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Basel Gives Eight Years to Banks for Capital Adequacy



crises.

The Basel Committee on Banking Supervision will require lenders to have common equity equal to at least 4.5 percent of assets, weighted according to their risk. Regulators will introduce an additional capital buffer of 2.5 percent to withstand future stress, the committee said in a statement on 12 September. Banks that fail to meet that second buffer would be stopped from paying dividends, though not forced to raise cash.

Under political pressure to rein in banks' risk-taking, regulators have been tightening capital rules and introducing new measures such as liquidity requirements. Lenders have pushed back, lobbying their governments and supervisory bodies to soften the proposed regulations. The new rules and ratios, the strictest since nations began regulating the global banking system together in 1974, will force many lenders to sell new shares, while others will be restricted on how much cash they can return to their shareholders for years to come.

"The agreements reached on 12 September are a fundamental strengthening of global capital standards," European Central Bank President Jean-Claude Trichet said in a statement. "Their contribution to long-term financial stability and growth will be substantial. The transition arrangements will enable banks to meet the new standards while supporting the economic recovery."

'New Reality'

Trichet chairs the board of governors and heads of supervision from the countries that make up the Basel committee.

The rule-making process, which began in 2009, has pitted countries against each other. Some, including Germany, have said higher capital requirements will hurt their banks and curb lending at a time when global economic recovery is faltering. Germany led the fight for lower ratios and a slower time frame for implementation, according to participants in the talks.

Tier 1 Ratios of 6% Must

Lenders will also be required to maintain a Tier 1 capital ratio of at least 6 percent, the committee said on 12 September. Tier 1, a measure of financial strength, includes common equity and some equity-like debt instruments.

Regulators from 27 nations more than doubled their capital requirements for banks, giving lenders as long as eight years to comply in full, as part of international efforts to prevent future financial

The capital ratios proposed to the committee when it met on Sept. 7 were 5 percent for common equity, with a 2.5 percent buffer for bad times, and 6 percent for Tier 1 with a 3 percent buffer. Under current Basel rules, the Tier 1 requirement is 4 percent. Half of that, or 2 percent, needs to be common stock. There's no buffer requirement.

Counter-Cyclical Buffer

Another buffer, which would be required during times of faster credit growth, would be set at as much as 2.5 percent of common equity, the committee said on 12 September. The details of how and when that buffer would be employed haven't been finalized yet. The proposal for the mechanism, the so-called counter-cyclical buffer, was released publicly in July, and banks had until Sept. 10 to submit comments.

German wants 10 years for Buffering

Banks will have less than five years to comply with the minimum ratios and until Jan. 1, 2019 to meet the buffer requirements. Member countries will be expected to have adopted the regulations into their individual rule books by January 2013. The U.S., U.K. and Switzerland were insisting on a maximum of five years for transition, while Germany was pushing to extend it to 10 years, four people with knowledge of the talks said last week.

German Concessions

While Germany didn't get the deadlines extended all the way, it won some concessions for its state-owned banks, which would have a harder time to comply. Government capital injections will continue to count as common equity until the end of 2017, even if they were in a form that the new Basel rules consider as not qualifying. State banks get an extra five years of exemptions to other rules tightening the definition capital.

In an August report studying the economic impact of tighter capital rules, the Basel committee said that four years was the ideal time frame for implementing the new standards.

The Basel committee in previous meetings restricted what can be counted as bank capital, which would reduce current levels by deducting assets included in the calculation, such as mortgage-servicing rights. JPMorgan Chase & Co., the second-largest U.S. bank, said last month that the Basel rules would shave its capital ratio by as much as 2 percentage points.

Basel Hits Bank of America, Citigroup

Of the 24 U.S. banks represented on the KBW Bank Index, seven would fall under the new ratios based on calculations using the revised definitions of capital, Keefe, Bruyette &

Woods analyst Frederick Cannon said in a Sept. 10 report. Bank of America Corp. and Citigroup Inc., the nation's No. 1 and No. 3 lenders, would be among those, Cannon estimates. Bank of America would have to hold off paying dividends or buying back shares until the end of 2013, he said.

European banks are less capitalized than U.S. counterparts and may be required to raise more funds under the new Basel rules. Deutsche Bank AG, Germany's biggest lender, said it plans to sell at least 9.8 billion euros (\$12.5 billion) of stock. Germany's 10 biggest banks, including Frankfurt-based Deutsche Bank and Commerzbank AG, may need about 105 billion euros in fresh capital because of new regulations, the Association of German Banks estimated on Sept. 6.

With the decision, the Basel committee has completed most of its work on a package of

reforms it will submit to leaders of the Group of 20 nations who are meeting in November in Seoul.

The committee has yet to agree on revised calculations of risk-weighted assets, which form the denominator of the capital ratios to be determined this weekend. The implementation details of a short-term liquidity ratio will also be decided by the time G-20 leaders meet, members say. A separate long-term liquidity rule will likely be left to next year.

The two liquidity rules would require banks to hold enough cash and easily cashable assets to meet short-term and long-term liabilities. The long-term requirement has been criticized the most by the banking industry, which claims it would force banks to sell \$4 trillion of new debt.

The Basel committee has another meeting scheduled for Sept. 21-22 and said it may gather in October to finish its work.

China Posts \$20 bn Trade Surplus as U.S. Seeks Yuan Gains

China posted a third straight trade surplus of more than \$20 billion in August even as imports leaped, highlighting friction with the U.S. over claims that the nation's currency is undervalued.

Exports rose 34.4 percent and inbound shipments climbed a more-than-forecast 35.2 percent, leaving a \$20.03 billion excess, a customs bureau report showed on 9 September. That compared with \$15.7 billion a year earlier and the median \$26.9 billion estimate in a News survey of 34 economists.

The yuan headed for its biggest weekly gain against the dollar since June as sustained surpluses may fuel American lawmakers' calls to escalate pressure on China. At the same time, the surge in imports may fortify Chinese officials' position that the nation is already making progress in boosting demand for overseas goods, independent of the exchange rate.

"Strong export growth and high trade surpluses weaken the argument that China cannot cope with currency appreciation," said Brian Jackson, an emerging markets strategist at Royal Bank of Canada in Hong Kong. August imports "point to solid domestic demand," he also said.

The yuan gained 0.14 percent to 6.7738 per dollar, bringing its weekly gain to 0.44 percent, according to the China Foreign Exchange Trade

System. That compares with the 6.83 peg to the dollar that authorities maintained from July 2008 to June 2010.

Narrower for Year

August exports were \$139.3 billion and imports were \$119.27 billion, the second highest levels on record in both cases. In July, the trade surplus amounted to \$28.7 billion, while the total for the year through August narrowed 14.6 percent to \$103.9 billion.

With imports indicating "robust" domestic spending, the data will help to diminish concern that the Chinese economy could be heading for a "hard landing," said Shen Jianguang, a Mizuho Securities Asia Ltd. economist in Hong Kong.

Non-deliverable yuan forwards indicate that gains against the dollar may be limited to about 1.3 percent in the next 12 months.

