgage-backed securities and $45 billion of U.S. government debt each month to put downward pressure on borrowing costs in its third round of the quantitative-easing program.

The central bank will cut its monthly bond purchases to $65 billion at its Sept. 17-18 policy meeting, according to 44 percent of 54 economists surveyed by Bloomberg after Bernanke's June 19 press conference. In a June 4-5 survey, only 27 percent forecast tapering would start in September.

The Fed lowered its forecasts on June 19 for the core personal-consumption-expenditure price index, its preferred measure of inflation, for this year and the coming two years, saying it won't reach 2 percent at least until 2015. Bernanke said the same day that reducing bond purchases would depend on the economy achieving the central bank's objectives.

Break-Even

The gap between yields on 10-year notes and similar-maturity Treasury Inflation Protected Securities touched 1.81 percentage points, the narrowest since October 2011, before trading at 1.92. The break-even rate signals the bond market's expectations for the rate of growth in consumer prices during the life of the debt.

The difference between yields on 10- and 30-year Treasuries touched 0.97 percentage point, the narrowest since January 2012.

The U.S. is scheduled to auction $35 billion of two-year notes tomorrow, the same amount of five-year debt the next day and $29 billion of seven-year securities on June 27.

Germany (GDBR10)'s 10-year bund yield increased as much as 13 basis points to 1.85 percent, the highest since April 4, 2012. The yield on Australia's 10-year government bond surged 28 basis points, the biggest jump since January 2009, to close at 4.03 percent in Sydney after reaching 4.04 percent, the highest since April 2012.

Belgium's 10-year yield climbed 22 basis points to 2.85 percent, while the rate on similar-maturity Portuguese debt surged 37 basis points to 6.8 percent.

US Supreme Court: Human Genes Cannot Be Patented

The US Supreme Court announced last week that naturally-occurring human genes are not patentable, in a landmark ruling that many observers say could have lasting implications for innovation in areas such as health care and biotechnology.

In its decision, the Court unanimously accepted the plaintiff's request that the patents on two human genes held by Myriad Genetics are not patent-eligible, due to the fact that these genes occur in nature. Synthetic DNA - in other words, DNA strands modified in a lab - can, however, be patented.

"It suffices for me to affirm…that the portion of DNA isolated from its natural state sought to be patented is identical to that portion of the DNA in its natural state; and that complementary DNA (cDNA) is a synthetic creation not normally present in nature," Justice Antonin Scalia said in his concurring opinion, while acknowledging the complexities of the case.

The US' highest court thus effectively drew a line between the mere practice of extracting natural genes and the creation of synthetic DNA in laboratories. Myriad's "method" patents - which cover the screening and testing processes, as opposed to the underlying genes - remained unaffected by the Court's decision.

The two genes under examination, which were first isolated by the US-based company, are at the basis of diagnostic tests that are capable of assessing individuals' genetic risks of breast and ovarian cancer.

Long-standing controversy

The issue of human gene patentability has historically been controversial in the US. Since the 1980s, the US Trademark and Patent Office has granted approximately 4,000 patents on human genes.

The legal dispute had received worldwide attention as the petitioners - a coalition of doctors, scientific researchers, and health organisations- argued that the patents restricted access to such diagnostic tests. Patients could face costs of over US$4,000 to undertake DNA testing, even though it is difficult to estimate to what extent the price reflects Myriad's IP-induced monopoly position.

In addition, some have observed that lowering the patentability bar to award patents on human genes would stifle incremental innovation - in other words, efforts aimed at developing inventions around the patented subject matter- rather than promoting it.

However, the implications of the decision in terms of access to genetic technologies and health care still remain disputed.

Some laboratories have announced they will now be conducting diagnostic tests based on the two genes under consideration, thereby contributing to lower prices. For instance, Houston-based DNATraits said it would offer analogous testing for US$995 - less than a third of the current price in the US.

Uncertainty also remains regarding the degree to which the decision will spill over to other technologies and sectors. For instance, the number of diagnostic tests run by a single firm that enjoys patent-induced monopolist status appears to be limited, according to some experts. In addition, as synthetic genes remain patentable in the US, the ruling may have little impact on research and development in other sensitive sectors, such as genetically-engineered crops.

Mixed responses among civil society, experts

Following the decision, both parties involved in the case have claimed victory, citing the specific provisions of the ruling that were in their favour.

On the plaintiff front, American Medical Association President Jeremy A. Lazarus countered that the decision to reject patenting human genes "is a clear victory for patients that will expand medical discovery and preserve access to innovative diagnosis and treatment options."

Conflicting views have emerged from civil society and experts as well.

Argentine Farmers Strike over Grain Export Curbs, Taxes

Argentina's four main farm unions ended a five-day strike last night, which had been launched in protest against inflation, export curbs, and the government's efforts to increase grain export taxes.

The unions had decided last Saturday, 15 June to stop selling livestock, corn, and soya bean, with rural leaders terming the strike a "success" three days later. The Rosario grain exchange noted that just over 500 trucks of grain had entered port by mid-Monday, compared to over 3500 by that time a week prior. Argentina is ranked third in the world in exports of soya bean and corn.

However, Argentine Minister of Agriculture Norberto Yauhar said the strike was just an attempt to "generate distress" four months before the country holds its midterm elections.

WIndex and DIndex – No. 14 - 26 June-02 July 2013

See details in www.worldtradescanner.com

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