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Benchmarks for LDC Accession to WTO

The decision, as mandated by ministers at the Eighth WTO Ministerial Conference in December 2011 [document WT/L/846], will now be submitted to the General Council on 25 and 26 July for formal adoption.

Among the 48 LDCs listed by the United Nations, 32 to date have become WTO members, including four LDCs which acceded after the establishment of WTO in 1995. These are Cambodia (2004), Nepal (2004), Cape Verde (2008)¹, and Samoa (2012). Vanuatu completed its accession process in 2011 and will become a Member upon completion of its domestic ratification.

Another ten LDCs are in the process of acceding to the WTO: Afghanistan, Bhutan, Comoros, Equatorial Guinea, Ethiopia, Lao PDR, Liberia, Sao Tome & Principe, Sudan, and Yemen. Among them, the accessions of Lao PDR and Yemen have reached their final stage and are poised for conclusion this year.

The proposed Decision will set benchmarks for acceding LDCs for market access negotiations. It also provides some concrete guidelines to operationalize the notion of restraint² when seeking commitment from acceding LDCs. The Decision contains five key elements: benchmarks on goods, benchmarks on services, transparency in accession negotiations, special and differential treatment (S&D) and transition periods, and technical assistance.

Goods benchmarks

Acceding LDCs will bind all agricultural tariff lines at an average rate of 50 per cent. (Normally full binding of agricultural tariff lines is a standard feature in all WTO Members' commitments).

Acceding LDCs will bind 95 per cent of tariff lines for industrial goods at an average rate of 35 per cent. The LDCs have the flexibility to retain 5 per cent of their industrial tariff lines unbound, though the specific lines would need to be negotiated. A footnote clarifies that the unbound tariff lines will include lines that take into account the sensitivities of acceding LDCs.

In order to encourage more comprehensive binding coverage in industrial goods, the guidelines provides an alternate

option to the LDCs: If any acceding LDC desires to move towards comprehensive binding coverage, they would be allowed proportionately higher average bound rates than 35 per cent overall average rate, with transition periods of up to 10 years for up to 10 per cent of their industrial tariff lines.

Services market access

Although the mandate given at the Ministerial Conference simply asked Members to explore benchmarks in services, Members were able to agree on certain broad parameters. The decision provides that acceding LDCs shall not be required to undertake commitments in services sectors and sub sectors beyond those that have been committed by existing WTO LDC Members. Nor shall they be required to undertake commitments in sectors and sub-sectors that do not correspond to their individual development, financial and trade needs.

Transparency in Accession Negotiations

To enhance the transparency of the accession process, Members stressed the importance of making use of the Accession Working Parties to serve as a forum for collective review of the different bilateral market access negotiations on goods and services.

S&D and Transition Periods

Members reiterated that acceding LDCs would be able to access all special and differential treatment provisions from the day they become Members of the WTO.

It is underlined that requests for additional transition periods, beyond those foreseen under the WTO Agreements, would be favourably considered, on a case-by-case basis.

Technical Assistance

As part of each LDCs accession process, the WTO Secretariat will draw up technical assistance framework plans, in order to achieve better coordination and more effective delivery of technical assistance at all stages of the accession process. These plans will be shaped by input from the acceding LDCs themselves, and will be adjusted over time to reflect changes in their needs.



WTO Appellate Body Holds US Origin Label Illegal

The US country-of-origin labelling (COOL) requirements for livestock and meat imports are inconsistent with international trade rules, the WTO's highest court said on 29 June 2012 (DS384, 386). The highly-anticipated ruling, which stemmed from a dispute launched by Canada and Mexico in 2008, found that the US measure put foreign products at a disadvantage by making the processing of imported livestock prohibitively costly. The judges, however, disagreed that the measure was also more trade restrictive than necessary to

achieve the legitimate objective of consumer information.

Beef and pork producers in both countries similarly welcomed the ruling, noting that it would likely ease the economic situation of the North American meat market. "COOL has affected billions of dollars of commerce in cattle and beef products since it was implemented in 2008," the Canadian Cattleman's Association (CCA) said. "At a cost of [C]\$25 to [C]\$40 per head, the current impact of COOL to Canadian producers is approximately [C]\$150 million per year." [C\$1 = US\$1.01]

European Parliament Rejects Anti-Counterfeiting Pact, Says TRIPS is Adequate



In a landmark decision earlier on 4 July 2012, the European Parliament rejected the controversial Anti-Counterfeiting Trade Agreement (ACTA) by a vast majority, with 478 votes against the deal, 39 in favour, and 165 abstentions.

ACTA is a plurilateral trade pact seeking to strengthen global standards for the enforcement of intellectual property rights in order to combat counterfeiting and piracy. The deal's opponents fear that some of the provisions contained in the final text, which go beyond the standards set by the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), could have a detrimental effect on access to medicines and freedoms in the

digital environment.

Australia, Canada, Japan, South Korea, Morocco, New Zealand, Singapore, and the United States are the other signatories to the deal; however, they have yet to ratify the agreement.

The move comes just weeks after the EU International Trade Committee (INTA) adopted an official recommendation asking the European Parliament to reject the agreement due to the pact's ambiguous definition of "commercial-scale" counterfeiting and online piracy, the role of internet service providers, and the possible seizures of in-transit generic medicines.

Four other EU committees have also previously expressed negative opinions on the agreement for similar considerations.