"With the yuan appreciating very slowly and U.S. mid-term elections drawing near, it's inevitable that Sino-U.S. tension will heat up again," said Ken Peng, a Beijing-based economist at Citigroup Inc., before today's release. "Chinese officials may face confrontations over the yuan" at forums including meetings of the International Monetary Fund and the Group of 20 nations in coming months, he added.

Commerce Official says India not to Move WTO on Visa, Outsourcing Row

India is trying to sort out the hike in visa fee and outsourcing ban issues bilaterally with the United States and has no immediate plan to go to the World Trade Organisation (WTO) court.

"We have already lodged complaints. There are positive developments and I am hopeful that the issue will be resolved bilaterally," Additional Secretary at the Ministry of Commerce and Industry DK Mittal told reporters on Monday, 13 September.

He said the WTO court should be the last option for such issues. "You can't talk everything at the WTO. Our preference is to resolve the issue bilaterally," Mittal added, reports IANS.

The US government recently increased visa fee by US \$2,000 for certain H-1B and US \$2,250 for L-1A and L-1B, which Indian government has said is against the fair trade rules of the World Trade Organisation.

India has also criticised the US state of Ohio's decision to forbid outsourcing of IT services by government departments.

"Such measures are no doubt protectionist but we won't get much by going to WTO," Mitta said adding the bilateral negotiation was the best option given the current circumstances.

Commerce and Industry Minister Anand Sharma along with senior officials will visit US next week and take up the matter with the Obama administration and law makers.

Obama Proposals on Boosting Investment

The U.S. this week announced more plans to boost growth. President Barack Obama is asking Congress to take up proposals to spend \$50 billion to rebuild the U.S. transportation infrastructure, permanently extend a research-and-development tax credit and let businesses deduct the full cost of capital investments in the year the expenditures are made, instead of writing them off over periods of as long as 20 years.

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Dollar-Rupee rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
14-Sep-10	46.4650	46.5575	46.3950	46.5425	46.5425	536638	2378316	1105129.67	46.3700
13-Sep-10	46.4600	46.5150	46.3600	46.4950	46.4950	584720	2268694	1053725.19	46.3100
9-Sep-10	46.6525	46.7150	46.5750	46.5975	46.5975	570032	2115272	986863.71	46.5600
8-Sep-10	46.9375	46.9425	46.7325	46.7550	46.7550	564592	2077000	972542.96	46.7000
7-Sep-10	46.7200	47.0100	46.6975	46.9800	46.9800	603558	1845163	865045.29	46.7100

[Source: NSE and RBI Website]

Foreign Trade Bill Passed by Parliament on 19 August, President gives Assent

Highlights

Amended Act to Come into Force on Date to be Notified

- Services and Technology Exports and Imports defined in GATS Framework
- SEZ Exports and Imports to be under SEZ Act only
- Special Provision for Security and Nuclear Weapons
- Services and Technology Trade to be included in Foreign Trade Policy
- IE Code for Services and Technology only for Cases of benefits under FTP, No Code is Necessary in Normal Case
- Licence Definition Widened
- Power to Impose QRs as Safeguards for a period of four years Inserted.
- Powers to Impose Monetary Penalty, Customs to Enforce the DGFT Relief.
- Export Obligation Default to be settled by Settlement Commission.
- Weapons of Mass Destruction Provisions included in Act itself.
- Senior Officers Get Powers to Review Actions of Junior Officers

Foreign Trade (Development and Regulation) Amendment Act, 2010 (No. 25 of 2010*)

*19 August, 2010

An Act to amend the Foreign Trade (Development and Regulation) Act, 1992.

Be it enacted by Parliament in the Sixty-first Year of the Republic of India as follows:—

Short Title and Commencement

1. (1) This Act may be called the Foreign Trade (Development and Regulation) Amendment Act, 2010.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint;

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amendment of Section 2

2. In section 2 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) (hereinafter referred to as the principal Act),—

(a) for clause (e), the following shall be substituted, namely,—

‘(e) “import” and “export” means,—

(I) in relation to goods, bringing into, or taking out of India any goods by land, sea or air;

(II) in relation to services or technology,—

(i) supplying, services or technology—

(A) from the territory of another country into the territory of India;

(B) in the territory of another country to an Indian service consumer;

(C) by a service supplier of another country, through commercial presence in India;

(D) by a service supplier of another country, through presence of their natural persons in India;

(ii) supplying, services or technology—

(A) from India into the territory of any other country;

(B) in India to the service consumer of any other country;

(C) by a service supplier of India, through commercial presence in the territory of any other country;

(D) by a service supplier of India, through presence of Indian natural persons in the territory of any other country;

Provided that “import” and “export” in relation to the goods, services and technology regarding Special Economic Zone or between two Special Economic Zones shall be governed in accordance with the provisions contained in the Special Economic Zones Act, 2005 (28 of 2005);

(b) after clause (i), the following clauses shall be inserted, namely:—

‘(j) “services” means service of any description which is made available to potential users and includes all the tradable services specified under the General Agreement on Trade in Services entered into amongst India and other countries who are party to the said Agreement:

Provided that, this definition shall not apply to the domain of taxation;

(k) “service supplier” means any person who

supplies a service and who intends to take benefit under the foreign trade policy;

(l) “specified goods or services or technology” means the goods or services or technology, the export, import, transfer, re-transfer, transit and trans*shipment of which is prohibited or restricted because of imposition of conditions on the grounds of their being pertinent or relevant to India as a Nuclear Weapon State, or to the national security of India, or to the furtherance of its foreign policy or its international obligations under any bilateral, multilateral or international treaty, covenant, convention or arrangement relating to weapons of mass destruction or their means of delivery to which India is a party or its agreement with a foreign country under the foreign trade policy formulated and notified under section 5 of the Act;

(m) “technology” means any information (including information embodied in software), other than information in the public domain, that is capable of being used in—

(i) the development, production or use of any goods or software;

(ii) the development of, or the carrying out of, an industrial or commercial activity or the provision of service of any kind.

Explanation.- For the purpose of this clause—

(a) when technology is described wholly or partly by reference to the uses to which it (or the goods to which it relates) may be put, it shall include services which are provided or used, or which are capable of being used in the development, production or use of such technology or goods;

(b) “public domain shall have the same meaning as assigned to it in clause (i) of section 4 of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (21 of 2005).’

Amendment of Title of Chapter II

3. In the principal Act, in sub-heading below “Chapter II”, for the words “EXPORT AND IMPORT POLICY”, the words “FOREIGN TRADE POLICY” shall be substituted.

Amendment of Section 3

4. In section 3 of the principal Act,-

(a) in sub-section (2),—

(i) for the words “import or export of goods”, the words “import or export of goods or services or technology” shall be substituted;

(ii) after sub-section (2), the following proviso shall be inserted, namely:-

“Provided that the provisions of this sub-section shall be applicable, in case of import or export of services or technology, only when the service or technology provider is availing benefits under the foreign trade policy or is dealing with specified services or specified technologies.”.

