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## **IMF Forecasts 4.6% Growth in 2010; India, China to Provide Growth Push**

### **Europe Debt Problems Drag World Down**

**T**he world economy will expand 4.6 percent in 2010, the biggest gain since 2007, compared with an April projection of 4.2 percent, the Washington-based fund said in revisions on 8 July to its World Economic Outlook. Growth next year is projected to be 4.3 percent, unchanged from the April forecast.

Canada and the U.S. are leading advanced economies out of the worst recession since World War II, trailed by euro-area countries that need additional measures to boost confidence in their banks, the fund said. Faster expansions in Brazil, China and India are helping to protect the global recovery as a sovereign-debt crisis weighs on Europe, the IMF said.

#### **BRIC Leads in Growth**

The growth forecast for emerging markets was raised to 6.8 percent, from 6.3 percent in April, the IMF said. The fastest growth rate will be China's 10.5 percent, followed by India's 9.4 percent and Brazil's 7.1 percent, the fund said. Growth forecasts for 2010 in all three of those countries and Russia – the four known as the BRIC nations – were increased.

Brazil's forecast had the biggest revision higher in yesterday's report, to 7.1 percent this year, from a 5.5 percent prediction in April, the IMF report showed. Mexico's economy will increase 4.5 percent this year, more than the 4.2 percent expansion seen in April, the IMF said.

Monetary policy requirements vary in emerging economies, where inflation is expected to accelerate to 6.25 percent this year before slowing to 5 percent in 2011, the IMF said.

#### **'Cloud' Over Outlook**

Fiscal woes in advanced economies may curtail the flow of capital to emerging markets, Olivier Blanchard, the IMF's chief economist, said at a press briefing on 8 July in Hong Kong. Blanchard said the reversal will prove "tem-

porary" in the aftermath of the European crisis, with a resumption of flows over time.

European Union regulators are carrying out stress tests on 91 banks to examine whether they can withstand a shrinking economy and a drop in government bond values. Regulators are counting on the tests on firms including Madrid-based Banco Santander SA and Frankfurt-based Deutsche Bank AG to reassure investors that banks have enough capital to withstand a debt default by a European country.

#### **US Leads Recovery**

The IMF predicted growth of 2.6 percent this year in advanced economies, more than the 2.3 percent seen in April. The fund cut its 2011 growth forecasts for every Group of Seven industrial nation except the U.S.

The U.S. economy will expand 3.3 percent this year, more than the 3.1 percent predicted in April, and 2.9 percent next year, the IMF said.

Japan's gross domestic product will increase 2.4 percent in 2010, more than the 1.9 percent forecast in April, before slowing to 1.8 percent growth next year, the fund said.

For the euro area, the IMF kept its forecast for 2010 unchanged at 1 percent and reduced its 2011 outlook 0.2 percentage point to 1.3 percent.

#### **Debt Reduction**

Advanced G-20 economies will try to halve deficits by 2013 and start to stabilize their debt-to-output ratios by 2016, leaders said at the end of their June meeting in Toronto. At the same time, they said nations can move at their own pace and pledged to fulfill existing stimulus plans.

Raising rates in countries with "excessive" external surpluses should be accompanied by a stronger exchange rate, the fund said. Countries should also be ready to a "swift policy reversal" if risks materialize, it said.

## **Basel May Give European Banks More Time to Reach Capital Adequacy Standards. \$1.8 tn Written Off in Finance Crisis**

**E**uropean banks, rattled by investor uncertainty about their ability to withstand a sovereign-debt crisis, are poised to win a reprieve in Basel, Switzerland, this week as regulators from 27 countries shape new capital rules.

A push to water down stringent standards proposed last year by the Basel Committee on Banking Supervision, and to allow more time to implement them, is led by France

and Germany, according to bankers, regulators and lobbyists involved in the talks. Representatives from the U.S. and the U.K., who have sought to rein in risk-taking, are willing to compromise on how capital is defined to reach an agreement at a committee meeting that begins on 13 July, the people said.

Another concession may involve granting transition periods of up to 10 years to ease concerns of some member countries that their banks and economies won't be able to bear the burden of tougher capital requirements until a recovery takes hold. As a result, the amount of capital European banks will be forced to raise in the next two years won't be as much as investors fear.

### G-20 Request

The 36-year-old Basel committee, a body of central bankers and regulators that sets capital standards for banks worldwide, was asked by the Group of 20 nations to draft new rules after the worst financial crisis in 70 years caused lenders to write off \$1.8 trillion. G-20 leaders urged the committee to improve the quantity and quality of bank capital, strengthen liquidity requirements and discourage excessive leverage. They set a deadline of December for making the rules and originally gave countries until the end of 2012 to implement them.

Three months ago, European leaders and finance ministers, including those from Germany and France, were as adamant as their American and British counterparts in pushing back against banks' objections to proposed rules that UBS AG estimated could force banks to raise \$375 billion of capital, according to the regulators and bankers, who asked not to be identified because they weren't authorized to speak. Fifty-five percent of that would have to be raised by European banks, UBS said.

Then Greece's debt woes unnerved investors, making European leaders more receptive to what the banks were saying, according to the people.

### 'Wiggle Room'

At their meeting in Toronto last month, G-20 leaders hinted at delays. While continuing to urge stricter capital and liquidity standards, they said implementation could take economic conditions of member states into account.

Even if they're softened and delayed, the new capital rules, known as Basel III, will force banks to take fewer risks and be better capitalized, said Paul Miller, an analyst for FBR Capital Markets Corp. based in Arlington, Virginia.

### Fixing Basel II

The Basel III proposal attempts to fix the shortcomings of an earlier revision, known as Basel II, which was initiated by lenders in the late 1990s and lowered capital requirements by as much as 29 percent for some banks. The new

rules would tighten control of what goes into the banks' calculation of risk, redefine what counts as capital and impose higher charges against holdings such as derivatives.

The committee is expected to decide on the definition of capital this week and defer issues such as capital ratios until its meetings in September and October, according to members.

One part of the definition would exclude minority interests that banks hold in other financial institutions when calculating common equity on the theory that they can't readily withdraw the capital. Many European lenders, which have lobbied against the rule, have non-controlling stakes in emerging-market banks that would no longer count as the highest level of capital, while the assets of the subsidiaries would have to be included in the banks' risks.

### BNP Paribas, HSBC

The change would have the largest impact on European lenders of all the proposed capital rules, UBS said in a March report. BNP Paribas SA, France's largest bank by assets, would see its capital lowered by \$10.7 billion, more than any lender, if it couldn't count minority interests, analysts at JPMorgan Chase & Co. wrote in February. London-based HSBC Holdings Plc would have its capital reduced by \$6.9 billion, and Societe Generale SA, the third-biggest French bank, \$4.7 billion.

European banks are likely to win a concession on the minority-stakes rule, according to the people involved in the talks. One possible compromise would allow a bank to count part of its stake in relation to the risk the capital is supposed to cover at the entity in which it invested, the people say.

The fight over whether to count minority stakes comes as the Basel committee is trying to counter an attack by bankers who have said that harsh rules come with costs. Investors will pay with lower returns from owning securities in their firms, and Main Street will suffer as economic growth and lending slow and fewer jobs are created, bankers say.

### 'Never Free'

A study released in June by the Institute of International Finance, which represents more than 375 financial companies, said the regulations could erase 3.1 percent of gross domestic product in the U.S., the euro region and Japan by 2015. About 9.7 million fewer jobs could be created over the five-year period than would otherwise be the case, the IIF said.

The Basel committee, whose members have touted the benefits of financial stability, is preparing its own economic impact study with the help of the Bank for International Settlements in Basel and the International Monetary Fund.

### Economic Impact

The Basel committee may publish the study later this month or in August, according to a person with knowledge of the matter. The report is expected to show an impact on economic growth of about one-third what the IIF calculated, another person familiar with the research said.

The Basel committee plans to announce its rules by the time G-20 leaders gather in Seoul in November. In addition to defining capital, the group needs to determine three ratios before then: one on common equity as a percentage of risk-weighted assets; one involving Tier 1 capital, which includes securities that could help a lender cover unexpected losses; and one on Tier 2 capital, which incorporates a broader range of securities that would protect depositors and creditors in case of insolvency.

### Defining Capital

Banks currently need to hold capital equal to a minimum of 8 percent of risk-weighted assets. Half of that must be Tier 1 and half of the Tier 1 needs to be common stock. The Basel committee might triple the common ratio requirement and double Tier 1, FBR's Miller estimates.

How the committee defines what counts as capital is as important as what the ratios are. In addition to the fight over whether to exclude minority stakes, there is a debate over deferred tax assets, past losses that lenders use to offset tax charges in future years.

The proposed Basel rules would prevent banks from counting these assets as part of their core capital. Japanese banks, which rely on deferred tax assets more than their counterparts in Europe and the U.S., are leading the campaign to block the exclusion, according to people involved in the talks. While the proposal might not change, the Basel committee may accept a phase-in period of between 5 and 10 years, the people say.

### Liquidity Requirements

The committee may also relax the implementation of other rules by giving national regulators two years from the beginning of 2012 to come up with plans to put the regulations into effect, the people involved in the discussions say. Each part of the proposal might have its own time horizon.

Final versions of some Basel rules, including new liquidity requirements for how much cash banks need to hold, may not be agreed upon before the November G-20 meeting.

### 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
12-Jul-10	46.7450	46.9050	46.7000	46.8600	46.8600	596281	1142503	534977.21	46.7300
9-Jul-10	46.9025	46.9375	46.7650	46.8025	46.8025	644557	1573646	737379.13	46.7500
8-Jul-10	46.9450	47.0650	46.8800	46.9725	46.9725	653732	2235081	1050331.81	46.8500
7-Jul-10	47.1000	47.3100	47.0725	47.2000	47.2000	665052	2726795	1287657.42	47.0800
6-Jul-10	47.0500	47.0750	46.8800	47.0400	47.0400	631501	2334176	1096125.61	46.8000
5-Jul-10	46.9050	46.9900	46.8025	46.9725	46.9725	690900	2034265	954343.72	46.6900

[Source: NSE and RBI Website]

**Cont'd..204**

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## US Gloats Over Win in Airbus Subsidy Case at WTO

United States Trade Representative Ron Kirk announced that a World Trade Organization (WTO) dispute settlement panel confirmed that decades of subsidies provided by the European Union (EU) and certain member states to Airbus are inconsistent with WTO rules. Specifically, the WTO Panel found that every instance of launch aid provided by certain EU nations for new Airbus aircraft over the last forty years, as well as other subsidies the United States had challenged, caused adverse effects to the interests of the United States and therefore are WTO-inconsistent subsidies. The Panel also concluded that certain launch aid provided for the A380 superjumbo jet was a prohibited export subsidy under WTO rules.

"This important victory will benefit American aerospace workers, who have had to endure watching Airbus receive these massive subsidies for more than 40 years. These subsidies have greatly harmed the United States, including causing Boeing to lose sales and market share. Today's ruling helps level the competitive playing field with Airbus," said Ambassador Kirk. "Protecting the rights of American manufacturers, as well as farmers, ranchers, services providers, and workers under our trade agreements continues to be a priority of this Administration. President Obama and I are committed to enforcing our trade agreements and, when necessary, using the dispute settlement process that is consistent with the rules-based global trading system at the World Trade Organization."

In reaching these findings, the Panel concluded that European government launch aid had been used to support the creation of every model of large civil aircraft produced by Airbus. The Panel's findings also confirmed that launch aid and the other challenged subsidies to Airbus have significantly distorted the global market for large civil aircraft, and that those subsidies have directly resulted in Boeing losing sales and market share.

### Background

The United States initiated this WTO dispute in October 2004 to end decades of launch aid and other subsidies provided to Airbus. A panel was established to examine the matter in May 2005.

Both sides have an opportunity to appeal the decision to the WTO Appellate Body within 60 days. If the Panel report is adopted or if it is affirmed on appeal, the WTO will recommend that the member states withdraw the prohibited subsidies within 90 days, in line with the deadline specified by the Panel in its report. With

respect to the other subsidies, the WTO will recommend that the EU and the member states that back Airbus take appropriate steps to remove the adverse effects or withdraw the subsidies. WTO rules contemplate such action being taken within six months.