Zoellick Calls for Quick Trade Facilitation Deal

Members of the Geneva-based WTO should move to quickly finish an agreement on trade facilitation, leaders from various regional development banks and then-World Bank head Robert Zoellick said last week.

The call was made in an editorial that was jointly signed by Zoellick, who also finished his term as World Bank President last week, and the heads of the Islamic Development Bank, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development; and Inter-American Development Bank.

"More than a decade after the launch of the Doha Round, this agreement could be a down payment on the commitment WTO members have made to linking trade and development," they added, noting the measures likely to be covered in such a pact would have major gains for developing countries and likely cost just US\$7 million to US\$11 million to implement, spread over various years, according to World

Bank research.

An agreement on trade facilitation - which deals with issues such as customs and border measures - has been floated in various contexts over the past few months as a Doha deliverable that could soon be achieved. The eleven-year Doha talks were declared at an impasse last December, with members being directed to explore new negotiating approaches to advance the talks in areas where progress might be possible.

Last year, the chair of the trade facilitation talks was the only one to submit a new, full draft text ahead of an Easter deadline, which showed few obstacles in the way of eventually clinching a deal and prompted speculation from some trade observers that an agreement in this area could eventually be possible, though questions over matching commitments with resources and how to achieve balance within those negotiations have continued to be floated by various members.

Libor Shaky After Manipulation in the Open After Barclays Chief Quits

The scandal surrounding the London interbank offered rate is threatening to undermine confidence in syndicated loans and hasten companies' flight to bonds.

"What corporate treasurers are concerned about is the damage this Libor problem will do to market confidence," said John Grout, the policy and technical director at the Association of Corporate Treasurers in London, which has about 4,500 members. "If people lose trust in banks and Libor, which is indexed to a huge amount of debt and derivatives instruments, market liquidity could be reduced and borrowing costs could rise for corporates."

Corporate loans typically pay interest pegged to Libor or its equivalents in other currencies, and the rate-rigging scandal is spreading uncertainty about whether the benchmarks reflect lenders' true cost of funding. At least a dozen banks are being investigated for manipulating Libor, prompting Barclays Plc (BARC) Chief

Executive Officer Robert Diamond to quit last week after the U.K.'s second-biggest lender was fined a record \$451 million.

Loans are already on the wane as a funding option for companies in the U.S. and Europe. More stringent capital requirements introduced



by regulators to prevent the risky lending practices that exacerbated the financial crisis have made it more

expensive for banks to extend loans, and prompted lenders in Europe to pledge more than \$1 trillion of balance-sheet cuts.

Loans Decline, Bonds Rise

Non-financial companies in the U.S. borrowed \$483 billion through syndicated loans and credit lines this year, a 13 percent drop from the same period of 2011, while in Europe volumes fell 25 percent to \$322 billion, data compiled by Bloomberg show.

Loans were overtaken by bonds for the first time in Europe this year, according to Fitch

Paraguay out of Mercosur, Venezuela at the Door

South American customs bloc Mercosur will see Venezuela join as a full member by the end of this month, and has temporarily suspended current member Paraguay from the grouping in the wake of President Fernando Lugo's impeachment in late June. During their presidential summit last week, the bloc also decided against raising its common external tariff, while declaring - together with Beijing - a goal to double Mercosur-China trade by 2016.

Switzerland is Innovation Topper

Switzerland has been named the world's most innovative economy for the second consecutive year, according to a report released on 3 July 2012 in Geneva by business school INSEAD and the World Intellectual Property Organization (WIPO). Sweden and Singapore retained their positions as second and third most innovative economies, with Finland, the UK, the Netherlands, Denmark, Hong Kong, Ireland, and the US rounding out the top ten.

Ratings. Bond issues made up 52 percent of the 467 billion euros (\$575 billion) of new corporate funding in the first half, compared with 29 percent for the whole of 2011, the New York-based firm said in a July 3 report.

"Before 2007 our borrowings were linked to base rate not Libor, but then banks insisted we move to a Libor-rated margin as we were told it was market practice," said Ben Whawell, the chief financial officer at Warrington, England-based trucking and warehousing company Stobart Group Ltd. (STOB)

Clare Dawson, the managing director of the Loan Market Association in London, said Libor would continue to be the benchmark for the syndicated loan market.

"Libor is only one factor that people are looking at when they look at a loan, either as a means of raising finance or as an investment," said Dawson, whose group represents 486 banks, investors and law firms. "I see no reason why a floating-rate debt product won't continue to be a key component of the financing market, and clearly most floating rate loans are based off Libor or Euribor."

Libor Manipulation

Libor is calculated from a daily survey carried out for the British Bankers Association in London, in which the world's biggest lenders are asked the rate they're charged to borrow over a variety of short-term maturities in currencies including dollars, euros and yen. Banks are accused of massaging down submissions for the benchmark for \$360 trillion of global securities during the financial crisis and artificially increasing them before it.

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WEEKLY INDEX OF CHANGES

India Extends Ban on Milk and Milk Products from China Till 23.06.2013

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

04-Ntfn(RE) In exercise of powers
02.07.2012 conferred by Section 5, read
(DGFT) along with Section 3(2) of the
Foreign Trade (Development
and Regulation) Act, 1992, also read along with
paragraph 2.1 of Foreign Trade Policy, 2009-
14, the Central Government hereby
makes the following amendment.