(b) after sub-section (3), the following sub-section shall be inserted, namely:-

“(4) without prejudice to anything contained in any other law, rule, regulation, notification or order, no permit or licence shall be necessary for import or export of any goods, nor any goods

shall be prohibited for import or export except, as may be required under this Act, or rules or orders made thereunder.”.

Substitution of New Section for Section 5

5. For **section 5** of the principal Act, the following section shall be **substituted**, namely:—

Foreign Trade Policy

“5. The Central Government may, from time to time, formulate and announce, by notification in the Official Gazette, the foreign trade policy and may also, in like manner, amend that policy:

Provided that the Central Government may direct that, in respect of the Special Economic Zones, the foreign trade policy shall apply to the goods, services and technology with such exceptions, modifications and adaptations, as may be specified by it by notification in the Official Gazette.”.

Amendment of Section 6

6. In **section 6** of the principal Act, in sub-section (2), for the words “export and import policy”, the words “foreign trade policy” shall be **substituted**.

Amendment of Section 7

7. In **section 7** of the principal Act, the following proviso shall be **inserted**, namely:—

“Provided that in case of import or export of services or technology, the Importer-exporter Code Number shall be necessary only when the service or technology provider is taking benefits under the foreign trade policy or is dealing with specified services or specified technologies.”.

Amendment of Section 8

8. In **section 8** of the principal Act,—

(A) for sub-section (1), the following sub-section shall be **substituted**, namely:—

“(1) Where—

(a) any person has contravened any of the provisions of this Act or any rules or orders made thereunder or the foreign trade policy or any other law for the time being in force relating to Central excise or customs or foreign exchange or has committed any other economic offence under any other law for the time being in force as may be specified by the Central Government by notification in the Official Gazette; or

(b) the Director General or any other officer authorised by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or has brought disrepute to the credit or the goods of, or services or technology provided from, the country; or

(c) any person who imports or exports specified goods or services or technology, in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy, the Director General or any other officer authorised by him may call for the record or any other information from that person and may, after giving to that person a notice in writing

informing him of the grounds on which it is proposed to suspend or cancel the Importer-exporter Code Number and after giving him a reasonable opportunity of making a representation in writing within such reasonable time as may be specified in the notice and, if that person so desires, of being heard, suspend for a period, as may be specified in the order, or cancel the Importer-exporter Code Number granted to that person”;

(B) in **sub-section (2)**, for the words “import or export any goods”, the words “import or export any goods or services or technology” shall be **substituted**.

Amendment of Section 9

9. In **section 9** of the principal Act,—

(a) in sub-sections (1), (3), (4) and (5), for the word “licence”, wherever it occurs, the words “licence, certificate, scrip or any instrument bestowing financial or fiscal benefits” shall be **substituted**;

(b) for **sub-section (2)**, the following sub-section shall be **substituted**, namely:—

“(2) The Director General or an officer authorised by him may, on an application and after making such inquiry as he may think fit, grant or renew or refuse to grant or renew a licence to import or export such class or classes of goods or services or technology as may be prescribed and, grant or renew or refuse to grant or renew a certificate, scrip or any instrument bestowing financial or fiscal benefit, after recording in writing his reasons for such refusal.”.

Insertion of New Chapter IIIA

10. After Chapter III of the principal Act, the following Chapter shall be **inserted**, namely:—

‘Chapter IIIA

Quantitative restrictions

Power of Central Government to impose quantitative restrictions

9A. (1) If the Central Government, after conducting such enquiry as it deems fit, is satisfied that any goods are imported into India in such increased quantities and under such conditions as to cause or threaten to cause serious injury to domestic industry, it may, by notification in the Official Gazette, impose such quantitative restrictions on the import of such goods as it may deem fit:

Provided that no such quantitative restrictions shall be imposed on any goods originating from a developing country so long as the share of imports of such goods from that country does not exceed three per cent, or where such goods originate from more than one developing country, then, so long as the aggregate of the imports from all such countries taken together does not exceed nine per cent of the total imports of such goods into India.

(2) The quantitative restrictions imposed under this section shall, unless revoked earlier, cease to have effect on the expiry of four years from the date of such imposition:

Provided that if the Central Government is of the opinion that the domestic industry has taken

measures to adjust to such injury or threat thereof and it is necessary that the quantitative restrictions should continue to be imposed to prevent such injury or threat and to facilitate the adjustments, it may extend the said period beyond four years:

Provided further that in no case the quantitative restrictions shall continue to be imposed beyond a period of ten years from the date on which such restrictions were first imposed.

(3) The Central Government may, by rules provide for the manner in which goods, the import of which shall be subject to quantitative restrictions under this section, may be identified and the manner in which the causes of serious injury or causes of threat of serious injury in relation to such goods may be determined.

(4) For the purposes of this section—

(a) “developing country” means a country notified by the Central Government in the Official Gazette, in this regard;

(b) “domestic industry” means the producers of goods (including producers of agricultural goods)—

(i) as a whole of the like goods or directly competitive goods in India; or

(ii) whose collective output of the like goods or directly competitive goods in India constitutes a major share of the total production of the said goods in India;

(c) “serious injury” means an injury causing significant overall impairment in the position of a domestic industry;

(d) “threat of serious injury” means a clear and imminent danger of serious injury.’.

Amendment of Section 10

11. In **section 10** of the principal Act, for sub-section (1), the following sub-section shall be **substituted**, namely:—

“(1) The Central Government may, by notification in the Official Gazette, authorise any person for the purposes of exercising such powers with respect to,—

(a) entering such premises where the goods are kept, stored or processed, manufactured, traded or supplied or received for the purposes of import or export and searching, inspecting and seizing of such goods, documents, things and conveyances connected with such import and export of goods;

(b) entering such premises from which the services or technology are being provided, supplied, received, consumed or utilised and searching, inspecting and seizing of such goods, documents, things and conveyances connected with such import and export of services and technology, subject to such requirements and conditions and with the approval of such officer, as may be prescribed:

Provided that the provisions of clause (b) shall be applicable, in case of import or export of services or technology, only when the service or technology provider is availing benefit under the foreign trade policy or is dealing with specified services or specified technologies.

Substitution of New Section for Section 11

12. For **section 11** of the principal Act, the following section shall be **substituted**, namely:—

Contravention of provisions of this Act, rules, orders and foreign trade policy

11. (1) No export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the foreign trade policy for the time being in force.

(2) Where any person makes or abets or attempts to make any export or import in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy, he shall be liable to a penalty of not less than ten thousand rupees and not more than five times the value of the goods or services or technology in respect of which any contravention is made or attempted to be made, whichever is more.

(3) Where any person signs or uses, or causes to be made, signed or used, any declaration, statement or document submitted to the Director General or any officer authorised by him under this Act, knowing or having reason to believe that such declaration, statement or document is forged or tampered with or false in any material particular, he shall be liable to a penalty of not less than ten thousand rupees or more than five times the value of the goods or services or technology in respect of which such declaration, statement or document had been submitted, whichever is more.

(4) Where any person, on a notice to him by the Adjudicating Authority, admits any contravention, the Adjudicating Authority may, in such class or classes or cases and in such manner as may be prescribed, determine, by way of settlement, an amount to be paid by that person.