In either case, should the European Union and the relevant member states fail to comply with these recommendations by the deadline, the United States would be able to seek the right to impose countermeasures. If the EU and the member states assert compliance, but the United States disagrees, the United States could seek to have any disagreement referred back to the Panel.

### Counter Case

The European Union has launched its own dispute case against Washington's subsidies to Boeing. A ruling in that case has yet to be released.

Boeing supporters hope that last week's announcement might improve the American company's chances of winning a US\$ 35 billion contract to build aerial tankers for the US military. Boeing and Airbus parent company EADS were due to submit their bids this week, and a decision is expected in November. The US Department of Defense has insisted that the WTO ruling will play no part in its decision.

Also in question is whether the ruling will affect the ongoing development of Airbus's new A350 airplane. The A350 is not addressed in the ruling, as it was conceived after the US filed its complaint.

The transatlantic fight over aircraft subsidies is likely far from over. Rainer Ohler, the head of public affairs and communications for Airbus, hinted last week that the EU will likely ask the WTO Appellate Body to review the panel's findings.

The US and the EU have sparred over government support for aircraft manufacturers ever since Airbus emerged as a major market player nearly four decades ago. In 1992, the two sides set out subsidy rules in their Agreement on Trade in Large Civil Aircraft. But in 2004, Washington pulled out of the deal and promptly launched a WTO challenge against European subsidies. Brussels soon hit back with its own lawsuit.

Governments on both sides of the Atlantic heavily subsidise the civil aircraft industry, a sector characterised by long investment cycles, vulnerability to external shocks, and high barriers to entry.

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## SPS Disagrees with Super Market – Food Standards

WTO delegates failed to find common ground on multiple issues during the latest meeting of the Sanitary and Phytosanitary Measures (SPS) Committee on 29-30 June. The issue of private sector standards in food safety and animal health was one of the major areas of disagreement, with delegates split on the committee's legal authority to even get involved in the matter.

The SPS Agreement, like other WTO agreements, primarily concerns government measures, which has made it difficult for the committee to decide whether they have any control over private standards.

The agreement's text states that governments should ensure that non-governmental entities comply with the agreement, without giv-

ing further information on how exactly they should do so.

Despite the legal uncertainty on this issue, some delegates chose to tackle the subject head-on, suggesting that the committee would be a good forum for discussing private standards on a regular basis. These delegates also proposed that the committee work to clarify how private standards fit into the SPS Agreement, which could help resolve some of the uncertainty surrounding the committee's authority in that area.

Less contentious suggestions included clarifying the definition of "private standards," and building closer working relationships with other international organisations dealing with the same issues.

In past meetings, some WTO members have argued that private standards can boost trade, as exporters that meet those standards will find it easier to sell their products. Others have argued that these standards, set without consultation, could conflict with national and international norms, and would be difficult for small economies to implement.

This issue has been a concern since 2005, when St. Vincent and the Grenadines found that standards set by commercial supermarket chains made it difficult for them to access the EU market. Many developing countries have taken a particularly strong stance on the subject, concerned that private standards could undermine the SPS Agreement.

### Mediation suggestions lead to dissent

Two competing proposals for settling differences split the delegates. One of these proposals is for the committee to wait until the Doha Round talks on non-agricultural market access (NAMA) are completed. The NAMA negotiations include a suggested system for addressing non-tariff barriers on a broad level. If this system is agreed upon, committees could then adapt the mechanism to fit their own needs in resolving member disputes. India and Switzerland were among the countries supporting this proposal.

Some delegates, concerned over the slow progress of the Doha Round talks, have recommended that the committee instead adopt its own "ad hoc" method of resolving disagreements. The system they suggest would use the committee chairperson as the mediator in such situations, and could theoretically help prevent disagreements from turning into expensive legal disputes. Argentina was one of the main proponents of this system, warning that deliberations could be "held hostage" by waiting for the NAMA talks - and the broader Doha Round negotiations - to conclude. The US joined Argentina in supporting this method.

Suggestions for a middle ground between these two stances were also presented at the meeting. One recommendation was that both systems be put in place, giving members the option to choose which system best suits their needs. Another suggestion was that the committee use the "ad hoc" method until the Doha Round is finalised, with the committee then switching over to the NAMA system.

## China-India Lead Demand for Uranium

China is buying unprecedented amounts of uranium, signaling that prices are poised to rebound after three years of declines.

The nation may purchase about 5,000 metric tons this year, more than twice as much as it consumes, building stockpiles for new reactors, according to Thomas Neff, a physicist and uranium-industry analyst at the Massachusetts Institute of Technology in Cambridge. Prices will jump by about 32 percent next year, the most since 2006, RBC Capital Markets said.

India and China are leading the biggest atomic expansion since the decade after the 1970s oil crisis to cut pollution and power economies growing more than twice as fast as Europe and North America. The boom, combined with slowing supply growth, may benefit Cameco Corp., a co-owner of the world's largest uranium mine, and Areva SA, the largest builder of reactors.

"China's demand is insatiable," said Dave Dai, an analyst at the Daiwa Institute of Research in Hong Kong. "They will have to take almost whatever is available."

Uranium will climb to an average \$55 a pound next year as demand erodes supplies, according to Adam Schatzker, a metals analyst at RBC in Toronto. Max Layton, at Macquarie Bank Ltd. in London, forecasts it will climb to \$56.25 next year and \$60 in five years.

Uranium for immediate delivery was at \$41.75 a pound on July 5, according to the Ux Consulting Co. weekly price assessment. Spot trades of uranium oxide totaled 20.9 million pounds this year, about \$873 million in today's prices, Roswell, Georgia-based Ux Consulting said.

### Price Slump

Uranium has tumbled 69 percent since peaking at \$136 a pound in July 2007 as companies boosted production, according to the firm's data. At least 27 mines in nine countries began operating in the past 10 years, adding as much as 65

million pounds a year to global output, according to Saskatoon, Saskatchewan-based Cameco, part owner of McArthur River mine in Canada, the world's largest deposit of high-grade uranium. Six mines are scheduled to start in 2010.

"The uranium bull market of 2006 and 2007 stimulated the development of new supply, but we do not think it is enough," Schatzker wrote in a report. "The prevailing uranium price is too low to stimulate sufficient supply to cover future reactor requirements."

The cost of mining one pound of uranium is about \$31, up from \$26 in 2007, according to Edward Sterck, an analyst at BMO Capital Markets in London.

### 'Stockpiling Like Crazy'

China's demand for uranium may rise to 20,000 tons a year by 2020, more than a third of the 50,572 tons mined globally last year, as it boosts output to 85 gigawatts, nine times its current capacity, according to the World Nuclear Association. The nation agreed on June 24 to buy more than 10,000 tons over 10 years from Cameco.

India's needs will grow 10-fold to 8,000 tons as it quadruples capacity to 20 gigawatts, according to Jagdeep Ghai, finance director at state-owned Nuclear Power Corp.

China plans at least 60 new reactors by 2020, Xu Yuming, executive director of the China Nuclear Energy Association, said in Beijing on July 6. The average 1,000-megawatt reactor costs about \$3 billion, according to the World Nuclear Association. Loading a new reactor requires about 400 tons of uranium to start, Neff said.

### Areva, Cameco, Paladin

China's economy may grow 10.1 percent this year, while India's expands 8.6 percent, according to analysts' forecasts compiled by Bloomberg.

U.S. gross domestic product will increase 3.1 percent and Europe's will grow 1.1 percent.

Companies that build reactors may be among the biggest beneficiaries. Areva's shares have tumbled 53 percent in the past three years. Miners including Cameco, whose stock has fallen 60 percent since then, Paladin Energy Ltd., which has lost 63 percent, and Darwin-based Energy Resources of Australia Ltd., which is down 25 percent, may also benefit.

Cameco advanced 4.9 percent in Toronto. Energy Resources jumped 3.4 percent in Sydney, while Perth, Australia-based Paladin gained 2.2 percent. Areva slid 1.9 percent in Paris.

"Longer-term it does look as though there's going to be a shortfall of uranium and ERA and Paladin should benefit from higher prices if that plays out," said Lyndon Fagan, a Royal Bank of Scotland Group Plc analyst in Sydney.

### Cutting Pollution

Chinese Premier Wen Jiabao aims to cut pollution by reducing energy consumption 20 percent in the five years through 2010. The country pumped 6.5 billion tons of carbon dioxide into the atmosphere last year, U.S. Department of Energy data show, more than any other nation. Atomic plants produce virtually no greenhouse gases, though spent fuel remains radioactive for thousands of years and requires re-processing and storage.

China National Nuclear Corp., the nation's first operator of reactors, said on June 28 it's exploring for the fuel in Niger, Namibia, Zimbabwe and Mongolia.

## India Frees Radial Tyres after Michelin Protests

India finally decided, on 26 May 2010, to eliminate import licensing requirements for radial tyres by moving the product back to the 'free' category after keeping radial tyres on a so-called 'restricted' list for nearly 18 months (Notification No. 47/2009-2014; of 26 May 2010).

The inclusion of radial tyres in the 'restricted' list had created difficulties for the EU tyre industry. For one and a half years, import licences were required to import radial lorry tyres into India, a huge market for European manufacturers. However, long delays, partial granting of requested quantities, unclear procedures and the absence of written information made imports unpredictable and cumbersome. It is believed that cheap Chinese imports were behind the measure, but this hit top-of-the-range European niche products in the same way.

The European Commission will push India to move other products such as iron, carbon black, and some grades of fibre board of wood from the 'restricted' to the 'free' list (automatic licence). The aim is to reach a situation where India's import licences and fees are fully in line with the relevant WTO provisions

## China Signs MoU with 26 African LDCs for Zero Duty Imports

According to letters of exchange with 26 African least developed countries including Ethiopia, Liberia, Congo and Mozambique, 60% imports from the above-mentioned countries will enjoy free duty from July 1 of 2010.

At present, apart from the above-mentioned 26 countries in 30 African least developed countries which established diplomatic relations with China, the letters of exchange with the rest four countries including Angola, Senegal, Niger and Somalia are in process and expected to come into effect at the beginning of 2011.

Additionally, since 2005, China has granted duty-free treatment on some imports from African least developed countries. After Beijing Summit of China-Africa Cooperation Forum in 2006, China increased the categories of commodities which could enjoy duty free treatment to 478. Since the implementation of such measure, great achievements have been reached, such as African increasing exports to China. In

order to open its market to African market so that enhance the export competition of African commodities, the Chinese government will gradually expand the range of commodities which could enjoy zero-tariff to 95%. In 2010, China firstly exempted duties on 60% imports from the above-mentioned 26 countries, and thus, the categories of zero-tariff commodities reached over 4,700 instead of 478 in 2006. Such individual and voluntary preferential measure is made by China in accordance with its economic power and in line with the WTO rules.

### List of Countries whose part exports to China enjoy duty free treatment:

Burundi, Tanzania, Guinea-Bissau, Ethiopia, Comoros, Rwanda, Guinea, Benin, Mauritania, Eritrea, Uganda, Togo, Malawi, Lesotho, Sudan, Mozambique, Mali, Djibouti, Central African Republic, Sierra Leone, Liberia, Chad, Madagascar, Zambia, Congo, Equatorial Guinea.

## WEEKLY INDEX OF CHANGES

### Residual Items of Steel Articles Shifted to Free from Restricted List

#### The Restriction Imposed on 21 Nov 2008 Dropped

Subject: Import policy of items under Code 7326 90 99.

52-Ntnf(RE) In exercise of powers conferred  
08.07.2010 under section 5 of the Foreign  
(DGFT) Trade (Development and  
Regulation) Act, 1992 read with  
paragraph 2.1 of the Foreign Trade Policy, 2009-  
2014, the Central Government hereby makes  
the following amendments in Schedule -1 of the  
ITC(HS) Classifications of Export and Import

Items.