2. The prohibition on import of milk
and milk products (including choco-
lates and chocolate products and candi-
es/ confectionary/ food preparations
with milk or milk solids as an ingredi-
ent) from China was imposed vide No-
tification No. 46(RE-2008)/2004-2009
dated 24th September, 2008, Notifica-
tion No. 67(RE-2008)/2004-2009 dated
1st December, 2008 and Notification No. 16/
2004-2009 dated 3.1.2011 and extended from

time to time. The latest extension was notified
on 26.12.2011 by Notification No. 91 (RE-2010)/
2009-2014.

3. This prohibition on import of milk and milk
products (including chocolates and chocolate
products and candies/ confectionary/ food prepa-
rations with milk or milk solids as an
ingredient) from China is extended till
23.6.2013 or until further orders, which-
ever is earlier.



4. Effect of this Notification

Prohibition on import of milk and milk
products (including chocolates and
chocolate products and candies/
confectionary/ food preparations with
milk or milk solids as an ingredient) from
China is further extended till 23.6.2013
or until further orders, whichever is earlier.

Export of Handmade Woolen Carpets, Handicraft and Silk Items under DA Basis Banned

ECGC Cover or BG Shipments Exempted

Subject: Conditions for export of Carpets, Handicraft items and Silk items.

05-Ntfn(RE) In exercise of the powers
02.07.2012 conferred by Section 5 of the
(DGFT) Foreign Trade (Development &
Regulation) Act, 1992 (No.22
of 1992) as amended, read with Para 2.1 of the
Foreign Trade Policy, 2009-2014, the Central

Government hereby makes following amend-
ments in Table A of the Schedule 2 of the
ITC(HS) Classification of Export and Import
Items, by inserting entry at S.No. 8 A, 8 B & 8 C,
with immediate effect, as under:-

SNo.	Chapter	Item Description	Export Policy	Nature of Restriction
8 A	57	Handmade Woolen Carpets including other floor coverings like Woolen Durries, Druggets, Gabbas, Namdhas and Shaggy	Free	Export shall not be permitted on the of Documents against Acceptance (D/A) unless (a) Such export is covered either by Bank Guarantee or ECGC Guarantee or (b) Such export is to own Subsidiaries/ own Trading Companies / own Office-cum-warehouses.
8 B	Any chapter	Handicraft items	Free/ Restricted (as applicable)	
8 C	Any chapter	Silk Garments, Made ups, Fabrics and Accessories	Free	

2. Effect of this notification

Export of Handmade Woolen Carpets, Handicraft items and Silk items etc. (details given above) shall not be permitted on the basis of Documents against Acceptance (D/A) except when covered by (a) Guarantee from Bank or ECGC or (b) made to own Subsidiaries etc.

Service Tax Rates for Rebate on Exports Released

41-ST In exercise of the powers
29.06.2012 conferred by section 93A of
(DoR) the Finance Act, 1994 (32 of
1994) (hereinafter referred to
as the said Act) and in supersession of the
notification of the Government of India in the
Ministry of Finance (Department of Revenue)
number 52/2011 - Service Tax, dated the 30th
December, 2011, published in the Gazette of
India, Extraordinary, Part II, Section 3, Sub-
section (i) vide number G.S.R. 945(E), dated
the 30th December, 2011, except as respects
things done or omitted to be done before such
supersession, the Central Government, on be-
ing satisfied that it is necessary in the public

interest so to do, hereby grants rebate of service
tax paid (hereinafter referred to as rebate) on the
taxable services which are received by an ex-
porter of goods (hereinafter referred to as the
exporter) and used for export of goods, subject
to the extent and manner specified herein be-
low, namely:-

Provided that-

(a) the rebate shall be granted by way of
refund of service tax paid on the specified
services.

Explanation. - For the purposes of this notifica-
tion,-

(A) "specified services" means-

(i) in the case of excisable goods, taxable

MEP on Onion Export Lifted

Subject: Export Policy of Onions.

03-Ntfn(RE) In exercise of powers
29.06.2012 conferred by Section 5 of the
(DGFT) Foreign Trade (Development
& Regulation) Act, 1992 (No.
22 of 1992) read with Para 2.1 of the Foreign
Trade Policy, 2009-
2014, the Central Gov-
ernment amends para 2
of Notification No. 116
(RE-2010)/2009-14
dated 08.05.2012 with
immediate effect.



2. The amended para 2 of Notification No
116 dated 08.05.2012 will now read as:

"Export of onions is allowed without any
MEP (Minimum Export Price) till further orders."

3. Each of the 13 STE's designated for ex-
port of onion will continue to send a daily
report about the quantity registered by them
to DGFT addressed to the e-mail onionexport-
dgft@nic.in.