(5) A penalty imposed under this Act may, if it is not paid by any person, be recovered by any one or more of the following modes, namely:—

(a) the Director General may deduct or require any officer subordinate to him to deduct the amount payable under this Act from any money owing to such person which may be under the control of such officer; or

(b) the Director General may require any officer of customs to deduct the amount payable under this Act from any money owing to such person which may be under the control of such officer of customs, as if the said amount is payable under the Customs Act, 1962 (52 of 1962); or

(c) the Director General may require the Assistant Commissioner of Customs or Deputy Commissioner of Customs or any other officer of Customs to recover the amount so payable by detaining or selling any goods (including the goods connected with services or technology) belonging to such person which are under the control of the Assistant Commissioner of Customs or Deputy Commissioner of Customs or any other officer of Customs, as if the said

amount is payable under the Customs Act, 1962 (52 of 1962); or

(d) if the amount cannot be recovered from such person in the manner provided in clauses (a), (b) and (c),—

(i) the Director General or any officer authorised by him may prepare a certificate signed by him specifying the amount due from such person and send it to the Collector of the District in which such person owns any property or resides or carries on business and the said Collector on receipt of such certificate shall proceed to recover from such person the amount specified thereunder as if it were an arrear of land revenue; or

(ii) the Director General or any officer authorised by him (including an officer of Customs who shall then exercise his powers under the Customs Act, 1962) (52 of 1962) and in accordance with the rules made in this behalf, detain any movable or immovable property belonging to or under the control of such person, and detain the same until the amount payable is paid, as if the said amount is payable under the Customs Act, 1962; and in case, any part of the said amount payable or of the cost of the distress or keeping of the property, remains unpaid for a period of thirty days next after any such distress, may cause the said property to be sold and with the proceeds of such sale, may satisfy the amount payable and costs including cost of sale remaining unpaid and shall render the surplus, if any to such person.

(6) Where the terms of any bond or other instrument executed under this Act or any rules made thereunder provide that any amount due under such instrument may be recovered in the manner laid down in sub-section (5), the amount may, without prejudice to any other mode of recovery, be recovered in accordance with the provisions of that sub-section.

(7) Without prejudice to the provisions contained in this section, the Importer-Exporter Code Number of any person who fails to pay any penalty imposed under this Act, may be suspended by the Adjudicating Authority till the penalty is paid or recovered, as the case may be.

(8) Where any contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy has been, is being, or is attempted to be made, the goods (including the goods connected with services or technology) together with any package, covering or receptacle and any conveyances shall, subject to such conditions and requirements as may be prescribed, be liable to confiscation by the Adjudicating Authority.

(9) The goods (including the goods connected with services or technology) or the conveyance confiscated under sub-section (8) may be released by the Adjudicating Authority, in such manner and subject to such conditions as may be prescribed, on payment by the person concerned of the redemption charges equivalent to the market value of the goods or conveyance, as the case may be."

Insertion of New Sections 11A and 11B

13. After **section 11** of the principal Act, the

following sections shall be **inserted**, namely:—

Crediting sums realised by way of penalties in Consolidated Fund of India

"11A. All sums realised by way of penalties under this Act shall be credited to the Consolidated Fund of India.

Empowering Settlement Commission for regularisation of export obligation default

11B. Settlement of customs duty and interest thereon as ordered by the Settlement Commission as constituted under section 32 of the Central Excise Act, 1944 (1 of 1944), shall be deemed to be a settlement under this Act".

Amendment of Section 14

14. In **section 14** of the principal Act, for the word "goods" at both the places where it occurs, the words and brackets "goods (including the goods connected with services or technology)" shall be **substituted**.

Insertion of a New Chapter IVA

15. After **Chapter IV** of the principal Act, following Chapter shall be **inserted**, namely:—

"Chapter IVA

Controls on export of specified goods, services and technology

14A. (1) In regard to controls on export of specified goods, services and technology referred to in this Chapter, the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (21 of 2005) shall apply to exports, transfers, re-transfers, brought in transit, trans-shipment of, and brokering in specified goods, technology or services.

(2) All terms, expressions or provisions of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (21 of 2005) shall apply to the specified goods, services or technology with such exceptions, modifications and adaptations as may be specified by the Central Government by notification in the Official Gazette.

(3) The Central Government may, by notification in the Official Gazette, direct that any of the provisions of this Chapter—

(a) shall not apply to any goods, services or technologies, or

(b) shall apply to any goods, services or technologies with such exceptions, modifications and adaptations as may be specified in the notification.

Transfer Controls

14B. (1) The Central Government may, by notification in the Official Gazette, make rules in conformity with the provisions of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (21 of 2005) for, or, in connection with, the imposition of controls in relation to transfer of specified goods, services or technology.

(2) No goods, services or technology notified

under this Chapter shall be exported, transferred, re-transferred, brought in transit or trans-shipped except in accordance with the provisions of this Act, the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (21 of 2005) or any other relevant Act.

Catch-all Controls

14C. No person shall export any material, equipment or technology knowing that such material, equipment or technology is intended to be used in the design or manufacture of a biological weapon, chemical weapon, nuclear weapon or other nuclear explosive device, or in their missile delivery systems.

Suspension or Cancellation of a Licence

14D. The Director General or an officer authorised by him may, by order, suspend or cancel a licence to import or export of specified goods or services or technology without giving the holder of the licence a reasonable opportunity of being heard but such person shall be given a reasonable opportunity of being heard within six months of such order and thereupon the Director General or the officer so authorised may, if necessary, by order in writing, confirm, modify or revoke such order.

Offences and Penalties

14E. (1) In case of a contravention relating to specified goods, services or technologies, the penalty shall be in accordance with the provisions of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (21 of 2005).

(2) Where any person contravenes or attempts to contravene or abets, any of the provision(s) of this Chapter in relation to import or export of any specified goods or services or technology, he shall, without prejudice to any penalty which may be imposed on him, be punishable with imprisonment for a term stipulated in the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (21 of 2005).

(3) No court shall take cognizance of any offence punishable under this Chapter without the previous sanction of the Central Government or any officer authorised in this behalf by the Central Government by general or special order.”.

Amendment of Title of Chapter V

16. In the principal Act, in sub-heading below “CHAPTER V”, for the word “REVISION”, the word “REVIEW” shall be **substituted**.

Amendment of Section 15

17. In **section 15** of the principal Act, in sub-section (2), in the proviso, for the word “goods”, the words and brackets “the goods (including the goods connected with services or technology)” shall be **substituted**.

Substitution of New Section for Section 16

18. For **section 16** of the principal Act, the following shall be **substituted**, namely:—

Review

16. “The Central Government, in the case of any decision or order made by the Director General, or the Director General in the case of any decision or order made by any officer subordinate to him, may on its or his own motion or otherwise, call for and examine the records of any proceeding, for the purpose of satisfying itself or himself as the case may be, as to the correctness, legality or propriety of such decision or order and make such orders thereon as may be deemed fit:

Provided that no decision or order shall be varied under this section so as to prejudicially affect any person unless such person—

(a) has, within a period of two years from the date of such decision or order, received a notice to showcause why such decision or order shall not be varied: and

(b) has been given a reasonable opportunity of making representation and, if he so desires, of being heard in his defence.”.