2. After amendment the following entry would  
read as under:-

Exim Code	Item description	Policy
7326 90 99	Other	Free

3. This issues in public interest.

### EDI Help Desk at Zonal DGFT Office, New Delhi

The following Trade Notice was issued by the Zonal Jt. DGFT, I.P. Estate, New Delhi on 24<sup>th</sup> June 2010.

02-TN As a trade facilitation measure,  
24.06.2010 it has been decided to set up  
an EDI Help Desk to assist  
exporters on EDI issues. EDI Help Desk will be  
manned by Shri R.Kumar, UDC under the over-  
all supervision of Shri Ashutosh Nagar, Director  
(NIC). Help Desk will function from Computer  
Centre, Second Floor. Exporters can also visit  
Shri A.Nagar, Director (NIC) from 2.30 P.M. to  
4.00 P.M. on all working days to obtain assis-  
tance from EDI Help Desk.

2. A separate email has been created for the

Help Desk i.e. helpdesk-cla@nic.in. Exporters  
may send their issues which need resolution to  
this email id. Help Desk can also be contacted  
on Phone No.011-23378748. However, all tele-  
phonic complaints on EDI issues must also be  
sent by email to the helpdesk email id(helpdesk-  
cla@ nic-in).

3. Help Desk will assist the exporters and  
endeavor to resolve all such issues received on  
the helpdesk email id at the earliest possible.  
Response on complaints received will also be  
sent to the exporters by email only.

### Filing All DEPB Shipping Bills through EDI Mandatory from 10 July 2010

Sub:- Online transmission of DES (Advance Authorization), EPCG and DEPB authorization at 33 ICES 1.5 new location w.e.f 10.07.2010.

37-Pol.Cir In view of Customs readiness  
07.07.2010 to accept online transmission  
(DGFT) of DES (Advance Authoriza-  
tion), EPCG and DEPB  
authorization at the following 33 ICES 1.5 new  
locations, all RAs of DGFT may note that for all  
the newly added ports, aforesaid authorizations  
issued w.e.f. 10.7.2010, will be communicated  
online to customs for necessary processing at  
their end. It may also further be noted that for all  
DEPB Shipping Bills issued w.e.f. 10.07.2010  
from these ports, application will have to be filed  
mandatory in EDI mode.

SNo.	Location	Locode	Commis- sionerate
1	ICD Chakeri, Kanpur	INPCP6	Kanpur
2	ICD JRY Kanpur	INKNU6	Kanpur
3	ICD Agra	INBLJ6	Kanpur
4	ICD Rewari	INREA6	Rohtak
5	ICD Panipat	INPNP6	Rohtak
6	ICD Waluj, Aurangabad	INWAL6	Aurangabad
7	ICD Maliwada	INMWA6	Aurangabad
8	CFS Nasik	INNSK6	Nasik
9	ICD Janori	INJNR6	Nasik
10	ICD Bhusawal	INBSL6	Nasik

11	ICD Irugur	INIGU6	Coimbatore
12	ICD Singanallur	INSL6	Coimbatore
13	ICD Rakkiya- palayam (Tirpur)	INTUP6	Coimbatore
14	ICD Chetti- palayam (Tirpur)	INCHE6	Coimbatore
15	ICD Veerappandi	INTHO6	Coimbatore
16	ICD Thudiyalur	INTDE6	Coimbatore
17	ICD Nagpur	INNGP6	Nagpur
18	ICD Raipur	INRAI6	Raipur
19	ICD Mandideep	INMDD6	Bhopal
20	ICD Surat	INSTV6	Ahmedabad
21	ICD Vapi	INVPI6	Ahmedabad
22	ICD Dashrath, Vadodra	INBRC6	Vadodara-I
23	ICD Bhilwara	INBHL6	Jaipur
24	ICD Bhiwadi	INBWD6	Jaipur
25	ICD RAJSIICO, Basni	INJUX6	Jaipur
26	ICD Concor Jodhpur	INBGK6	Jaipur
27	ICD Kota	INKTT6	Jaipur
28	ICD Concor Kanakpura, Jaipur	INKKU6	Jaipur
29	ICDs (CONCOR) Dadri	INDER6	Noida

30	CGM Dadri	INCPL6	Noida
31	CFS Albatross, Dadri	INAPL6	Noida
32	CFS Startrack, Dadri	INSTT6	Noida
33	CFS Trident, Dadri	INTTP6	Noida

This issues with the approval of the DGFT.

### Exports under Bond Disallowed for Goods Exempted from Payment of Duty

Subject: Amendment to Notification no. 42/2001-CE (NT) dated 26.06.2001.

928-CBEC It has been brought to the  
28.06.2010 notice of the Board that some  
(DoR) of the manufacturers of  
exempted goods are exporting  
such goods under bond. Subsequently, they  
claim refund of accumulated input credit under  
Rule 5 of the CENVAT Credit Rules, 2004. The  
department had objected to this procedure on  
the ground that if the goods are exempted from  
payment of excise duty, in that case the goods  
cannot be exported under bond for the reason  
that bond is executed only when goods are liable  
for payment of excise duty and if there is no  
excise duty, there is no question of exporting  
under bond. However, it has been observed that  
in some cases, the judicial pronouncements on  
the issue have been against the department.

2. The matter has been examined. The policy  
of the govt. is not to tax the exports. There are  
different methodologies and procedures for re-  
fund in different situations. If the goods are  
exempted, then the department has prescribed  
a detailed procedure for refund of input taxes  
through Notification No. 21/2004-CE (NT) dated  
06.09.2004, wherein a detailed procedure re-  
quiring verification of details like manufacturing  
process, input-output ratio, wastages etc., by  
the departmental officer is prescribed. The rea-  
son for the same is that in case of exempted  
goods, the department does not exercise con-  
trol. It appears that the exporters are exporting  
the exempted goods under bond to avoid de-  
tailed verification and scrutiny by the depart-  
ment for claiming of refund of input taxes. Ac-  
cordingly, it was felt necessary to correct the  
anomaly.

3. In view of above, an amendment to the  
conditions for exporting under bond under the  
Notification No. 42/2001-CE (NT) dated 26.06.01,  
has been notified through Notification No. 24/  
2010-CE (NT) dated 26.05.10, wherein, goods  
which are exempted from payment of duty or  
chargeable to nil rate of duty, have been dis-  
allowed to be exported under bond. Since, 100%  
EOU's are also required to export the goods  
under bond, in terms of Customs and Excise  
notifications, the exports from 100% EOU's have  
been specifically excluded from the purview of  
this amendment.

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

F.No.209/04/2009-CX6

## Health Certificate by Authorised Representative of MoC& Industry Too Required for Guar Gum Exports

50-Ntfn(RE) In exercise of the powers  
06.07.2010 conferred by Section 5 read  
(DGFT) with Section 3(2) of the  
Foreign Trade (Development  
& Regulation) Act, 1992 (No.22 of 1992) and  
also read with Para 1.3 and Para 2.1 of the  
Foreign Trade Policy, 2009-2014, the Central

Government hereby makes, with immediate effect, the following amendments in the Notification No. 16 (RE-2008)/2004-2009 Dated 26 June, 2008: -

2. The entry at S.No.65 A in the Notification No. 16 (RE-2008)/2004-2009 Dated 26 June, 2008 may be substituted to read as under:-

SNo.	Tariff Item HS Code	Unit	Item Description	Export Policy	Nature of Restriction
65A	1302 1302 32 20 1302 32 30	Kg.	Guar gum refined split Guar gum treated and pulverized.	Free	1. Guar gum exports to European Union, originating in or consigned from India and intended for animal or human consumption, allowed subject to issue of Health Certificate by authorized representative of Ministry of Commerce & Industry, Government of India i.e. Shellac & Forest Products Export Promotion Council (SHEFEXIL), Kolkata accompanied by the original analytical report of testing of Penta Chlorophenol (PCP) issued by Vimta Labs, Hyderabad, certifying that the product does not contain more than 0.01 mg/Kg. of Penta Chlorophenol (PCP) on sampling done by the authorized representative of the competent authority.

3. This issues in Public Interest.

## Import of Meat and Meat Products under Advance Authorization – Sanitary Import Permit from Dept. of Animal Husbandry Must

78-PN(RE) In exercise of powers conferred  
01.07.2010 under Para 2.4 of the Foreign  
(DGFT) Trade Policy, 2009-14, the  
Director General of Foreign  
Trade hereby makes the following amendments  
in the Handbook of Procedures (Vol.1), 2009-  
14:-

1. After sub-paragraph 4.4.4, a new sub-paragraph, as mentioned below, shall be **added** as sub-paragraph 4.4.5:

“4.4.5. Where import of meat and meat products of any kind including fresh, chilled and frozen meat, tissue or organs of poultry, pig,

sheep, goat; egg & egg powder; milk & milk products; bovine, ovine and caprine embryos, ova or semen; and pet food products of animal origin has been sought as an input under Advance Authorisation, the RA, while issuing advance authorisation, shall endorse a condition that before effecting imports of any of these inputs, Sanitary Import Permit shall be obtained from the Department of Animal Husbandry, Dairying and Fisheries (DAHDF). RA shall also endorse a copy of authorisation to DAHDF, Krishi Bhawan, New Delhi.”

This issues in public interest.

## Amendments in Cenvat Credit Rules 2004

25-CE(NT) In exercise of the powers  
22.06.2010 conferred by section 37 of the  
(DoR) Central Excise Act, 1944 (1 of  
1944) and section 94 of the  
Finance Act, 1994 (32 of 1994), the Central  
Government hereby makes the following rules  
further to amend the CENVAT Credit Rules,  
2004, namely:-

1. (1) These rules may be called the CENVAT Credit (Second Amendment) Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the CENVAT Credit Rules, 2004, in rule 2, in clause (a), after sub-clause (B), the following sub-clause shall be inserted, namely:-

“(C) dumpers or tipplers, falling under Chapter 87 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), registered in the name of provider of output service for providing taxable services as specified in sub-clauses (zzza) and (zzzy) of clause (105) of section 65 of the said Finance Act;” .

[F.No. 354/ 33/ 2009 – TRU/Pt.I]

## Pay Clean Energy Cess in Cash Please, CENVAT Credit not Accepted

26-CE(NT) In exercise of the powers  
29.06.2010 conferred by section 37 of the  
(DoR) Central Excise Act, 1944 (1 of  
1944) and section 94 of the  
Finance Act, 1994 (32 of 1994), the Central

Government hereby makes the following rules further to amend the CENVAT Credit Rules, 2004, namely:-

1. (1) These rules may be called the CENVAT

Credit (Third Amendment) Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the CENVAT Credit Rules, 2004, in rule 3, in sub-rule (4), after the fourth proviso, the following **proviso** shall be **inserted**, namely:-

“Provided also that the CENVAT credit of any duty specified in sub-rule (1) shall not be utilized for payment of the Clean Energy Cess leviable under section 83 of the Finance Act, 2010 (14 of 2010) .”

[F.No. 354/ 72/2010 –TRU]

## No CENVAT Credit on Zero Duty Goods Supplied to Diplomatic Missions

27-CE(NT) In exercise of the powers  
01.07.2010 conferred by section 37 of the  
(DoR) Central Excise Act, 1944 (1 of  
1944) and section 94 of the  
Finance Act, 1994 (32 of 1994), the Central  
Government hereby makes the following rules  
further to amend the CENVAT Credit Rules,  
2004, namely:-

1. (1) These rules may be called the CENVAT Credit (Fourth Amendment) Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the CENVAT Credit Rules, 2004, in **rule 6**, in **sub-rule (6)**, after clause (iv), the following **clause** shall be **inserted**, namely:-

“(iva) supplied for the use of foreign diplomatic missions or consular missions or career consular offices or diplomatic agents in terms of the provisions of notification No. 6/2006- Central Excise dated the 1<sup>st</sup> March, 2006, number G.S.R.96(E), dated the 1<sup>st</sup> March, 2006; or”

[F.No.267/44/2009-CX8]

## CBEC has Notified 8 New Taxable Services w.e.f. 1.7.2010 vide Notification No.24/2010-Service Tax dated 22.6.2010

The following are the new taxable Services introduced w.e.f. from 1.7.2010.