4. Effect of this Notification

Export of onions is allowed without any
MEP (Minimum Export Price).

services that have been used beyond the place
of removal, for the export of said goods;

(ii) in the case of goods other than (i) above,
taxable services used for the export of said
goods;

but shall not include any service mentioned in
sub-clauses (A), (B), (BA) and (C) of clause (I)
of rule (2) of the CENVAT Credit Rules, 2004;
(B) "place of removal" shall have the meaning
assigned to it in section 4 of the Central Excise
Act, 1944(1 of 1944);

(b) the rebate shall be claimed either on the
basis of rates specified in the Schedule of rates
annexed to this notification (hereinafter referred
to as the Schedule), as per the procedure speci-
fied in paragraph 2 or on the basis of docu-
ments, as per the procedure specified in
paragraph 3;

(c) the rebate under the procedure specified
in paragraph 3 shall not be claimed wherever
the difference between the amount of rebate
under the procedure specified in paragraph 2
and paragraph 3 is less than twenty per cent of
the rebate available under the procedure speci-
fied in paragraph 2;

(d) no CENVAT credit of service tax paid on
the specified services used for export of goods
has been taken under the CENVAT Credit Rules,
2004;

(e) the rebate shall not be claimed by a unit
or developer of a Special Economic Zone;

(2) the rebate shall be claimed in the following
manner, namely:-

(a) manufacturer-exporter, who is registered
as an assessee under the Central Excise Act,
1944 (1 of 1944) or the rules made thereunder
shall register his central excise registration num-
ber and bank account number with the customs;

(b) exporter who is not so registered under
the provisions referred to in clause (a), shall
register his service tax code number and bank

account number with the customs;

(c) service tax code number referred to in clause (b), shall be obtained by filing a declaration in Form A-2 to the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, having jurisdiction over the registered office or the head office, as the case may be, of such exporter;

(d) the exporter shall make a declaration in the electronic shipping bill or bill of export, as the case may be, while presenting the same to the proper officer of customs, to the effect that-

(i) the rebate of service tax paid on the specified services is claimed as a percentage of the declared Free On Board (FOB) value of the said goods, on the basis of rate specified in the Schedule;

(ii) no further rebate shall be claimed in respect of the specified services, under procedure specified in paragraph 3 or in any other manner, including on the ground that the rebate obtained is less than the service tax paid on the specified services;

(iii) conditions of the notification have been fulfilled;

(e) service tax paid on the specified services eligible for rebate under this notification, shall be calculated by applying the rate prescribed for goods of a class or description, in the Schedule, as a percentage of the FOB value of the said goods;

(f) amount so calculated as rebate shall be deposited in the bank account of the exporter;

(g) shipping bill or bill of export on which rebate has been claimed on the basis of rate specified in the Schedule, by way of procedure specified in this paragraph, shall not be used for rebate claim on the basis of documents, specified in paragraph 3;

(h) where the rebate involved in a shipping bill or bill of export is less than rupees fifty, the same shall not be allowed;

(3) the rebate shall be claimed in the following manner, namely:-

(a) rebate may be claimed on the service tax actually paid on any specified service on the basis of duly certified documents;

(b) the person liable to pay service tax under section 68 of the said Act on the taxable service provided to the exporter for export of goods shall not be eligible to claim rebate under this notification;

(c) the manufacturer-exporter, who is registered as an assessee under the Central Excise Act, 1944 (1 of 1944) or the rules made thereunder, shall file a claim for rebate of service tax paid on the taxable service used for export of goods to the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, having jurisdiction over the factory of manufacture in Form A-1;

(d) the exporter who is not so registered under the provisions referred to in clause (c), shall before filing a claim for rebate of service tax, file a declaration in Form A-2, seeking allotment of service tax code, to the Assistant

Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, having jurisdiction over the registered office or the head office, as the case may be, of such exporter;

(e) the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, shall, after due verification, allot a service tax code number to the exporter referred to in clause (d), within seven days from the date of receipt of the said Form A-2;

(f) on obtaining the service tax code, exporter referred to in clause (d), shall file the claim for rebate of service tax to the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, having jurisdiction over the registered office or the head office, as the case may be, in Form A-1;

(g) the claim for rebate of service tax paid on the specified services used for export of goods shall be filed within one year from the date of export of the said goods.

Explanation.- For the purposes of this clause the date of export shall be the date on which the proper officer of Customs makes an order permitting clearance and loading of the said goods for exportation under section 51 of the Customs Act, 1962 (52 of 1962);

(h) where the total amount of rebate sought under a claim is upto 0.50% of the total FOB value of export goods and the exporter is registered with the Export Promotion Council sponsored by Ministry of Commerce or Ministry of Textiles, Form A-1 shall be submitted along with relevant invoice, bill or challan, or any other document for each specified service, in original, issued in the name of the exporter, evidencing payment for the specified service used for export of the said goods and the service tax paid thereon, certified in the manner specified in sub-clauses (A) and (B):

(A) if the exporter is a proprietorship concern or partnership firm, the documents enclosed with the claim shall be self-certified by the exporter and if the exporter is a limited company, the documents enclosed with the claim shall be certified by the person authorised by the Board of Directors;

(B) the documents enclosed with the claim shall also contain a certificate from the exporter or the person authorised by the Board of Directors, to the effect that specified service to which the document pertains has been received, the service tax payable thereon has been paid and the specified service has been used for export of the said goods under the shipping bill number;

(i) where the total amount of rebate sought under a claim is more than 0.50% of the total FOB value of the goods exported, the procedure specified in clause (h) above shall stand modified to the extent that the certification prescribed thereon, in sub-clauses (A) and (B) shall be made by the Chartered Accountant who audits the annual accounts of the exporter for the purposes of the Companies Act, 1956 (1 of

1956) or the Income Tax Act, 1961 (43 of 1961), as the case may be;

(j) where the rebate involved in a claim is less than rupees five hundred, the same shall not be allowed;

(k) the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, shall, after satisfying himself,-

(i) that the service tax rebate claim filed in Form A-1 is complete in every respect;

(ii) that duly certified documents have been submitted evidencing the payment of service tax on the specified services;