Amendment of Section 17

19. In **section 17** of the principal Act, for the word “Revision” wherever it occurs, the word “Review” shall be **substituted**.

Insertion of new section 18A

20. After **section 18** of the principal Act, the following shall be **inserted**, namely:—

Application of other laws not barred

“18A. The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.”.

Amendment of Section 19

21. In **section 19** of the principal Act, in **sub-section (2)**, —

(a) in clause (b), for the word “licence”, the words “licence, certificate, scrip or any instrument bestowing financial or fiscal benefits” shall be **substituted**;

(b) for clause (c), the following clause shall be **substituted**, namely:—

“(c) the class or classes of goods (including the goods connected with service or technology) for which a licence, certificate, scrip or any instrument bestowing financial or fiscal benefits may be granted under sub-section (2) of section 9;”;

(c) in clauses (d) and (e), for the word “licence”, the words “licence, certificate, scrip or any instrument bestowing financial or fiscal benefits” shall be **substituted**;

(d) after clause (e), the following clause shall be **inserted**, namely:—

(ea) the matter in which goods the import of which shall be subject to quantitative restrictions, may be identified and the manner in which the causes of serious injury or causes of threat of serious injury in relation to such goods may be determined under sub-section (3) of section 9A;”;

(e) in clause (f), for the word “goods”, the words and brackets “goods (including the goods connected with the service or technology)” shall be **substituted**;

(f) in clause (g), for the words, brackets and figures “sub-section (3) of section 11”, the words, brackets and figures “sub-section (4) of the section 11” shall be **substituted**;

(g) for clause (h), the following clause shall be **substituted**, namely:—

“(h) the requirements and conditions subject to which goods (including the goods connected with the service or technology) and conveyances shall be liable to confiscation under sub-section (8) of section 11;”;

(h) for clause (i), the following clause shall be **substituted**, namely:—

“(i) the manner in which and the conditions subject to which goods (including the goods connected with the service or technology) and conveyances may be released on payment of redemption charges under sub-section (9) of section 11.”.

Procedure for Clearance of Courier Consignments in Manual and Electronic Mode

Subject: Courier Regulations for the manual and the electronic mode.

33-CBEC 07.09.2010 (DoR) I am directed to invite your attention to Notification No.36/2010-Cus (NT) dated 5th May, 2010 vide which the Board has notified Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010. These Regulations have been framed to enable electronic filing and processing of customs declarations with regard to import and export consignments carried by courier companies. Further, vide Notification No.75/2010-Cus (NT) dated 12th August, 2010, consequential changes have also been made in the Courier Imports and Exports (Clearance) Regulations, 1998, which regulate the procedure for clearance of courier consignments in the manual mode.



2. Following are some of the salient features of both courier Regulations-electronic as well as manual mode:

(i) Declarations by authorized persons

Compliance with various requirements of Customs Act, 1962 and other allied laws is enforced by requiring the importer/exporter or his authorized agent to make proper declarations before customs. In this regard, Section 146 of the Act provides that no person shall carry on business as an agent relating to the entry or departure of a conveyance or the import or export of goods at any customs-station unless such person holds a license granted in this behalf in accordance with

the Regulations. Therefore, it has been provided under the courier Regulations that declarations before customs, for clearance of imported or export goods, shall be filed through a person who has passed the examination referred to in Regulation 8 or Regulation 19 of the Customs House Agents Licensing Regulations, 2004 and who is duly authorised under Section 146 of the Act. Further, keeping in view the difficulties that may be faced by the trade in complying with these new requirements, a transition period of six months has been provided from the date of coming into effect of the respective notifications.

(ii) KYC Norms

In the context of increasing number of offences involving various modus-operandi such as fraud and duty evasion by bogus IEC holders etc., an obligation has been cast on the Authorized Courier to verify the antecedents, identity of his client and the functioning of his client in the declared address by using reliable, independent, authentic documents, data or information. In this regard, the detailed guideline on the list of documents to be verified and obtained from the client/customer laid down as per the Annexure to Board's Circular No. 9/2010 dated 8th April, 2010 may be adhered to. It would be obligatory for the client/customer to furnish to the Authorized Courier any two of the listed documents in the annexure. However, it is clarified that there is no requirement for the client/customer to furnish a photograph separately to the Authorized Courier.

(iii) Requirement of security and net worth

The requirement for security for acting as an Authorized Courier has been enhanced to ten lakhs rupees in case of major international airports of Mumbai, Delhi, Calcutta and Chennai and five lakhs rupees in case of other airports. Similarly, the requirement of net worth or financial viability to act as an Authorized Courier has been enhanced to possession of assets of a value not less than twenty five lakh rupees. Further, it is clarified that the requirement for enhanced Bond and Bank Guarantee applies to existing Authorized Couriers as well.

3. Further, there are certain features that are unique to the courier Regulations for the electronic mode. Some of these are:

(i) The 100% EOU shipments have been allowed as the EOU module has been developed under the proposed automation system and data requirements have enhanced.

(ii) New forms for filing customs declarations have been notified such as the Courier Bill of Entry-XI (CBE-XI) for documents in Form B, the Courier Bill of Entry-XII (CBE-XII) for free gifts and samples in Form C, the Courier Bill of Entry-XIII (CBE-XIII) for low value dutiable consignments in Form D, the Courier Bill of Entry-XIV (CBE-XIV) for other dutiable consignments in Form E for import consignments. Similarly, Courier Shipping Bill-III (CSB-III) for documents in Form G and Courier Shipping Bill-IV (CSB-IV) for goods in Form H have been notified for export consignments.

(iii) No restriction regarding weight or value have been prescribed since the data elements

prescribed for submission of Bill of Entry include complete details as are required for filing a normal Bill of Entry.

(iv) The Import-Export Code (IEC) Number will be required to be declared in case of declarations filed in Form C or Form D or Form E. Further, a transition period of six months has been prescribed in case of declarations filed in Form D for complying with the requirements of IEC number. It is also clarified that in case of import of goods for personal use not connected with trade or manufacture or agriculture, the permanent IEC number given under the Handbook of Procedures (Vol.I) notified by the DGFT may be used.

(v) The requirement for value declarations by the importer in case of Courier Bill of Entry-XIV (CBE-XIV) for other dutiable consignments in Form E has been prescribed.

(vi) As the Export Manifest Module is yet to be developed under the EDI, the provisions of Regulations 6(1) are to become operational from a date which will be notified in due course. Accordingly, it is clarified that the existing procedure being followed in respect of courier Regulations for manual mode shall apply in this regard.

(vii) Examination norms, concerning import or export through courier mode, as laid down vide Board Circular No. 23/2006-Cus dated 25th August, 2006 shall apply till such time RMS module becomes operational.