1. Games of chance (zzzzn)
2. Health services (zzzzo)
3. Maintenance of medical records (zzzzp)
4. Promotion of a 'brand' of goods, services, events, business entity etc. (zzzzq)
5. Commercial use or exploitation of any event organized by a person or organization (zzzzr)
6. Electricity Exchange Service (zzzzs)
7. Copyrights on Cinematographic films and sound recording (zzzzt)
8. Providing of preferential location or external / internal development of complexes (zzzzu)

## Special Drive for Clearance of 4% SAD Refund Arrears

*All Cases to be Cleared within 30 Days, Commissioner to Monitor 90 Days Maximum Limit on Delays*

- No Pre-audit for Accredited Clients
- Direct Payment into Bank Account at all Ports through NEFT
- No Filing of Balance Sheet to Check Undue Enrichment

*Subject: Refund of 4% Additional Duty of Customs (4% CVD) in pursuance of Notification No.102/2007-Customs dated 14.9.2007 – Special Drive for clearance of pending 4% SAD refund claims.*

18-CBEC Your kind attention is invited  
08.07.2010 to the Notification No.102/  
(DoR) 2007-Customs dated  
14.9.2007 and Board's

Circulars No.6/2008 Customs dated 28.4.2008 and No.16/2008-Customs dated 13.10.2008 regarding refund of 4% Additional Duty of Customs (4% CVD). Attention is also invited to the Board's Circulars No.24/2007-Customs dated 2.7.2007, No.22/2008-Customs dated 19.12.2008 and No.7/2008-Customs dated 28.5.2008 which relate to general refund cases.

2. In this regard, several representations from the trade and industry, associations continue to be received in the Board complaining about the delay in refund of 4% CVD or denial of the refund on one pretext or the other, causing them great hardship.

3. In view of the fact that all the doubts of the field formations had been clarified by the Board vide above mentioned Circulars, it is viewed that there may not be any difficulty in timely disposal of refund claims. However, on review of the pending refund claims as on 31.3.2010 at major Custom Houses, it has been noticed that more than 80% of pending claims relate to 4% CVD cases. Hence, the Board has decided to further simplify the procedure for claiming 4% CVD refund in the following manner.

4.1. In respect of Accredited Clients registered with Customs in terms of Circular No.42/2005-Customs dated 24.11.2005 (ACP clients), the amount of 4% CVD refund shall be sanctioned in full, on preliminary scrutiny of the following documents: (a) TR-6 Challans (in original) for CVD payment; (b) VAT/ST payment Challans (in original); (c) summary of sale invoices; and (d) certificate of statutory Auditor / Chartered Accountant, for correlating the payment of ST/ VAT on the imported goods with the invoices of sale and also to the effect that the burden of 4% CVD has not been passed on by the importer to the buyer. The procedure for pre-audit for ACP clients shall be done away with and detailed scrutiny should be done only at the stage of post-audit. The refund claims shall be sanctioned within the maximum time period of 30 days in all such cases.

4.2. Submission of sale invoices shall be required only in electronic form (CD or other media) in respect of 4% CVD refund cases and submission of paper documents is accordingly dispensed with.

5. In order to enable timely payment of refund in case of 4% CVD, a system of optional facility of directly crediting the applicant's bank account, through RTGS (Real Time Gross Settlement) or NEFT (National Electronics

Funds Transfer) System is being prescribed. This facility is already functioning in Mumbai Customs Zone-II and has been found useful for the trade. Hence, Board has decided to extend this facility on optional basis to all other Customs formations also. Necessary authorisation for payment of refund amount directly to Bank Account may be taken in such cases from the importer/ authorised signatory of the importer in the form annexed. (Annexure-I)

6. Some field formations have also raised certain doubts whether the audited Balance Sheet and Profit and Loss Account have to be examined in respect of the current financial year for scrutiny of unjust enrichment aspect. It is stated that a large number of refund claims relating to the current year were held up for want of such verification. In this regard, the issue has been examined by the Board and it has been decided that the field formations shall accept a certificate from Chartered Accountant for the purpose of satisfying the condition that the burden of 4% CVD has not been passed on by the importer to any other person. Further, the importer shall also make a self-declaration along with the refund claim to the effect that he has not passed on the incidence of 4% CVD to any other person. Hence, there is no need for insisting on production of audited Balance Sheet and Profit and Loss Account in these cases. It may also be noted that recently the Board has also notified the list of documents required to be filed by the applicant along with the refund claim (Annexure-II) which is also displayed in the departmental website. Hence, other than these aforesaid documents, no other document would be required in the normal course of granting 4% CVD

refund.

7. Board also desires that the Commissioner of Customs shall personally monitor all cases of 4% CVD refund claims pending for more than 30 days so as to ensure that these are disposed of within the overall time limit of three months.

8. A suitable Public Notice and Standing Order may be issued for the guidance of the trade and staff. Difficulties faced, if any, in implementation of this Circular may be brought to the notice of the Board at an early date.

*F. No. 401/46/2008-Cus.III*

### Annexure - I

#### Authorization for payment of refund amount directly to Bank Account

I.E.C. No. \_\_\_\_\_ PAN \_\_\_\_\_ No. \_\_\_\_\_

M/s \_\_\_\_\_

Address: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Bank Account No.: \_\_\_\_\_

Bank Name: \_\_\_\_\_

Bank Address: \_\_\_\_\_

11 digit alphanumeric IFS Code: \_\_\_\_\_

I declare that the above particulars are correct. I authorize payment of refund amount for my refund claims filed at \_\_\_\_\_ Custom House to my above mentioned Bank Account through NEFT / RTGS after deduction of Bank's service charges at the rate of 0.09% and applicable NEFT / RTGS charges as per RBI guidelines.

Name of the Authorised signatory / Representative of the Importer

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Certified that the above details are correct.

Signature of Bank Branch Manager along with the official Seal

### Annexure - II

SNo.	Type of refund claim	Section / notification under which filed	Illustrative list of documents to be filed by applicant along with Application for refund claim in prescribed form (Customs Series Form No.102 as given in Part 5 of Customs Manual)
3	Refund of 4% SAD	Notification No. 102/2007-Customs dated 14.9.2007	<ol style="list-style-type: none"> <li>1. Document evidencing payment of the Special Additional Duty (SAD).</li> <li>2. Invoices of sale of the imported goods in respect of which refund of the said SAD is claimed.</li> <li>3. Documents evidencing payment of appropriate sales tax or value added tax, as the case may be, by the importer, on sale of such imported goods.</li> <li>4. Certificate from a statutory auditor / CA who certifies the final accounts in respect of correlation of VAT payment, payment of 4% SAD amount and unjust enrichment as prescribed in Board's circular No.6/2008-Customs dated 28.4.2008 and 16/2008-Customs dated 13.10.2008.</li> <li>5. Copy of the Consignment Sale Agreement. (in case of sale through consignment agents/stockists).</li> <li>6. Self-declaration / Affidavit (for e.g. in case of submission of invoice in soft form in lieu of paper documents, in case of fulfillment of the doctrine of unjust enrichment to the effect that the applicant has not passed on the incidence of 4% SAD to any other person).</li> <li>7. Any other document considered necessary in support of the claim.</li> </ol>

## Anti-dumping Duty on Pentaerythritol from China and Sweden Extended upto 28 March 2011

Ntfn 73  
30.06.2010  
(DoR)

Whereas, the designated authority vide notification No. 15/3/2010-DGAD, dated the 29<sup>th</sup> March, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1 dated the 29<sup>th</sup> March, 2010, had initiated review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Act) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of Pentaerythritol, falling under tariff item 2905 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, the People's Republic of China and Sweden, imposed *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 37/2006-CUSTOMS, dated the 20<sup>th</sup> April, 2006 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 235(E), dated

the 20<sup>th</sup> April, 2006, and has requested for extension of anti-dumping duty upto 28<sup>th</sup> March, 2011 in terms of sub-section (5) of section 9A of the said Customs Tariff Act;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the said Act and in pursuance of rule 23 of the said rules, the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 37/2006-CUSTOMS, dated the 20<sup>th</sup> April, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 235 (E), dated the 20<sup>th</sup> April, 2006, namely:-

In the said notification, **after paragraph 2**, the following **paragraph** shall be **added**, namely: -

"3. Notwithstanding anything contained in paragraph 2, this notification shall remain in force up to and inclusive of the 28<sup>th</sup> March, 2011, unless the notification is revoked earlier and the anti dumping duty imposed under this notification shall be payable in Indian currency".

[F.No.354/151/2005-TRU]

nance (Department of Revenue), No. 73/2009-Customs, dated 22<sup>nd</sup> June, 2009, published in the Gazette of India Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 437(E), dated the 22<sup>nd</sup> June, 2009;

And whereas, the designated authority in its final findings *vide* notification No. 14/18/2008-DGAD dated the 6<sup>th</sup> May, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 6<sup>th</sup> May, 2010, had come to the conclusion that-

(a) the subject goods had been exported to India from subject country below its normal value, thus resulting in dumping of the subject goods;

(b) the domestic industry had suffered material injury due to dumping of the subject goods;

(c) the material injury had been caused by the dumped imports from subject country;

and had recommended the imposition of definitive anti-dumping duty on imports of the subject goods originating in, or exported, from the subject country;

Now, therefore, in exercise of the powers conferred by sub-section (1), read with sub-section (5) of section 9A of the said Customs Tariff Act and rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under Chapter of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country as specified in the corresponding entry in column (4), and produced by the producers as specified in the corresponding entry in column (6), when exported from the country as specified in the corresponding entry in column (5), by the exporters as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount indicated in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9), of the said Table.

## Another Five Years of Anti-dumping Duty on Diethyl Thio Phosphoryl Chloride from China

Ntfn 74  
07.07.2010  
(DoR)

Whereas, in the matter of import of Diethyl Thio Phosphoryl Chloride (hereinafter referred to as the subject goods), falling under Chapter 28 or 29 or 38 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act), originating in, or exported from, People's Republic of China (hereinafter referred to as the subject country) and imported into India, the designated authority in its preliminary findings *vide* notification No.14/18/2008-DGAD, dated the 25<sup>th</sup> May, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 25<sup>th</sup> May, 2009, had come to the conclusion that-

India from subject country below its normal value, thus resulting in dumping of the product;

(b) the domestic industry had suffered material injury due to dumping of the subject goods; and

(c) the material injury had been caused by the dumped imports from subject country;

and had recommended imposition of provisional anti-dumping duty on the imports of subject goods, originating in, or exported from, the subject country;

And whereas, on the basis of the aforesaid findings of the designated authority, the Central Government had imposed provisional anti-dumping duty on the subject goods *vide* notification of the Government of India in the Ministry of Fi-

(a) the subject goods had been exported to

Table

SNo.	Chapter	Description of goods	Country of origin	Country of export	Producer	Exporter	Duty amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	28 or 29 or 38	Diethyl Thio Phosphoryl Chloride	People's Republic of China	People's Republic of China	Yangxin Chentian Chemical Industry Co., Ltd.	Yangxin Chentian Chemical Industry Co., Ltd.	1.024	Per Kg	US Dollar
2	28 or 29 or 38	-do-	People's Republic of China	People's Republic of China	Lianyungang Liben Agro-chemical Co., Ltd.	Lianyungang Liben Agro-chemical Co., Ltd.	0.754	Per Kg	US Dollar
3	28 or 29 or 38	-do-	People's Republic of China	People's Republic of China	Xingtai Pesticides Co., Ltd.	Xingtai Pesticides Co., Ltd.	0.516	Per Kg	US Dollar
4	28 or 29 or 38	-do-	People's Republic of China	People's Republic of China	Zhejiang Xinnong Chemical Co., Ltd.	Zhejiang Xinnong Chemical Co., Ltd.	0.798	Per Kg	US Dollar
5	28 or 29 or 38	-do-	People's Republic of China	People's Republic of China	Any combination of producer and exporter other than the above		1.157	Per Kg	US Dollar
6	28 or 29 or 38	-do-	People's Republic of China	Any country other than People's Republic of China	Any	Any	1.157	Per Kg	US Dollar
7	28 or 29 or 38	-do-	Any country other than People's Republic of China	People's Republic of China	Any	Any	1.157	Per Kg	US Dollar



2. The anti-dumping duty imposed shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of imposition of the provisional anti-dumping duty, that is, 22nd June, 2009 and shall be payable in Indian currency.