(iii) that rebate has not been already received on the shipping bills or bills of export on the basis of procedure prescribed in paragraph 2; and

(iv) that the rebate claimed is arithmetically accurate, refund the service tax paid on the specified service within a period of one month from the receipt of said claim:

Provided that where the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, has reason to believe that the claim, or the enclosed documents are not in order or that there is a reason to deny such rebate, he may, after recording the reasons in writing, take action, in accordance with the provisions of the said Act and the rules made thereunder;

(4) Where any rebate of service tax paid on the specified services has been allowed to an exporter on export of goods but the sale proceeds in respect of said goods are not received by or on behalf of the exporter, in India, within the period allowed by the Reserve Bank of India under section 8 of the Foreign Exchange Management Act, 1999 (42 of 1999), including any extension of such period, such rebate shall be deemed never to have been allowed and may be recovered under the provisions of the said Act and the rules made thereunder;

(5) This notification shall come into effect on the 1st day of July, 2012.

Form A – 1

Application for claiming rebate of service tax paid on specified services used for export of goods, under Notification No.____ / 20__-ST

To,

The Deputy/Assistant Commissioner of Central Excise

Sir,

I/We claim rebate of Rs..... (Rupees in words), under Notification No.____ dated____, in respect of service tax paid on the specified services used for export of goods.

1. Name of the exporter:
2. Membership number of the Export Council:
3. Name of the Export Council:
4. Address of the registered / head office of exporter:
5. Telephone Number and e-mail ID of the exporter:
6. Division Commissionerate

7. Central Excise Registration Number (for manufacturer exporter) / Service Tax Code Number (for exporters other than manufacturer exporter)
8. Import Export Code Number.....
9. Details of Bank Account (Name of Bank, branch address and account number)
10. Details of the rebate claim (separately for each Shipping Bill):

Details of specified services used for export of goods on which rebate of service tax is claimed

(Rupees in thousands)

1. **SNo.:**
2. **Details of shipping bill/ bill of export, etc.**
No.:
Date:
Date of Let Export Order:
3. **Details of goods exported**
Bill of Lading or Airway Bill Number:
Date:
Description of goods exported:
Quantity:
Unit:
FOB value:
4. **Details of specified services used for export of goods mentioned in Columns 2 and 3.**
Name of service provider:
Service Tax Registration No./Service Tax Code:
Invoice No (pl. attach original invoice):
Date:
Description of specified service as per the invoice:
Value of specified service used for export of goods as per the invoice:
Total amount of service tax paid:
5. **Documents attached to evidence the amount of service tax paid and establish the use of specified service in the export of goods:**
6. **Total amount of service tax paid which is claimed as rebate**
In Figures:
As a percentage of f.o.b. value in shipping bill:
9. **Declaration:-**
I / We hereby declare that-
(i) the information given in this application form is true, correct and complete in every respect, in accordance with the notification and that I am authorised to sign on behalf of the exporter; electronic rebate of service tax has not been received from customs on the shipping bills on which rebate is claimed;
(ii) no CENVAT credit of service tax paid on the specified services used for export of goods has been taken/shall be taken under the CENVAT Credit Rules, 2004;
(iii) rebate has been claimed for service tax which has been actually paid on the specified services used for export of goods;

(iv) I / we shall maintain records pertaining to the specified services used for export of goods and shall make available, at the declared premises, at all reasonable time, such records for inspection and examination by the Central Excise Officer authorised in writing by the jurisdictional Assistant Commissioner of Central Ex-

cise or the Deputy Commissioner of Central Excise, as the case may be.

Date:

Place:

Signature and full address of Exporter
(Affix stamp)

Form A-2

Declaration by an exporter, for obtaining Service Tax Code (referred under paragraph 2 (c) and 3(d) of Notification No. ___/20__- ST dated _____)

1. Name of the exporter:
2. Address of the registered office or head office of the Exporter:
3. Permanent Account Number (PAN) of the Exporter:
4. Import Export Code (IEC) of the Exporter:
5. Details of Bank Account of the Exporter:
(a) Name of the Bank:
(b) Name of the Branch:
(c) Account Number:
6. (a) Constitution of Exporter [Proprietorship / Partnership /Registered Private Limited Company /Registered Public Limited Company /Others (specify)]
(b) Name, address and telephone number of proprietor /partner /director
7. Name, designation and address of the authorised signatory / signatories:

8. I / We hereby declare that-

- (i) the information given in this application form is true, correct and complete in every respect and that I am authorised to sign on behalf of the exporter;
- (ii) I / we shall maintain records pertaining to specified services used for export of goods and shall make available, at the declared premises, at all reasonable time, such records for inspection and examination by the Central Excise Officer authorised in writing by the jurisdictional Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be.