(viii) Regulation (12) (1) (i) provides that an Authorized Courier shall obtain an authorization from each of the consignee or consignors of imported as well as export goods. It is clarified that this provision does not seek to provide for any new requirement, and that an Authorized Courier shall obtain an authorization from each of the consignee in case of imports and consignor in case of exports.

4. Apart from the changes as outlined at Para 2 above, some additional changes have been brought in the Regulations for the manual mode:

(i) On the lines of similar requirement for Customs Cargo Service Providers (CCSP) under the Handling of Cargo in Customs Areas Regulations, 2009, a provision has been made prescribing the requirement of prior permission of customs if the Authorized Courier wants to sub-let/outsourcing any of the components in the door-to-door supply chain. This is necessary since an Authorized Courier is defined as one, who, in relation to import or export of goods, is a person engaged in the international transportation of goods for export and imports on door-to-door delivery basis, and is registered in this behalf by the jurisdictional Commissioner. Also, the basic reason for expeditious clearance facilities being extended to them is that express companies have put in place verifiable and secure work processes on a global basis backed by an elaborate IT infrastructure for knowledge and information management. These companies have their own in-house mechanisms to guard against use of express supply chain by unscrupulous elements. Therefore, any unauthorized sub-letting or outsourcing of any of the components in the door-to-door supply chain may defeat the very purpose behind facility of

expeditious clearance. Hence, the Commissioners of Customs should review the facilities available with the Authorized Couriers appointed under their charge to ensure compliance. Further, while allowing, any sub-letting or outsourcing due care should be taken to ensure that it does not go against the very purpose behind facility of expeditious clearance.

(ii) Regulation 13 (a) provides that an authorized courier shall obtain authorization from the consignee of the import goods for clearing the goods through customs. However, it has been brought to the notice of the Board by both the field formations and the trade that insisting for authorization from each of the consignee/importer is not feasible in all such cases, and it defeats the very objective of ensuring expeditious clearance. Accordingly, it has been decided that in case of import consignments having a declared value of ten thousand rupees or less, the authorization may be obtained at the time of delivery of the consignments to consignee. Such authorizations shall be retained for record by an Authorized Courier for a period of one year or date of inspection by customs whichever is later. Further, the Authorized Courier is obliged under the Regulations to maintain records and accounts in such form and manner as may be directed from time to time by an Assistant Commissioner of Customs or Deputy Commissioner of Customs and submit them for inspection to the Assistant Commissioner of Customs or an officer authorised by him, wherever required. Accordingly, the Board desires that such inspection be done on periodical basis, at least once in a year, and during inspection it should be invariably seen, inter alia, if the Authorized Courier is obtaining these authorizations.

(iii) Clause (vi) has been inserted in second proviso to Regulation 5(3) to provide that in case of goods having a declared value of more than one lakh rupees, a normal Bill of Entry as prescribed under the Bill of Entry (Forms) Regulations, 1976 shall be filed.

5. The existing procedure for testing of samples requires the Customs officers to draw samples in terms of Section 144. In this regard, Commissioners of Customs have also been provided the flexibility to send samples either to CRCL or to Government approved Laboratories. In case any import consignment under courier require any such testing of samples, then the Customs officers shall require such goods to be tested immediately so that imports under courier mode do not get held up nor the express clearance facility misused for non-compliant imports.

6. Further, it is clarified that facility of transshipment between two customs stations will continue as per the provisions of the Customs Act, 1962, Goods Imported (Conditions of Transshipment) Regulations, 1995 and existing instructions of the Board. Many times consignments imported through courier mode may also need to be transferred to cargo terminal of the same airport for clearance purposes. Such transfer is akin to local movement of cargo from one custom area of the customs station to another custom area of the same station. As clarified

vide Board's Circular No. 18/2009-Cus dated 8th June, 2009, such movement is covered by local procedure evolved by the jurisdictional Commissioner of Customs.

7. For removal of doubts, it is clarified that similar to Bill of Entry Regulations for the manual and electronic mode, the two courier Regulations-electronic as well as manual mode prescribe the procedure for filing and processing of declarations. While manual Regulations apply to courier clearances at specified places, the electronic Regulations would apply wherever the automation facilities are being setup. Further, at places where automation facilities have become operational many a times the documents may be required to be filed and processed manually due to any break-down in the electronic server or other unforeseen circumstances. Moreover, even at these places the shift to electronic mode will take place gradually with the launch of pilot project, and till such time automation facilities become fully operational at a place, some consignments may need to be processed manually as may be determined by

the jurisdictional Commissioners.

7.1 The existing Authorised Couriers who are registered or transacting business in terms of Regulation 12 of the Courier Imports and Exports (Clearance) Regulations 1998 at locations where automated clearance facilities become operational shall be eligible to file declarations under the electronic mode without any requirement for fresh appointment or fresh intimation, subject to the fulfillment of other conditions or requirements imposed under courier Regulations for the electronic mode. In short, once a person is registered as an Authorized Courier, he can file declarations under both the modes subject to compliance of other requirements of the respective Regulations.

8. These instructions may be brought to the notice of all concerned by way of issuance of suitable Public Notice / Standing Order.

9. Difficulties, if any, in implementation of the Circular may be brought immediately to the notice of the Board.

F. No.450/ 77 /2010-Cus.IV

Electrical Energy Generated in SEZs from Gas and Imported Coal will Attract Duty on DTA Sale, Energy from Domestic Coal Exempted

Handloom Made Ups too Eligible for Accessories Import at Zero Duty

Ntfn 91
06.09.2010
(DoR)

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 21/2002-

Customs, dated the 1st March, 2002, published in the Gazette of India, Extraordinary vide number G.S.R.118 (E), dated the 1st March, 2002, namely:-

In the said notification,-

(i) in the Table, for S.No. 573 and the entries relating thereto, the following shall be substituted, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
"573	2716 00 00	Electrical energy removed from a Special Economic Zone into Domestic Tariff Area or non processing areas of Special Economic Zone— (a) if removed from power projects of 1000 MW and above,- (i) using imported coal as fuel; (ii) using domestic coal as fuel; (iii) using domestic gas as fuel; (b) if removed from power projects of less than 1000 MW,- (i) using imported coal as fuel; (ii) using domestic coal as fuel; (iii) using domestic gas as fuel;	Rs. 100 per 1000 kwh Nil Rs. 110 per 1000 kwh	-	-"

(ii) in the Annexure, for condition No. 21B and the entries relating thereto, the following shall be substituted, namely :-

Condition No. Conditions

"21B. If, -
(a) the goods are imported by a manufacturer of handloom made ups or cotton made ups or polyester made ups for use in the manufacture of said goods for export by that manufacturer and the said manufacturer is registered with the Handloom Export Promotion Council or Cotton Textile Export Promotion Council or Synthetic & Rayon Textiles Export Promotion Council as the case may be;
(b) the total value of goods imported shall not exceed 5 percent of the FOB Value of handloom made ups or 1 percent of the FOB value of cotton made ups or polyester made ups as the case may be, exported during the preceding financial year;
(c) the importer produces a certificate from the Handloom Export Promotion Council or Cotton Textile Export Promotion Council or Synthetic & Rayon Textiles Export Promotion Council certifying the value of exports made during the financial year mentioned in sub-condition (b), and also the value and quantity of goods already imported under this notification during the current financial year."