**Explanation:** For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the noti-

fication of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.354/127/2009 –TRU]

## IPR Enforcement at the India Border Now on All Goods for Sale or Use

### Free Import on Goods for use to be Removed from Notified Date

51-Cus(NT) In exercise of the powers  
30.06.2010 conferred by section 11 of the  
(DoR) Customs Act, 1962 (52 of  
1962) , and in **supersession** of  
the notification No. **49/2007-Customs  
(N.T.), dated 8 May 2007** of the Government of  
India, Ministry of Finance, Department of Revenue,  
Central Board of Excise and Customs, dated the 8<sup>th</sup> May,  
2007 published in the Gazette of India, Extraordinary,  
Part II, Section 3, Sub-section (i), vide number G.S.R.  
333(E), dated the 8<sup>th</sup> May, 2007, except as respects things  
done or omitted to be done before such supersession,  
the Central Government, being satisfied that it is necessary  
in the public interest so to do, for the purposes specified  
in clauses (n) and (u) of sub-section (2) of that section,  
hereby **prohibits the import of the following goods  
intended for sale or use in India**, subject to following  
conditions and procedures as specified in the Intellectual  
Property Rights (Imported Goods) Enforcement Rules,  
2007, namely:-

(i) goods having applied thereto a false trade mark as specified in section 102 of the Trade Marks Act, 1999 (47 of 1999);

(ii) goods having applied there to a false trade description within the meaning of clause (i) of sub-section (1) of section 2 of the Trade Marks Act, 1999(47 of 1999), otherwise than in relation to any of the matters specified in sub-clauses (ii) and (iii) of clause (za) of that sub-section;

(iii) goods made or produced beyond the limits of India and having applied thereto a design in which copyright exists under the Designs Act, 2000(16 of 2000), in respect of the class to which the goods belong or any fraudulent or obvious imitation of such design except when the application of such design has been made with the licence or written consent of the registered proprietor of the design or where such importation or use is allowed under the

Designs Act, 2000(16 of 2000);

(iv) the product made or produced beyond the limits of India for which a patent is in force under the Patents Act, 1970 (39 of 1970), except in cases where the consent from the patentee in India has been obtained provided that such prohibition is not applicable to the cases where such importation is allowed under the Patents Act, 1970(39 of 1970);

(v) the product obtained directly by the process made or produced beyond the limits of India where patent for such process is in force under the Patents Act, 1970 (39 of 1970), except in cases where the consent from the patentee in India has been obtained provided that such prohibition is not applicable to the case where such importation is allowed under the Patents Act, 1970 (39 of 1970);

(vi) goods having applied thereto a false Geographical Indication within the meaning of section 38 of the Geographical Indications of Goods (Registration and Protection) Act, 1999 (48 of 1999);

(vii) goods which are prohibited to be imported by issuance of an order issued by the Registrar of Copyrights under section 53 of the Copyright Act, 1957 (14 of 1957).

**Explanation-** For the purposes of this notification, the terms and expressions used in various clauses of the notification shall have the meanings assigned to them in the respective Acts, namely, the Trade Marks Act, 1999(47 of 1999), the Designs Act, 2000(16 of 2000), the Patents Act, 1970 (39 of 1970), the Geographical Indications of Goods (Registration and Protection) Act, 1999 (48 of 1999) and the Copyright Act, 1957 (14 of 1957).

2. This notification shall come into force on the date of its publication in the Official Gazette.

[F.No 305/159/2005-FTT]

domestic airports on their international flights subject to fulfillment of following conditions:

(i) Separate space shall be assigned by the airlines or custodian in the Cargo complex/ area of the airport for receipt and storage of domestic cargo till these are delivered or dispatched.

(ii) Domestic cargo will be received by the airlines in the designated area during the normal working hours of Customs at the respective airport.

(iii) The containers/Unit Load Devices (ULDs) used for carrying the domestic or international cargo shall be clearly marked or coloured or strapped for its identification, distinction at the time of loading, unloading, transportation.

(iv) Domestic tags shall be prepared for identification of the domestic cargo with separate colour coding.

(v) Loading or unloading of domestic cargo in any international flight/aircraft shall be carried under the supervision of Customs Officers.

(vi) Domestic and International cargo will be loaded separately and shall be carried in hold area on board the aircraft distinctly identifying these cargoes.

(vii) On arrival of the domestic cargo, at the destination airport, the airlines shall make necessary arrangements to deliver the domestic cargo.

(viii) In respect of transshipment of international cargo by airlines, they shall be required to execute necessary bond and bank guarantee as prescribed vide Circular No. 78/2001-Customs dated: 7.12.2001. Further, those persons who fulfill the threshold limit of annual transshipment volume specified shall be exempt from the requirement of furnishing bank guarantee as specified in Circular No. 45/2005-Customs dated: 24.11.2005. Accordingly, no separate bond or bank guarantee shall be required in respect of domestic cargo. In addition, transshipment procedure as specified in Board's Circular No. 06/2007-Cus dated: 22.01.2007 shall be adhered to strictly.

3. For implementing the above, the following procedure shall be followed at the Air Cargo Complex to operationalize the facility.

(a) The domestic cargo meant for the domestic leg of journey on international flights would be received by the domestic private airlines or Air India/Indian Airlines (hereinafter referred as Domestic Airlines) in the normal working hours in their transshipment warehouses under the supervision of the Preventive Officers posted in the said warehouses. The said cargo shall be stored in a separate area earmarked for domestic cargo within the transshipment warehouse.

(b) After receipt of domestic cargo, the Domestic Airlines will prepare Form 'A' in quadruplicate and sign the said Form 'A' with certification that the package received have been affixed with domestic tags, domestic Airway Bill Nos. with destination and flight no. Thereafter, the Domestic Airlines will obtain permission on the said Form 'A' from Superintendent (Prev.) of the said transshipment warehouse for loading domestic cargo in container/on pallets. The Super-

## All International Airlines Allowed to Carry Domestic Cargo

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

Subject: Carriage of domestic cargo on international flights.

26-PN Attention of all concerned is  
21.06.2010 invited to Circular No.4/2010  
Customs dated 15<sup>th</sup> February,  
2010, issued vide F.No. 450/122/2009-Cus.IV  
by Ministry of Finance, Department of Revenue,

CBEC, New Delhi, superseding Board's earlier Circular No. 15/99-Cus dated 22.03.1999.

2. The Board has decided to allow domestic private airlines as well as M/s. Air India and Indian Airlines to carry domestic cargo between

intendent after due verification shall permit loading of cargo in container/on pallets under preventive supervision. The Domestic Airlines should ensure that the containers/pallets/ULDs containing the domestic and international cargo should be clearly distinguished by appearance using different colours for covering materials, straps etc. The distinct colour coding for identification/distinction of cargo shall be bright yellow for domestic cargo and bright orange for international cargo. The Preventive Officer posted in the transshipment warehouse shall after completion of the loading escort the container/pallet upto the aircraft and endorse Form 'A' accordingly.

(c) The Domestic Airlines shall forward the original and duplicate copy of Form 'A' to the Airport of destination. The triplicate copy of Form 'A' shall be forwarded to the Customs Officer deputed for the said purpose. The Customs Officer shall maintain proper records. The duplicate copy of Form 'A' shall be returned to Customs by Domestic Airlines duly endorsed with the proper acknowledgement of cargo received at the Airport of destination. The duplicate copy shall be matched with triplicate copy retained by the Customs Officer. Any discrepancy noticed shall be reported to Asstt. Commissioner of Customs (Preventive Admn.), ACC. The acknowledged duplicate copy of Form 'A' shall be submitted to the Customs Officer by the Domestic Airlines within 7 days of the shipment.

(d) The domestic cargo brought to Mumbai by the Domestic Airlines from other Airports shall be received by the Domestic Airlines under preventive supervision of the officers posted in the transshipment warehouse. The said cargo shall be stored in a separate area within the warehouse. The Domestic Airlines representative will sign the original and duplicate copy of Form 'A' in token of receiving the cargo and the same shall be countersigned by the Customs Officer deputed for the said purpose. The original copy of Form 'A' shall be retained by the Domestic Airlines for taking the domestic cargo out of the warehouse. The Customs Officer shall sign the duplicate copy of Form 'A' and return back to the Domestic Airlines who shall thereafter forward the same to the Airport from where the cargo has been shipped. The Domestic Airlines shall inform the Customs Officer in advance regarding carrying of the domestic cargo for Mumbai. The following endorsement shall be given on the original and duplicate copy of Form "A".

"Received ..... Pkgs. of domestic cargo arrived from ..... Airport through flight No. dated ....."

Name & sign of Domestic Airlines representative	Signature of Customs Officer with Office Stamp (at receiving airport)
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(e) The domestic cargo meant to be delivered in Mumbai shall be taken out of the Transshipment Warehouse by the Domestic Airlines within 12 hours on arrival of the flight. It shall be the responsibility of the Domestic Airlines to ensure that International Import or Export cargo

does not mix up with domestic cargo.

(f) The domestic and international cargo shall be loaded separately and kept distinctly in the hold area of the aircraft. The domestic cargo shall be loaded last to ensure proper identification.

4. It may be noted that violation of conditions (prescribed herein above or under any other law/regulations providing for the manner in which imported goods/export goods are to be received, stored, delivered or otherwise handled in a Customs area) shall invite action against the person

which may include withdrawal of this facility and/ or imposition of penalty under Handling of Cargo in Customs Area Regulations, 2009.

5. The Domestic Airlines desirous of availing the said facility shall apply to the Commissioner of Customs (Administration), Air Cargo Complex, Sahar, Mumbai and await permission before facility is activated.

6. Difficulties, if any, in implementation be brought to notice so that they can be taken up with the Board.

(Annexure to Public Notice No. 26 Dated: 21.06.2010 )  
(File No. S/3-Prev.Admn.23/2010 ACC)

**Form – A  
(Domestic Cargo Movement)  
(For Domestic Cargo on International Flights of Domestic Airlines)**

Sr.No.						
Date:						(Name of concerned warehouse)
Sr.No.	Airway Bill No.	No. of Pkgs.	Description of goods	Name of consignor	CHA No.	Remarks
Total No. of pkgs.						
(1) Certified that above mentioned ..... packages have been affixed with Domestic Tags and Domestic Airway Bill No. with Destination				(2) Allowed..... domestic packages only for loading on pallets/container no.....under preventive supervision.		
(Signature of Domestic Airlines staff)				(Signature of Supdt./Batch)		
(3) Certified that ..... packages are Loaded in containers/pallets no. .... and the Container/pallets contains only domestic cargo.				(4) Certified that ..... pkgs. have been loaded in container/pallet no. ....and the same has been escorted to the Flight no. .... under my supervision.		
(Signature of Domestic Airlines staff)				(Signature of Preventive Officer) (with stamp)		
(5) Received ..... packages of domestic cargo arrived from Mumbai Airport through flight no. .... dated .....						
Name & Sign. of Domestic Airlines representative				Sign. of Customs Officer with stamp (Receiving Airport)		

**Software Export Realisation Period Extended to 1 Year from 6 Months**

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

AP(DIR Srs) Cir.57 29.06.2010 (RBI) Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to A.P.(DIR Series) Circular No.70 dated June 30, 2009 increasing the period of realisation and repatriation to India of the amount representing the full export value of goods or software exported, from six months to twelve months from the date of export, subject to review after one year.

realisation and repatriation to India of the full export value of goods or software exported by a unit situated in a Special Economic Zone (SEZ) as well as exports made to warehouses established outside India remains unchanged.