(Signature of the applicant/ authorised person with stamp)

Date:

Place:

[Schedule of Rates is available at our website www.worldtradescanner.com]

Service Tax Exemption on Commission Agents of Exporters Set at 10% of Export Value

42-ST In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the said Act), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service received by an exporter of goods (hereinafter referred to as the exporter) and used for export of goods (hereinafter referred to

as the said goods), of the description specified in column (2) of the Table below (hereinafter referred to as the specified service), from so much of the service tax leviable thereon under section 66B of the said Act, as is in excess of the service tax calculated on a value up to ten per cent of the free on board value of export goods for which the said specified service has been used, subject to the conditions specified in column (3) of the said Table, namely:-

Table

SNo.	Description of the taxable service	Conditions
(1)	(2)	(3)
1.	Service provided by a commission agent located outside India and engaged under a contract or agreement or any other document by the exporter in India, to act on behalf of the exporter, to cause sale of goods exported by him.	(1) The exporter shall declare the amount of commission paid or payable to the commission agent in the shipping bill or bill of export, as the case may be. (2) The exemption shall be limited to the service tax calculated on a value of ten per cent of the free on board value of export goods for which the said service has been used. (3) The exemption shall not be available on the export of canalised item, project export, or export financed under lines of credit extended by the Government of India or EXIM Bank, or export made by Indian partner in a company with equity participation in an overseas joint venture or wholly owned subsidiary. (4) The exporter shall submit with the half-yearly return after certification of the same as specified in clause (g) of the proviso- (i) the original documents showing actual payment of commission to the commission agent; and (ii) a copy of the agreement or contract entered into between the commission agent located outside India and the exporter in relation to sale of export goods outside India.

Provided that-

- (a) the exemption shall be available to an exporter who,-

(i) informs the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be, having jurisdiction over the factory or the regional office or the head office, as the case may be, in Form EXP3 appended to this notification, before availing the said exemption;

(ii) is registered with an export promotion council sponsored by the Ministry of Commerce or the Ministry of Textiles, as the case may be;

(iii) is a holder of Import-Export Code Number;

(iv) is registered under section 69 of the said Act;

(v) is liable to pay service tax under sub-section (2) of section 68 of said Act, read with item (G) of sub-clause (i) of clause (d) of sub-rule (1) of rule 2 of the Service Tax Rules, 1994, for the specified service;

(b) the invoice, bill or challan, or any other document by whatever name called issued by the service provider to the exporter, on which the exporter intends to avail exemption, shall be issued in the name of the exporter.

(c) the exporter availing the exemption shall file the return in Form EXP4, every six months of the financial year, within fifteen days of the completion of the said six months;

(d) the exporter shall submit with the half yearly return, after certification, the documents in original specified in clause (b) and the certified copies of the documents specified in column (3) of the said Table;

(e) the documents enclosed with the return shall contain a certification from the exporter or the authorised person, to the effect that specified service to which the document pertains, has been received and used for export of goods by mentioning the specific shipping bill number on the said document.

(f) where the exporter is an individual or a proprietorship concern or an HUF or a partnership firm, the documents enclosed with the return shall be certified by the exporter himself and where the exporter is any other person, the documents enclosed with the return shall be certified by the person authorised by the Board of Directors or any other competent person;

(g) where the amount of commission charged in respect of the specified service exceeds ten per cent. of the free on board value of the export then, the service tax shall be paid within the period specified under rule 6 of the Service Tax Rules, 1994, on such amount, which is in excess of the said ten per cent;

2. This notification shall come into force on the 1st day of July, 2012.

7. Import Export Code No.....
8. Name of the Export Council.....
9. Details of Bank Account (Name of Bank, branch address and account number).....

Table-A

Sr.No.:

Details of goods exported (on which exemption of service tax availed) during the six months ending on.....

Details of Shipping Bill/ Bill of export (Please enclose self attested copy of Shipping Bill or Bill of Export) and Details of goods exported (in case of exports of more than one commodity, please fill in the proforma, commodity-wise)

No.:

Date:

Date of Let export order:

Export invoice no.:

Date:

Description of goods exported:

Quantity (please mention the unit):

FOB value (in rupees in lakh):

Table- B

Details of specified service used for export of goods, covered under the Shipping Bill or Bill of Export mentioned in Table A in respect of which the exemption has been availed during the six months ending on.....

Name of service provider:

Address of service provider:

Invoice No.:

Date:

Details of documents attached showing the use of such service for export, the details of which are mentioned in Table A (self attested):

Total amount of service tax claimed as exemption (rupees in lakhs):

9. Declaration:-

I / We hereby declare that-

(i) I have complied with all the conditions mentioned in Notification No. .../2012-ST, dated June, 2012;

(ii) the information given in this application form is true, correct and complete in every respect and that I am authorised to sign on behalf of the exporter;

(iii) no CENVAT credit of service tax paid on the specified service used for export of said goods taken under the CENVAT Credit Rules, 2004;

(iv) I / we, am/ are enclosing all the required documents. Further, I understand that failure to file the return within stipulated time or non-enclosure of the required document, duly certified, would debar me/us for the refund claimed aforesaid.

Date:.....

Place:.....

Signature and full address of Exporter
(Affix stamp)

Enclosures: as above

[F. No.334/1/2012 -TRU]

Form EXP3

[See item (i) of clause (a) of proviso]

S.No.....

(to be filled in by the office of jurisdictional Assistant / Deputy Commissioner)

To,

The Deputy Commissioner /Assistant Commissioner of Central Excise

Sir,

I/We intend to avail of the exemption from service tax under Notification No. .../2012-ST, datedJune, 2012 in respect of services provided by a commission agent located outside India, which have been used for export of goods and the relevant particulars are as follows:

1. Name of the exporter.....
2. Service Tax Registration No.....
3. Division..... Commissionerate
4. Membership No. the Export Council.....
5. Name of the Export Council.....
6. Address of the registered / head office of exporter:.....