[F.No.354/40/2010-TRU]

Delhi and Mumbai Notified as Declares Customs Airports for Regulation 2(1) of Courier Imports and Exports Regulations 2010

80-Cus(NT)
09.09.2010
(DoR)

In exercise of the powers conferred by section 157 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise and Customs hereby declares customs airports at Delhi and Sahar, Mumbai (Bombay) to be the 'customs airports' for the purpose of sub-regulation (1) of regulation 2 of the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010

[F.No. 450/54/2008-Cus.IV]

Zero Service Tax on Mid-Day Meals

47-ST
03.09.2010
(DoR)

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 Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service of outdoor catering referred to in sub-clause (zzt) of clause (105) of section 65 of the Finance Act, if the same is provided by a Non Government Organisation registered under any Central Act or State Act, under the Centrally assisted Mid-Day Meal Scheme, from the whole of service tax leviable thereon under section 66 of the Finance Act.



[F. No. 354/165/2010 -TRU]

Physical Inspection of Companies Applying for Importer Exporter Code in 10% Cases

The following Trade Notice was issued by the Zonal Jt. DGFT, I.P. Estate, New Delhi on 31st August 2010.

Subject: Physical inspection of units/companies applying for IEC

05-TN
31.08.2010

As per Policy Circular No. 94 dated 16th June 2009, RLAs are to carry out physical verification of firms in following two types of cases:

- 10% of total IECs issued during a specific period, on random basis.
- All cases of undelivered IEC.

In case of (a) above, while undertaking the physical verification, the designated inspection team will limit to the following:

- To ascertain the physical existence of the firm in terms of office space/ factory (as given in the application)

ii) To identify people (Proprietor/Partner/Director/Employee) working at the same address. It may be kept in view that the prescribed documents are submitted to this office while IEC application is made. Hence, no other documents should be insisted upon at the time of inspection.

In case of (b) above, apart from (i) & (ii) above, the inspection team may ask for self attested copy of any one of the following documents: - rent receipt/rent agreement/Telephone Bill/Electricity Bill/Passport.

F. No. Misc.1./AM.11/Trade Notice/CLA

Clean Energy Cess

Reduced Accounting Code of 00380086 (U.E.D) may Quote for Depositing

[Ref: F.No.354/72/2010-TRU dated 8th September 2010]

Subject: Levy of Clean Energy Cess.

It may kindly be recalled that while communicating the clean energy cess notifications, it has been stated that the office of Chief Controller of Accounts has already been requested to assign a minor head for the payment of this cess both on domestic and imported coal & relevant communication conveying this to the field formations would be issued in due course. In this regard, the Office of the Principle Chief Controller of Accounts has informed that pending opening of new Head of Account, the Cess being deposited by assesseees may be accounted for under Sub-Head/Minor Head of Accounts "Receipt Awaiting Transfer to other Minor Head etc" under the Major Head 0038-Union Excise Duty. **The reduced accounting code to be quoted for depositing "Clean Energy Cess" is 00380086 (U.E.D).** As soon as specific Minor head is received from their office, the same will be informed accordingly.

2. It has been brought to the notice that ACES application for registration under the Central Excise Rules, 2002 does not provide for "Pro-

ducer" as a separate class of registrants. It has been suggested by the Directorate of Systems that an applicant seeking registration as a "producer" may register through ACES by selecting the category of registration as a "manufacturer". This suggestion has been examined and it has been decided to accept it. Accordingly it is clarified that an applicant seeking registration as a "producer" shall register through ACES by selecting the category of registration as a "manufacturer".

3. In order to integrate the monthly return form, FORM-I, of the clean energy cess with systems format, the same has been changed as suggested by the Directorate of Systems, vide notification no.7/2010 - Clean energy Cess dated 8.9.10. Rule 11 of the Clean Energy Cess Rules has also been modified vide the same notification so as to align it with payment date. Accordingly the return is due by the 10th day of the second month, following the month in which removals were made. For example, the Return for the month of July 2010 shall be due by the

No Sugar Exports on "ton-to-ton" Basis without Release Order from Directorate of Sugar against Advance Licence Raw Sugar

Subject: Export of Sugar – reintroduction of the system of export release orders w.e.f. 1.1.2009 for export under OGL/Advance Authorisation on 'ton-to-ton' basis.

01-Pol.Cir Reference is invited to the
07.09.2010 Policy Circular No. 87 (RE-
(DGFT) 09)/2004-2009 dated
4.5.2009 and Policy
Circular No. 92 (RE-09) 2004-2009 dated
4.6.2009 on the subject cited above.



2. It is directed that all the field formations take necessary action for compliance of the decision of the Government as communicated vide the

Policy circular referred above and not to allow export of sugar on "ton-to-ton" basis without release order from Directorate of Sugar against advance authorization(s) issued from 17.02.09 to 30.09.09 for import of raw sugar.

3. This issues with the approval of Director General of Foreign Trade.

10th of September, 2010.

4. The above may kindly be brought to the notice of field formations under your charge and the trade. Difficulties in their implementation, if any, may be brought to the notice of the undersigned.

New Monthly Return Form Notified

07-CEC In exercise of the powers
08.09.2010 conferred by section 84 of the
(DoR) Finance Act, 2010 (14 of
2010), the Central Government
hereby makes the following rules to amend the
Clean Energy Cess Rules, 2010, namely:-

1. (1) These rules may be called the Clean Energy Cess (Amendment) Rules, 2010.

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

2. In the Clean Energy Cess Rules, 2010,-

(a) in rule 11,-

(i) For the words, figures and letters "not later than 10th day of the month in which the payment has been" the words, figures and letters "not later than 10th day of the second month, following the month in which removals were" shall be substituted;

(ii) after the proviso, the following illustration shall be inserted, namely:-

"Illustration." Return for the month of July 2010 shall be due by the 10th of September, 2010."

(b) for Form-I, the following Form-I shall be substituted, namely:-

"Form –I Monthly Return for Removal of specified goods (See rule 11)

Return for Specified Goods: M M Y Y Y Y
for the Month

I. (1) Registration Number:

(2) Name of the Producer:

(3) Full Address:

II. **Details of Specified Goods removed and Cess payable**

(1) S.No:

(2) Name of the mine along with address:

(3) CETSH NO.:

(4) Description of specified goods:

(5) Unit of quantity:

(6) Quantity of specified goods removed during the month (in MT):

(7) Rate of cess per tone (Rs. per tonne):

(8) Notification availed:

(9) S.No. in notification:

(10) Total cess payable as per billing (Rs.):

(This part is to be repeated for each CETSH and for each mine, in case a producer has obtained centralized registration)

III. **Details of payment**

(1) Total Cess paid (Rs.):

(2) Amount of Cess adjusted during the month under Rule 6(3):

(3) Source document:

(4) Cess Code:

(5) Challan No. (CIN):

(6) Remarks:

(Total Cess paid should include Cess payment made during the month through challan as well as excess payment adjusted from earlier month(s).)