2. The issue has since been reviewed and it has been decided, in consultation with the Government of India, to extend the above relaxation up to March 31, 2011.

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

3. The provisions in regard to period of

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

## Prevention of Money Laundering Rules 2005 Amended

[Ref: RBI/2009-10/512 – DBOD. AML. BC. No. 113/14.01.001/2009-10 dated 29<sup>th</sup> June 2010]

Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Second Amendment Rules, 2010- Obligation of banks.

Government of India vide its Notification No. 10/2010-E.S/F.No.6/8/2009-E.S. dated June 16,

Ministry of Finance  
(Department of Revenue)  
Notification

New Delhi, the 16th June, 2010

G.S.R. 508(E)- In exercise of the powers conferred by sub - section(1) read with clause(h), clause(i), clause(j) clause(k) of sub- section 2 of section 73 of the Prevention of Money Laundering Act, 2002 (15 of 2003), the Central Government , in consultation with Reserve Bank of India, hereby makes the following rules further to amend the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, namely :-

1. (1) These rules may be called Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Second Amendment Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005:-

(a) in rule 2 in sub-rule (1), after clause (g), the following Explanation shall be inserted, namely:-

"Explanation:- Transaction involving financing of the activities relating to terrorism includes transaction involving funds suspected to be linked or related to, or to be used for terrorism, terrorist act or by a terrorist, terrorist organisation or those who finance or are attempting to financing of terrorism."

(b) in rule 9, for sub- rule (1A), the following sub- rule shall be substituted, namely:-

"(1A) Every banking company, financial institution and Intermediary, as the case may be,

2010, has amended the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005. A copy of the Notification is enclosed for information and necessary compliance.

shall determine whether a client is acting on behalf of a beneficial owner, identify the beneficial owner and take all reasonable steps to verify his identity."

(c) in rule 9, for sub- rule (1B), the following sub- rule shall be substituted, namely:-

"(1B) Every banking company, financial institution and Intermediary, as the case may be, shall exercise ongoing due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the client, his business and risk profile and where necessary, the source of funds."

(d) in rule 9, for sub- rule (1C), the following sub- rule shall be substituted, namely:-

"(1C) No banking company, financial institution and Intermediary, as the case may be, shall allow the opening of or keep any anonymous account or account in fictitious names or account on behalf of other persons whose identity has not been disclosed or cannot be verified."

(e) in rule 9, for sub -rule (1C), the following

## FTWZ Units can Hold Goods on Behalf of Foreign Supplier under Rule 18(5) of SEZ Rules, 2006

[Instruction No. 60 – No. D.12/4/2010-SEZ dated 6<sup>th</sup> July 2010]

Sub: Clarification on holding of goods by units in FTWZ

60-SEZ Cir. I am directed to say that in a 06.07.2010 meeting held in Department of Commerce with FTWZ

Developers doubts were raised as to whether units in FTWZ can hold goods on behalf of foreign buyer, DTA supplier and buyer

It is clarified that FTWZ units can hold goods on behalf of foreign supplier and buyer and DTA supplier and buyer as well subject to fulfillment of provisions made in Rule 18(5) of SEZ Rules, 2006.

sub- rule shall be inserted, namely:-

"(1D) When there are suspicions of money laundering or financing of the activities relating to terrorism or where there are doubts about the adequacy or veracity of previously obtained customer identification data, every banking company, financial institution and Intermediary shall review the due diligence measures including verifying again the identity of the client and obtaining information on the purpose and intended nature of the business relationship, as the case may be."

(f) in rule 10, after sub- rule (3), the following Explanation shall be inserted, namely:-

"Explanation: For the purpose of this rule:-

(i) the expression 'records of the identity of clients' shall include records of the identification data, account files and business correspondence.

(ii) the expression 'cessation of the transactions' means termination of an account or business relationship."

[Notification No. 10/2010- E. S. / F. No. 6/8/2009-E.S.]

## Rupee Export Credit Interest Rates

### Interest Rates Chargeable to Exporters as per Base Rate System

[Ref: RBI/2009-10/511 – DBOD.Dir.(Exp).BC.No. 115 /04.02.001/2009-10 dated 29 June 2010]

Sub: Rupee Export Credit Interest Rates

Please refer to our circular DBOD.Dir. (Exp). BC.No.94/04.02.001/2009-10 dated April 23, 2010, extending the scheme of Interest Subvention of 2 percentage points from April 1, 2010 to March 31, 2011 on pre and post shipment rupee export credit for four export sectors viz. Handicrafts, Carpets, Handlooms and Small & Medium Enterprises (SME), subject to the condition that banks will charge interest rate not exceeding BPLR minus 4.5 percentage points on pre-shipment credit up to 270 days and post-shipment credit up to 180 days on the outstanding amount for the period April 1, 2010 to March 31, 2011 to these sectors. However, the total subvention is subject to the condition that the interest rate, after subvention will not fall below

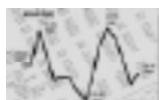
7 per cent, which is the rate applicable to the short term crop loan under priority sector lending.

2. However, with the change over to the Base Rate System, the interest rates applicable for all tenors of rupee export credit advances with effect from July 1, 2010 will be at or above Base Rate in respect of all fresh/renewed advances as advised vide our circular DBOD.Dir.(Exp). BC.No. 102/04.02.001/2009-10 dated May 6, 2010. Accordingly, banks may reduce the interest rate chargeable to the exporters as per the Base Rate System in the above mentioned sectors by the amount of subvention available. If, as

World Bank Pinksheet issued in July 2010 covers price movements in 43 energy and non-energy products. This Pink Sheet focuses on price movements in June 2010.

## Gold, Silver and Sugar on the Rise

- Crude and Coal down. Natural gas up.
- Cocoa and Coffee up. Tea down.
- Copra up. Coconut oil down. Groundnut oil and Palm oil down. Palm Kernel oil up. Soybean meal and Soybean oil down. Soybeans steady.
- Thai Rice down, Maize and Sorghum down. Barley up.
- Wheat down. Bananas and Oranges up.
- Meat, beef and Fishmeal down.
- World Sugar on the rise.
- Logs Cameroon down. Plywood up, Woodpulp and Sawnwood, Malaysia up.
- Cotton up. Rubber down.
- DAP and TSP down. Urea and Phosphate rock steady. Potassium Chloride up.
- Gold and Silver on the rise
- Iron ore steady. Aluminium, Copper, Lead, Nickel, Tin and Zinc down.
- Steel products down.



Monthly averages			Quarterly averages				Annual averages		
2010			2009			2010	2008	2009	2010
Apr	May	Jun	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Jan-Dec	Jan-Dec	Jan-Jun

### Energy

Coal, Australia \$/mt	100.15	100.13	98.19	66.48	71.31	77.66	95.19	99.49	127.10	71.84	97.34
Crude oil, average \$/bbl	84.18	75.62	74.73	59.19	68.21	75.50	77.06	78.18	96.99	61.76	77.62
Crude oil, Brent \$/bbl	84.98	76.25	74.84	59.13	68.37	74.97	76.65	78.69	97.64	61.86	77.67
Crude oil, Dubai \$/bbl	83.09	76.87	73.98	58.93	68.07	75.46	75.86	77.98	93.78	61.75	76.92
Crude oil, West Texas Int. \$/bbl	84.48	73.73	75.35	59.52	68.21	76.08	78.67	77.85	99.56	61.65	78.26
Natural gas Index 2000=100	143.8	143.1	156.2	142.9	123.3	149.4	170.3	147.7	267.9	153.5	159.0
Natural gas, Europe ( * ) \$/mmbtu	7.52	7.27	7.74	8.18	6.91	7.81	8.84	7.51	13.41	8.71	8.18
Natural gas, US \$/mmbtu	4.01	4.16	4.79	3.70	3.17	4.36	5.15	4.32	8.86	3.95	4.73
Natural gas LNG, Japan \$/mmbtu	10.98	11.00	11.25	7.60	7.91	9.33	10.32	11.08	12.53	8.94	10.70

### Beverages

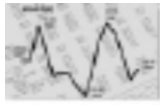
Cocoa ¢/kg	322.1	317.8	323.1	257.9	296.4	341.8	329.7	321.0	257.7	288.9	325.4
Coffee, Arabica ¢/kg	373.1	382.0	420.9	320.2	322.7	341.7	353.7	392.0	308.2	317.1	372.8
Coffee, robusta ¢/kg	157.7	155.7	169.6	165.3	160.1	156.4	150.8	161.0	232.1	164.4	155.9
Tea, auctions (3) average ¢/kg	277.4	279.9	266.3	266.1	303.6	301.9	279.0	274.5	242.0	272.4	276.8
Tea, Colombo auctions ¢/kg	326.6	321.9	299.8	299.1	356.1	338.0	335.1	316.1	278.9	313.7	325.6
Tea, Kolkata auctions ¢/kg	245.3	284.8	275.5	271.3	273.0	284.4	215.8	268.5	225.5	251.5	242.2
Tea, Mombasa auctions ¢/kg	260.3	233.0	223.5	228.0	281.7	283.2	286.1	238.9	221.8	252.0	262.5

### Fats and Oils

Coconut oil \$/mt	939	932	993	779	711	734	834	955	1,224	725	895
Copra \$/mt	628	624	651	513	469	491	557	634	816	480	595
Groundnut oil \$/mt	1,361	1,353	1,342	1,166	1,133	1,152	1,359	1,352	2,131	1,184	1,355
Palm oil \$/mt	830	811	798	743	679	732	808	813	949	683	810
Palmkernel oil \$/mt	1,020	1,030	1,051	763	700	761	922	1,034	1,130	700	978
Soybean meal \$/mt	340	348	338	424	431	412	369	342	424	408	356
Soybean oil \$/mt	903	865	859	863	856	921	917	876	1,258	849	897
Soybeans \$/mt	411	407	407	461	454	439	417	408	523	437	413

### Grains

Barley \$/mt	151.7	143.0	145.9	129.5	122.0	145.5	143.6	146.9	200.5	128.3	145.3
Maize \$/mt	157.1	163.4	152.7	176.0	151.3	167.8	162.7	157.7	223.1	165.5	160.2
Rice, Thailand, 5% \$/mt	466.0	451.3	440.0	552.4	539.0	542.3	535.3	452.4	650.2	555.0	493.9
Rice, Thailand, 25% \$/mt	408.7	396.7	392.0	458.7	441.4	462.8	477.0	399.1	n.a.	458.1	438.0
Rice, Thailand, 35% \$/mt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.