7. Tel. No. and e-mail ID of the exporter.....:

8. Import -Export Code No.....

9. Details of Bank Account (Name of Bank, branch address and account number).....

I/we undertake that I/we shall comply with the conditions laid down in the said notification and in case of any change in aforementioned particulars; I/We shall intimate the same.

Date:.....

Place:.....

Signature and full address of Exporter
(Affix stamp)

Receipt (to be given by office of Assistant Commissioner/ Deputy Commissioner having jurisdiction) Received Form EXP1 dated -/-/- submitted by _____(name of the exporter). The said intimation is accepted and given acknowledgment No. _____(S. No. Above)

For Assistant, / Deputy Commissioner
(Stamp)

Form EXP4

[See clause (c) of proviso]

To,

The Deputy Commissioner /Assistant Commissioner of Central Excise

Sir,

I/We have availed of exemption of service tax under Notification No. .../2012-ST, dated, 2012 in respect of services provided by a commission agent, located outside India and have used the same for export of goods and the

relevant particulars are as follows:

1. Name of the exporter.....
2. Address of the registered / head office of exporter.....
3. Tel. No. and e-mail ID of the exporter.....:
4. Service Tax Registration No.....
5. Division..... Commissionerate
6. Membership No. Of the Export Council.....

No Service Tax on Transportation of Passengers in First Class or an Air Conditioned Coach and also Transportation of Goods by Indian Railways Till 30 Sept. 2012

43-ST In exercise of the powers
02.07.2012 conferred by sub-section (1) of
(DoR) section 93 of the Finance Act,
1994 (32 of 1994) (hereinafter
referred to as the said Act), the Central Govern-
ment, on being satisfied that it is necessary in
the public interest so to do, hereby exempts the
taxable services of the description mentioned in
the Table below, provided by the Indian Rail-
ways from the whole of service tax leviable
thereon under section 66B of the said Act, with
effect from the date of publication of this notifi-

cation in the Official Gazette, upto and including
the 30th day of September, 2012.

Table

SNo.	Description of taxable services
1.	Service of transportation of passengers, with or without accompanied belong- ings, by railways in - (A) first class; or (B) an air conditioned coach
2.	Services by way of transportation of goods by railways

[F. No. 334/1/2012-TRU]

Guar Gum Drawback of 1% Withdrawn

51-Cus(NT) In exercise of the powers
15.06.2012 conferred by sub-sections (2)
(DoR) and (3) of section 75 of the
Customs Act, 1962 (52 of
1962), sub-sections (2) and (2A) of section 37 of
the Central Excise Act, 1944 (1 of 1944), and
section 93A read with sub-sections (2) and (3)
of section 94 of the Finance Act, 1994 (32 of
1994), read with rules 3, 4 and 5 of the Customs,
Central Excise Duties and Service Tax Draw-
back Rules, 1995, the Central Government,

hereby makes the following amendments in the
notification of the Government of India in the
Ministry of Finance (Department of Revenue),
No.68/2011-Customs(N.T.), dated the
22nd September, 2011 published vide number
G.S.R. 712 (E) dated the 22nd September, 2011,
namely:-

In the said notification, in the Schedule, in
Chapter 13, for tariff item 1302 and the entries
relating thereto, the following tariff items and
entries shall be substituted, namely :-

**“1302 Vegetable saps and extracts; pectic Substances,
pectinates and pectates; Agar-agar and other
mucilages and Thickeners, whether or not modified,
Derived from vegetable products**

130201	Guar Gum in any form	Nil	Nil
130299	Others	1%	1%”

[F. No. 609/68/2012-DBK]

Commissioner Customs at Mumbai to Adjudicate DRI Case of Sun Tan Trading

[CBEC Order – F.No. 437/15/2012-Cus.IV dated 28th June 2012]

In terms of Notification No. 15/2002-Customs
(N.T.) dated 07.03.2002 (as amended) issued
under sub-section (1) of section 4 of the Cus-
toms Act, 1962 (52 of 1962), the Board hereby
assigns the Show Cause Notice F.No. DRI/
MZU/C/INV-13/09-10 dated 30th March, 2011

issued by Additional Director General, Director-
ate of Revenue Intelligence, Mumbai Zonal Unit,
Mumbai in the case of M/s Sun Tan Trading Co.
Ltd., Mumbai and others, to the Commissioner
of Customs (Adjudication), Mumbai for the pur-
pose of adjudication.

Seizure of 65 Kgs Illicit Opium in Neemuch by Central Bureau of Narcotics

[Ref: F.No. XV(7)4/Prev/2012 dated 29th June 2012]

On specific information a preventive party com-
prising of 24 officers constituted under the su-
pervision of Deputy Narcotics Commissioner,
Neemuch Shri Sahi Ram Meena, which ef-
fected a seizure of 65.000 Kgs of illicit Opium on

29.06.2012 at village Kankariya Talai, P.S.
Ratangarh, Distt. Neemuch (MP) from the pos-
session of five persons namely (1) Badrilal s/o
Devilal Dhakad, (2) Ghisibai w/o Badrilal Dhakad,
(3) Jagdish s/o Devaji Dhakad, (4) Labhchand

s/o Nola ji, all resident of village Kankariya
Talai, P.S. Ratangarh, Distt.Neemuch (MP) and
(5) Shankarlal s/o Dalichand r/o village Dhavda
Kalan, P.S. Ratangarh, Distt.Neemuch (MP)
have been arrested under section 8/18 NDPS
Act, 1985. Three motorcycles have also been
seized under the provisions of NDPS Act, 1985.