	Monthly averages			Quarterly averages					Annual averages		
	2010			2009			2010		2008	2009	2010
	Apr	May	Jun	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jan-Dec	Jan-Dec	Jan-Jun
Rice,Thai, A.1 \$/mt	343.0	329.0	329.5	326.3	309.7	346.1	400.7	333.8	482.3	326.4	367.3
Sorghum \$/mt	149.4	147.3	131.0	155.8	139.3	163.8	156.9	142.6	207.8	151.1	149.7
Wheat, Canada \$/mt	264.7	256.7	261.3	325.6	271.2	283.4	279.0	260.9	454.6	300.5	270.0
Wheat, US, HRW \$/mt	192.9	181.6	157.7	250.5	208.8	205.4	195.4	177.4	326.0	224.1	186.4
Wheat, US SRW \$/mt	187.8	190.3	182.6	195.6	165.2	195.6	193.5	186.9	271.5	186.0	190.2
<b>Other Food</b>											
Bananas EU \$/mt	1,051	999	1,037	1,288	1,118	1,032	1,014	1,029	1,188	1,145	1,021
Bananas US \$/mt	825	799	962	858	826	813	781	862	844	847	822
Fishmeal \$/mt	1,873	1,821	1,747	1,097	1,276	1,535	1,660	1,814	1,133	1,230	1,737
Meat, beef ¢/kg	359.6	347.8	319.7	262.8	273.2	273.5	314.2	342.4	313.8	263.6	328.3
Meat, chicken ¢/kg	170.9	173.3	174.7	174.1	173.9	165.1	167.2	173.0	169.6	171.7	170.1
Meat, sheep ¢/kg	456.1	484.3	520.1	428.7	453.3	450.1	447.6	486.8	458.5	427.6	467.2
Oranges \$/mt	995	1,055	1,197	870	861	1,107	1,009	1,082	1,107	909	1,045
Shrimp, Mexico ¢/kg	865	1,025	n.a.	970	970	864	827	945	1,069	945	874
Sugar EU ¢/kg	44.98	42.10	40.91	53.76	55.43	49.11	46.38	42.66	69.69	52.44	44.52
Sugar US ¢/kg	68.38	68.11	72.37	47.89	57.31	70.48	84.31	69.62	46.86	54.88	76.96
Sugar, world ¢/kg	36.27	33.51	35.01	33.89	46.98	50.29	51.82	34.93	28.21	40.00	43.38
<b>Timber</b>											
Logs, Cameroon \$/cum	429.6	403.5	390.8	394.8	414.9	449.5	431.4	408.0	526.9	421.5	419.7
Logs, Malaysia \$/cum	246.0	253.7	260.8	284.5	279.6	271.1	253.6	253.5	292.3	287.2	253.6
Plywood ¢/sheets	564.7	566.8	567.5	565.8	561.5	558.4	557.2	566.3	645.5	564.6	561.8
Sawnwood, Cameroon \$/cum	818.1	772.9	770.4	721.2	779.0	806.3	804.1	787.1	958.3	748.9	795.6
Sawnwood, Malaysia \$/cum	820.2	836.5	841.1	829.7	771.4	807.4	787.8	832.6	889.1	805.5	810.2
Woodpulp \$/mt	850.5	879.1	915.0	550.0	627.7	715.6	780.9	881.5	820.2	614.6	831.2
<b>Other Raw Materials</b>											
Cotton A Index ¢/kg	194.2	198.6	199.9	132.4	141.9	157.7	178.8	197.5	157.4	138.2	188.2
Cotton Memphis ¢/kg	198.5	199.1	202.7	137.5	148.8	172.4	183.6	200.1	161.3	145.3	191.9
Rubber RSS1, US ¢/kg	398.8	374.6	371.0	187.0	221.0	284.7	345.2	381.5	284.1	214.6	363.3
Rubber RSS3, SGP ¢/kg	394.8	366.8	356.6	166.4	199.3	256.5	318.6	372.7	258.6	192.1	345.7
<b>Fertilizers</b>											
DAP \$/mt	466.0	460.6	448.0	303.6	309.6	316.9	464.8	458.2	967.2	323.1	461.5
Phosphate rock \$/mt	125.0	125.0	125.0	113.3	90.0	90.0	102.1	125.0	345.6	121.7	113.5
Potassium chloride \$/mt	314.4	315.0	319.0	726.7	506.8	423.0	334.0	316.1	570.1	630.4	325.0
TSP \$/mt	372.5	352.8	346.8	247.7	224.7	235.7	316.9	357.4	879.4	257.4	337.1
Urea \$/mt	252.7	229.6	229.3	241.1	241.6	248.3	281.0	237.2	492.7	249.6	259.1
<b>Metals and Minerals</b>											
Aluminum \$/mt	2,317	2,041	1,931	1,485	1,812	2,003	2,163	2,096	2,573	1,665	2,130
Copper \$/mt	7,745	6,838	6,499	4,663	5,859	6,648	7,232	7,027	6,956	5,150	7,130
Gold \$/toz	1,149	1,205	1,233	922	960	1,102	1,109	1,196	872	973	1,152
Iron ore ¢/dmtu	167.0	167.0	167.0	101.0	101.0	101.0	101.0	167.0	140.6	101.0	134.0
Lead ¢/kg	226.5	188.3	170.4	149.9	192.8	229.3	222.1	195.0	209.1	171.9	208.6
Nickel \$/mt	26,031	22,008	19,389	12,920	17,700	17,528	19,959	22,476	21,111	14,655	21,217
Silver ¢/toz	1,817	1,842	1,853	1,376	1,477	1,760	1,693	1,838	1,500	1,469	1,765
Steel products index 2000=100	234.1	247.3	242.1	215.5	210.8	207.4	211.5	241.1	289.3	227.1	226.3
Steel cr coilsheet \$/mt	813	850	850	700	700	700	725	838	966	783	781
Steel hr coilsheet \$/mt	713	750	750	600	600	600	625	738	883	683	681
Steel rebar \$/mt	615	630	618	450	500	522	546	621	760	486	583
Steel wire rod \$/mt	765	780	755	1,007	857	814	751	767	1,010	969	759
Tin ¢/kg	1,868	1,757	1,732	1,351	1,459	1,517	1,721	1,786	1,851	1,357	1,753
Zinc ¢/kg	236.7	196.8	174.3	147.3	176.1	221.4	228.9	202.6	187.5	165.5	215.7

\$ = US dollar; ¢ = US cent; bbl = barrel; cum = cubic meter; dmtu = Dry Metric Ton Unit; kg = kilogram; mmbtu = million British thermal units; mt = metric ton; toz = troy oz; n.a. = not available; n.q. = no quotation

a consequence, the interest rate charged to exporters goes below the Base Rate, such lending will not be construed to be violative of the Base Rate guidelines.

3. All other terms and conditions of our circular dated April 23, 2010 mentioned above remain the same.

### Floor Rate of 7% on Export Credit in New Base Rate System

[Ref: DBOD.Dir.(Exp).BC.No. 114 /04.02.001/2009-10 dated June 29, 2010 ]

Sub: Interest Rates on Rupee Export Credit

In exercise of the powers conferred by Sections 21 and 35 A of the Banking Regulation Act, 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that, with effect from July 1, 2010 to March 31, 2011 the interest rates on pre and post shipment credit to the specified export sectors as indicated below:

With the change over to the Base Rate System, the interest rate applicable to all tenors of rupee export credit advances with effect from July 1, 2010 will be at or above Base Rate in respect of all fresh/renewed advances. Accordingly, banks may reduce the interest rate chargeable to the exporters as per Base Rate system in the following sectors eligible for export credit subvention by the amount of subvention available under the scheme subject to a floor rate of 7%:

- (i) Handicrafts
- (ii) Carpets
- (iii) Handlooms
- (iv) Small & Medium Enterprises (SME)

In respect of other categories of exporters, the provisions of the circular DBOD.Dir.(Exp).BC.No.102 /04.02.001/2009-10 dated May 6, 2010 would continue to apply.

### Address Change in Federation of Gujarat Industries

Subject: New Office address of Federation of Gujarat Industries (Amendment in Appendix 4C).

77-PN(RE) In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy 2009-2014, the Director General of Foreign Trade hereby makes the following amendment in Appendix 4C (List of Agencies Authorised to Issue Certificates of Origin - Non Preferential) of the Handbook of Procedures (Vol.I):

The address of Federation of Gujarat Industries appearing at S. No. 1 under the State of Gujarat in Appendix 4C is hereby changed as under:

Federation of Gujarat Industries,  
FGI Business Centre  
Gotri-Sevasi Road, Opp. Nilgiri Farm, Sevasi  
Vadodara-391101  
Tel: 0265-2372901-02  
Fax: 2372904  
E-mail: [info@fgi.co.in](mailto:info@fgi.co.in)

This issues in public interest.

## CBEC Clarification on Time Limits for Filing Applications for Claiming Drawback

Sub: Amendment of the Customs, Central Excise & Service Tax Drawback Rules, 1995 and the Re-Export of Imported Goods (Drawback of Customs Duties) Rules, 1995.

13-CBEC 24.06.2010 (DoR) The undersigned is directed to say that the Board has amended the Customs, Central Excise & Service Tax

Drawback Rules, 1995 and the Re-Export of Imported Goods (Drawback of Customs Duties) Rules, 1995 vide Notifications No. 49/2010-Customs (N.T) and 48/2010-Customs (N.T) both dated 17<sup>th</sup> June, 2010. The rules have been amended to make the time limits prescribed for making various applications/claims of drawback under the Rules more exporter friendly, to liberalize granting of extensions in case of delays

and to delegate greater powers in that regard to the field officers at the level of the Assistant/Deputy Commissioner of Customs. These are trade facilitation measures. The notifications are available on CBEC website and may be perused for details. The important changes that have been made in the Rules are as discussed below.

2. The time limits for filing applications for fixation of Brand Rate of Drawback, supplementary claims of Drawback and for claiming drawback under section 74 of the Customs Act, 1962 have been revised as under:

Type of claim	Previous time limits	Revised time limits
Brand rate claim (Rules 6 and 7 of Customs, Central Excise & Service Tax Drawback Rules, 1995)	The claim was required to be filed within <b>60 days</b> from the date of Let Export Order. This time limit could be extended by <b>30 days</b> by the Commissioner if he was satisfied that the exporter was prevented by <b>sufficient cause</b> from filing the application within the aforesaid time period.	The claim may be filed within <b>3 months</b> from the date of Let Export Order. This time limit may be extended by <b>3 months</b> by the <b>AC / DC and by another 6 months by the Commissioner.</b>
Supplementary claim(Rule 15 of Customs, Central Excise & Service Tax Drawback Rules, 1995)	The claim has to be filed within 3 months from the date of publication of All Industry Rate (AIR) of Drawback or from the date of communication of the brand rate of drawback. This period may be extended by another 9 months by the AC/DC if he is satisfied that the exporter was <b>prevented by sufficient cause</b> from filing application within the aforesaid time period.	The claim may be filed within 3 months from the date of publication of All Industry Rate (AIR) of Drawback or from the date of communication of the brand rate of drawback. This period may be extended by 9 months by the AC/DC and by <b>another 6 months by the Commissioner.</b>
Drawback on Re-export of imported goods [Rule 5 of the Re-Export of Imported Goods (Drawback of Customs Duties) Rules, 1995]	This claim has to be filed within 3 months from the date of Let Export Order. The period may be extended further by 3 more months by the AC/DC in case he has satisfied that the exporter was <b>prevented by sufficient cause</b> from filing the case in time.	This claim may be filed within 3 months from the date of Let Export Order. The period may be extended by 3 months by the AC/DC and by <b>another 6 months by the Commissioner.</b>

3. It may be seen from the above that under the amended rules an exporter can file an application for fixation of Brand Rate of Drawback under Rule 6 and 7 within a maximum period of 1 year including the extensions. Similarly, he can file supplementary claim of drawback within a maximum period of 18 months including extensions and a claim of drawback under Section 74 of the Customs Act, 1962 within a maximum period of 1 year including extensions.

4. In all the above cases, the AC/DC or the Commissioner may grant the extension on the basis of an application and after making such enquiry as they think fit. The condition that the exporter should have been prevented by sufficient cause from applying within the prescribed time period has been removed. In case, the AC/DC or the Commissioner decide not to grant extension, they may do so after recording in writing the reasons for such refusal and the same may be communicated to the applicant through a speaking order. However, as advised by the Board vide Circular No. 14/2003-Cus dated 06.03.2003, delays may generally be condoned on receipt of the exporter's application in this regard.

5. A new feature that has been incorporated in the Rules is that in all the above cases an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/-, whichever is less, shall be payable for applying for grant of extension by the AC/DC and an application fee of 2% of the FOB value of exports or Rs. 2000/-, whichever is less, shall be payable for applying for grant of extension by the Commissioner.

6. The applications for fixation of Brand Rate of drawback have to be filed in the office of the Commissioner of Central Excise (or Customs & Central Excise) as provided in rules 6 and 7 of the Customs, Central Excise & Service Tax Drawback Rules, 1995 and as already advised vide the above mentioned circular. If there is a delay in making the application, the Assistant/Deputy Commissioner of Central Excise (Technical) or such other Assistant/Deputy Commissioner in the office of the Commissioner of Central Excise who has been assigned the work relating to fixation of Brand Rate of drawback, may grant the first extension of upto 3 months. If the delay is of more than 3 months, extension may be granted only by the Commissioner. The applications for supplementary claims of draw-

back, drawback under section 74 of the Customs Act, 1962 and for repayment of drawback in terms of rule 16A(4) of the Customs, Central Excise & Service Tax Drawback Rules, 1995 may be made to the Assistant Commissioner of Customs at the port of export.

7. Further, Rule 16A (4) of the Customs, Central Excise & Service Tax Drawback Rules, 1995 has been amended to provide that in cases where the sale proceeds are realized by the exporter after the amount of drawback has been recovered from him under Rule 16A (1) of the Drawback Rules, 1995 due to non realization of export proceeds, he shall be allowed to produce evidence of such realization within a period of 3 months from the date of realization of export proceeds instead of the previous provision of one year from the date of recovery of amount of drawback provided the foreign exchange has been realized within the period permitted by RBI.. The period may be extended by the Commissioner of Customs by 9 months subject to the condition that the amount has been realized on a date covered by the extensions of time limit given by the RBI for realizing export proceeds. Application fee equivalent to 1% of the FOB value of exports or Rs. 1000/-, whichever is less, shall be payable for applying for grant of extension by the Commissioner.

8. A suitable Public Notice and Standing Order may be issued for the guidance of the trade and staff. Difficulties faced, if any, in implementation of the Circular may be brought to the notice of the Board at an early date.

F.No.609/51 /2010-DBK

### Tariff Value on Brass Scrap Hiked by US \$ 26/MT

52-Cus(NT) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Cus (N. T.), dated, the 3<sup>rd</sup> August 2001, namely: -

In the said notification, for the Table, the following Table shall be substituted namely:-

**Table**

SNo.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value US \$ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	3645
9	1207 91 00	Poppy seeds	2741(i.e. no change)

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

### Customs Valuation Exchange Rates

July 2010		Imports	Exports	Rate of exchange of one unit of foreign currency equivalent to Indian Rupees
Schedule I				
1	Australian Dollar	40.70	39.60	
2	Canadian Dollar	45.25	43.95	
3	Danish Kroner	7.85	7.55	
4	EURO	58.10	56.50	
5	Hong Kong Dollar	6.05	5.90	
6	Norwegian Kroner	7.25	7.05	
7	Pound Sterling	70.40	68.55	
8	Swedish Kroner	6.05	5.90	
9	Swiss Franc	42.75	41.65	
10	Singapore Dollar	33.80	32.95	
11	U.S. Dollar	46.95	46.00	
Schedule II		Rate of exchange of 100 units of foreign currency equivalent to Indian rupees		
1	Japanese Yen	52.65	51.15	

(Source: Customs Notification 50(NT)/28.06.2010)

### Commodity Spot Prices in India – 09-12 July 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 09-12 July.

Commodity	Unit	Market	09-Jul	10-Jul	12-Jul
CER (Carbon Trading)	1 MT	Mumbai	715.5	724	724
Chana	100 KGS	Delhi	2202	2197	2175
Masur	100 KGS	Indore	3626	3605	3577
Potato	100 KGS	Agra	446.4	445.4	442.9
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	7725	7750	7729
Cashewkern	1 KGS	Quilon	306	307	310
Cardamom	1 KGS	Vandanmedu	1706.5	1699.8	1706.2
Coffee ROB	100 KGS	Kushalnagar	80.5	78.6	78.4
Jeera	100 KGS	Unjha	13112	13357	13511
Pepper	100 KGS	Kochi	18264	18502	18510
Red Chili	100 KGS	Guntur	5025	5025	5023
Turmeric	100 KGS	Nzmbad	15044	15044	15222
Guar Gum	100 KGS	Jodhpur	5300	5400	5425
Maize	100 KGS	Nzmbad	1009	1009	1015
Wheat	100 KGS	Delhi	1248.3	1250.8	1255.8
Mentha Oil	1 KGS	Chandausi	756.9	763.7	759
Cotton Seed	100 KGS	Akola	1304	1308	1323
Castorsd RJK	100 KGS	Rajkot	3587	3590	3657
Guar Seed	100 KGS	Jodhpur	2325	2388	2386
Soya Bean	100 KGS	Indore	1903.5	1906.5	1907
Mustrdsd JPR	20 KGS	Jaipur	514	516.8	519.8
Sesame Seed	100 KGS	Rajkot	5263	5288	5263
Coconut Oil Cake	100 KGS	Kochi	1196	1196	1196
RCBR Oil Cake	1 MT	Raipur	6280	6300	6230
Kapaskhali	50 KGS	Akola	1079	1081.8	1090.5
Coconut Oil	100 KGS	Kochi	5512	5512	5512
Refsoy Oil	10 KGS	Indore	442.5	445.3	447.2
CPO	10 KGS	Kandla	366.8	367.8	370
Mustard Oil	10 KGS	Jaipur	493.4	495.7	496.1
Gnutoilexp	10 KGS	Rajkot	782.1	784.7	792.9
Castor Oil	10 KGS	Kandla	750	752.5	765
Crude Oil	1 BBL	Mumbai	3530	3557	3557
Furnace Oil	1000 KGS	Mumbai	29524	29524	28398
Sourcrod Oil	1 BBL	Mumbai	3415	3415	3452.5
Brent Crude	1 BBL	Mumbai	3501	3485	3485
Gur	40 KGS	Muzngr	983.3	986.7	981.7
Sugars	100 KGS	Kolhapur	2625	2623	2628
Sugarm	100 KGS	Delhi	2824	2825	2839
Natural Gas	1 mmBtu	Hazirabad	206.1	205.8	205.8
Rubber	100 KGS	Kochi	18502	18562	18566
Cotton Long	1 Candy	Kadi	29570	29510	29420
Cotton Med	1 Maund	Abohar	2921	2925.5	2929.5
Jute	100 KGS	Kolkata	3235.5	3261.5	3242.5
Gold	10 GRMS	Ahmd	18235	18380	18386
Gold Guinea	8 GRMS	Ahmd	14647	14763	14768
Silver	1 KGS	Ahmd	28575	28857	28761
Sponge Iron	1 MT	Raipur	17165	17140	17275
Steel Flat	1000 KGS	Mumbai	30020	29860	30720
Steel Long	1 MT	Bhavnagar	26440	25960	26540
Copper	1 KGS	Mumbai	311.45	314.7	314.7
Nickel	1 KGS	Mumbai	894.2	894.2	897.6
Aluminium	1 KGS	Mumbai	92.1	92.1	91.9
Lead	1 KGS	Mumbai	84.5	84.5	84.4
Zinc	1 KGS	Mumbai	86	86	85.45
Tin	1 KGS	Mumbai	827.25	827.25	828.75

(Source: MCX Spot Prices)

**WORLD TRADE SCANNER**

IMF Forecasts 4.6% Growth in 2010; India, China to Provide Growth Push	189
Basel May Give European Banks More Time to Reach Capital Adequacy Standards. \$1.8 tn Written Off in Finance Crisis	189
US Gloats Over Win in Airbus Subsidy Case at WTO	191
SPS Disagrees with Super Market – Food Standards	191
China-India Lead Demand for Uranium	192
China Signs MoU with 26 African LDCs for Zero Duty Imports	192
India Frees Radial Tyres after Michelin Protests	192
World Bank Pink Sheet – June 2010	200
Commodity Spot Prices in India – 09-12 July 2010	203

**BIG's WEEKLY INDEX OF CHANGES****Foreign Trade Policy**

37-Pol.Cir/07.07.2010	Filing All DEP Shipping Bills through EDI Mandatory from 10 July 2010	193
50-Ntfn(RE)/06.07.2010	Health Certificate by Authorised Representative of MoC& Industry Too Required for Guar Gum Exports	194
52-Ntfn(RE)/08.07.2010	Residual Items of Steel Articles Shifted to Free from Restricted List	193
77-PN(RE)/01.07.2010	Address Change in Federation of Gujarat Industries	202
78-PN(RE)/01.07.2010	Import of Meat and Meat Products under Advance Authorization – Sanitary Import Permit from Dept. of Animal Husbandry Must	194
02-TN/24.06.2010	EDI Help Desk at Zonal DGFT Office, New Delhi	193
60-SEZ Cir/06.07.2010	FTWZ Units can Hold Goods on Behalf of Foreign Supplier under Rule 18(5) of SEZ Rules, 2006	199

**Customs**

Ntfn 73/30.06.2010	Anti-dumping Duty on Pentaerythritol from China and Sweden Extended upto 28 March 2011	196
Ntfn 74/07.07.2010	Another Five Years of Anti-dumping Duty on Diethyl Thio Phosphoryl Chloride from China	196
51-Cus(NT)/30.06.2010	IPR Enforcement at the India Border Now on All Goods for Sale or Use	197
52-Cus(NT)/30.06.2010	Tariff Value on Brass Scrap Hiked by US \$ 26/MT	203
26-PN/21.06.2010	All International Airlines Allowed to Carry Domestic Cargo	197

**Central Excise**

25-CE(NT)/22.06.2010	Amendments in Cenvat Credit Rules 2004	194
26-CE(NT)/29.06.2010	Pay Clean Energy Cess in Cash Please, CENVAT Credit not Accepted	194
27-CE(NT)/01.07.2010	No CENVAT Credit on Zero Duty Goods Supplied to Diplomatic Missions	194

**CBEC Circulars**

13-CBEC/24.06.2010	CBEC Clarification on Time Limits for Filing Applications for Claiming Drawback	202
18-CBEC/08.07.2010	Special Drive for Clearance of 4% SAD Refund Arrears	195
928-CBEC/28.06.2010	Exports under Bond Disallowed for Goods Exempted from Payment of Duty	193

**RBI Circulars [AP (DIR Series)]**

Cir. 57/29.06.2010	Software Export Realisation Period Extended to 1 Year from 6 Months	198
DBOD.113/29.06.2010	Prevention of Money Laundering Rules 2005 Amended	199
DBOD. 114/29.06.2010	Floor Rate of 7% on Export Credit in New Base Rate System	202
DBOD. 115/29.06.2010	Rupee Export Credit Interest Rates	199

**Cont'd..190**

A liquidity coverage ratio is designed to ensure that all of a bank's liabilities coming due in a month can be paid with cash and other assets, such as Treasuries, that can be sold easily for cash. A net stable funding ratio extends the same concept to a year, incorporating other holdings, such as short-term loans and stocks. Banks objected to the long-term rule, which could result in new debt issuance of \$5.4 trillion, Barclays Plc analysts estimated in June.

The target date for publishing the rule may be pushed back to the middle of next year, four committee members said.

**Counterparty Risk**

Another source of disagreement between European and U.S. regulators is a change that would increase capital charges on banks to cover counterparty credit risk, or the likelihood of trading partners going bust, the people said.

That portion of Basel III would create a buffer against the kind of danger posed by American International Group Inc. during the credit crisis. U.S. and European banks thought they had hedged their mortgage investments through derivatives contracts with AIG, which couldn't keep up with increased cash demands as the values of the bonds declined. The U.S. government bailed out the insurer, concerned that its collapse would bring down banks that bought the derivatives.

The Basel committee probably won't make a decision about counterparty risk this week, deferring the issue until October, members say. At least one said he expected the matter will be delayed to next year.

Issues that can't be resolved by the Basel committee may be settled by the G-20 leaders in November, members say.

**'More Politicized'**

One proposal European banks and regulators tried to get rid of — and that U.S. Treasury Secretary Timothy F. Geithner advocated — has survived and made it into the Toronto G-20 statement. That's a plan to cap bank leverage by setting a ratio of assets to capital. While current Basel rules allow banks to assign weights to assets based on their risks, the leverage ratio would look at all assets without a risk assessment.

European banks appear more highly levered than their U.S. counterparts partly because U.S. accounting rules allow more assets to be kept off balance sheets than European standards do. The two systems differ on which types of securitizations are included on the books and how derivatives contracts are netted.

**Lower Returns**

As envisioned in the Basel proposal, the leverage ratio will initially be used to provide guidance to national regulators in their assessments of banks' soundness. Only later, after accounting differences between countries are resolved, would it become a requirement.