This is the biggest seizure of opium from last ten
years by any agency i.e. Central Bureau of
Narcotics, Narcotics Control Bureau and Police.

Corrigendum dated 28 June 2012 to 15-Cus(NT)/07.03.2012

[Corrigendum dated 28th June 2012]

In exercise of the powers conferred under the
Notification No. 15/2002-Customs (N.T.) dated
7/03/2002 (as amended) issued under sub-
section (1) of section 4 of the Customs Act,
1962 (52 of 1962), the Board hereby makes the
following amendment in the Order F.No.437/59/
2010-Cus.IV dated 23rd November, 2010-
for

“SCN F.No.DRI/AZU/INV-5/2010 dated
23.09.2010”

read

“SCN F.No.DRI/AZU/INV-5/2010 dated
23.09.2010 and ADDENDUM F.No. DRI/AZU/
INV-5/2010/3247 to 3254 dated 28.12.2010 is-
sued to the SCN F.No.DRI/AZU/INV-5/2010
dated 23.09.2010”

Correction in Place of CC(Preventive)

54-Cus(NT) In exercise of the powers
29.06.2012 conferred by sub-section (1)
(DoR) of section 4 of the Customs
Act, 1962 (52 of 1962), the

Central Board of Excise and Customs, hereby
makes the following further amendments in the
notification of the Government of India in the
Ministry of Finance (Department of Revenue)
No. 14/2002-Customs (N.T.), dated the
7th March, 2002, published in the Gazette of
India, vide number G.S.R. 170(E), dated the
7th March, 2002, namely:-

In the said notification, in the Table, against
serial number 34, in column (2), for the words
and brackets “Chief Commissioner of Customs
(Preventive), Chennai”, the words and brackets
“Chief Commissioner of Customs (Preventive),
Tiruchirapalli” shall be substituted.

[F.No. 450/43/2012-Cus.IV]

Cont'd..130

The so-called lowballing may have more im-
pact on lenders returns in Europe than in the
U.S., where they've been quicker to adopt Libor
floors that set a minimum level for the bench-
mark. The main three-month dollar Libor rate
held at 0.458 percent today, compared with
5.724 percent in September 2007.

“In the wake of this scandal, we're worried that
more banks will stop submitting rates to BBA
because of the legal cost and controversy in-
volved,” said Grout, formerly finance director of
Cadbury Schweppes. “That won't be helpful.”

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
09-Jul-12	55.4650	56.2600	55.4650	56.1125	56.1125	1435920	1975553	1108668	56.0215
06-Jul-12	55.5900	55.8575	55.4150	55.6925	55.6925	1432383	2252537	1253877	55.4150
05-Jul-12	54.8600	55.3500	54.8425	55.1925	55.1925	1390616	2286950	1261236	55.0250
04-Jul-12	54.5800	55.0700	54.4175	54.7675	54.7675	1375890	2703881	1480440	54.5525

[Source: NSE and RBI Website]

Changes in Tariff Value

Brass Scrap Down by \$17/MT; Poppy Seeds Steady

Silver Down by \$67 per kg and Gold \$17 per 10 gms

55-Cus(NT) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), (DoR) the Central Board of Excise & Customs, being

satisfied that it is necessary and expedient so to do,

hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

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

“Table-1

S.No.	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)	4096
9	1207 91 00	Poppy seeds	5611 (i.e. no change)

Table-2

S.No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value US\$ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	507 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	871 per kilogram”

[F. No. 467/01/2012-Cus.V Pt.I]

Exchange Rates for Customs Valuation**Rupee Rate for Customs Valuation Rises to Rs. 54.90 on Imports w.e.f. 6 July**

56-Cus(NT) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in super session (DoR) of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.52/2012-CUSTOMS (N.T.), dated the 21st June, 2012 vide number S.O.1394 (E), dated the 21st June, 2012, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or vice versa shall, **with effect from 6th July, 2012** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo.	Currency	Imported Goods		Exported Goods	
		Current	Previous	Current	Previous
Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees					
1.	Australian Dollar	56.65	57.60	55.40	56.35
2.	Bahraini Dinar	148.55	152.50	140.60	144.40
3.	Canadian Dollar	54.35	55.50	53.15	54.30
4.	Danish Kroner	9.35	9.65	9.10	9.40
5.	EURO	69.30	71.70	67.70	70.10
6.	Hong Kong Dollar	7.10	7.25	6.95	7.15
7.	Kenyan Shilling	66.85	68.35	62.85	64.50
8.	Kuwaiti Dinar	200.05	206.10	189.00	194.45
9.	New Zealand Dollar	44.30	45.10	43.25	43.85
10.	Norwegian Kroner	9.25	9.55	9.00	9.25
11.	Pound Sterling	86.30	88.90	84.45	87.05
12.	Singapore Dollar	43.65	44.55	42.65	43.65
13.	South African Rand	6.95	7.00	6.55	6.65
14.	South Arabian Riyal	14.95	15.35	14.15	14.50
15.	Swedish Kroner	7.95	8.15	7.75	7.90
16.	Swiss Franc	57.75	59.80	56.45	58.30
17.	UAE Dirham	15.25	15.65	14.45	14.80
18.	US Dollar	54.90	56.35	54.05	55.55
Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees					
1	Japanese Yen	69.15	71.85	67.40	70.05

[F.No.468/13/2012-Cus.V]

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