IV. Details of other Payments

Payments	Amount paid in cash(Rs.)	Challan No. (CIN)	Source document No.	Date
Arrears of CESS under rule 6				
Other arrears				
Interest payment under rule 6(4)				
Other interest payments				
*Miscellaneous payments				
Total				

(*Miscellaneous payments include penalty, pre-deposit, redemption fine.)

V. (a) I hereby declare that the information given in this return is true, correct and complete in every respect and that I am authorized to sign on behalf of the assessee.

(b) During the month a total amount of Rs. _____ was deposited vide TR-6 Challan (copies enclosed).

(c) During the month, invoices bearing S. No. _____ to _____ were issued. (Mine-wise)

(Name and Signature of the Assessee or Authorised signatory)

Place:

Date :

Acknowledgment

Return of Specified Goods: MM YYYY

Return of Specified Goods: DD MM YYYY

(Name and Signature of the Range Officer with Official Seal)

Instructions

1. In case where a producer has obtained a centralized registration under Rule 3 of Clean Energy Cess Rules 2010 he should provide information in respect of table No. II and V (c) in respect of each Mine separately.

2. In case more than one item is produced, additional row may be inserted in each table.

3. 8-Digit CETHS No. may be indicated without any decimal point.

4. The details of the challans for duty payment should be mentioned in Table II. Separate challans should be used for pre-deposit of duty for the purpose of appellate remedy.

5. In the sixth column of Table at serial number IV specify the Order-in-Original number and date relating to the payment of arrears of duty and of interest, the period for which the said interest has been paid. For other miscellaneous payments, mention the source document number and date."

[F. No. 354/72/2010-TRU]

CLA Delhi Creates Two New Sections for Export Promotion Schemes for Speedy Disposal of Applications

The following Trade Notice was issued by the Zonal Jt. DGFT, I.P. Estate, New Delhi on 30th August 2010.

04-TN 30.08.2010 In order to facilitate speedy disposal of applications and for administrative convenience, two new sections i.e. **EPS I(Export Promotion Scheme) and EPS II** are created with the following work distribution:-

1. EPS(Export Promotion Scheme) I Section:- All applications of **alphabets from A to M** for Chapter 3 Schemes under FTP i.e. **SFIS**(Served from India Scheme), **VKGUY**(Vishesh Krishi Gramin Udyog Yojna), **FPS**(Focus Product Scheme), **FMS**(Focus Market Scheme),

MLFPS(Market Linked Focus Product Scheme) & **SHIS**(Status Holder Incentive Scheme) will be dealt in **EPS I**. In addition to these, the work of **Export House** will also be dealt in this section. R&I Code for this section will be **50**.

2. EPS(Export Promotion Scheme) II Section:- All applications of **alphabets from N to Z** for Chapter 3 Schemes under FTP i.e. **SFIS**(Served from India Scheme), **VKGUY**(Vishesh Krishi Gramin Udyog Yojna), **FPS**(Focus Product Scheme), **FMS**(Focus Market Scheme),

MLFPS(Market Linked Focus Product Scheme) & **SHIS**(Status Holder Incentive Scheme) will be dealt in **EPS II**. In addition to these, the work of **Agri Infra Structure Incentive Scheme (Para 3.13.4 of FTP)** and **residual work of Target Plus Schemes** will also be dealt in this section. R&I Code for this section will be **51**.

3. The work of **DES I, II, III & IV** Sections will get reduced to above extent, with creation of the **EPS I & EPS II sections**.

4. All files with **pending LUT**, related to Chapter 3 schemes, lying in **DES Sections (I to IV)** should be transferred to concerned **EPS sections**.

This order will come in force w.e.f 6.9.2010.

F. No. Misc.1./AM.11/Trade Notice/CLA

Amendments in BG/LUT Format for DEPB and Incentive Schemes

Subject: Amendment of Appendix 25 C, Amendment 25 D and Sl. No. 9 under the Note.

08-PN(RE) 06.09.2010 In exercise of powers conferred under Para 2.4 of the Foreign 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. Sl. No. 3 under the 'Note' to Appendix 25 C related to "BG Format" stands replaced by the following:

3. ***The Bank Guarantee shall be valid till the expiry of the time period of 24 months from the date of export (Let Export Order Date). In case of a number of S/Bs filed against one application under DEPB Scheme / Incentive Scheme, 24 months time period shall be from the LEO date of latest S/B. In case of Revolving BG, the BG shall remain valid till all the obliga-

tions of the party are fulfilled to the 'Full' and 'Final' satisfaction of the Govt. as per policy and till such written consent is communicated to the party or the Guarantor, as the case may be."

2. Sl. No. 4 under the 'Note' to Appendix 25 D related to "LUT Format" stands replaced by the following:

4. ***The LUT shall be valid for a time period of 24 months from the date of export (Let Export Order Date). In case of a number of S/Bs filed against one application either for DEPB or for any specific freely transferable Incentive Schemes under Chapter 3 of FTP, 24 months time period shall be from the LEO date of latest S/B. In case of Revolving LUT, the LUT shall remain valid till all the obligations of the party are fulfilled to the 'Full' and 'Final' satisfaction of the Govt. as per policy and till such written consent

is communicated to the party."

3. Sl. No. 9 under the "Guidance in the matter of Executing BG / LUT" mentioned after Appendix 25 D stands replaced by the following:

9. "Applicant shall have the option to file BG/ LUT against each application or a Revolving BG / LUT. The revolving BG/LUT shall be limited to a specific scheme, which means that for an exporter/party filing application for different schemes under the aforesaid laid down guidelines, shall be required to file separate BG/LUT for each scheme. BG/LUT filed in one RA shall not be utilized for BG/LUT to be filed in another RA for different application. The revolving BG / LUT shall remain valid till all the obligations of the party are fulfilled to the 'Full' and 'Final' satisfaction of the Govt. as per policy and till such written consent is communicated to the party or the Guarantor, as the case may be."

This issues in public interest.

New Form for Bank Realisation Certificate for Exports Notified

Subject: Amendment of Appendix 22A, related to Bank Realisation Certificate (BRC).

09-PN(RE) In exercise of powers conferred
07.09.2010 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. **Appendix 22A** related to Bank Realisation Certificate stands replaced as appended to this Public Notice.

This issues in public interest.

Annexure to Public Notice No. 9 Dated 07-9-2010.

Appendix 22 A Bank Certificate of Export and Realisation

To _____ (Name and address of Regional Authority) We _____ (Name and address of the Exporters) hereby declare that we have forwarded a documentary export Bill to _____ (Name and address of the bank i.e., Branch and City) for collection/negotiation/purchase as per particulars given hereunder.

Invoice

(1) No.:

(2) Date:

Export promotion copy of Shipping Bill duly authenticated by the Customs

(3) No.:

(4) Date:

(5) Description of goods as given in the customs authenticated Shipping Bill and the Commercial Invoice / Packaging List:

Bill of Lading /PP Receipt/ Airways Bill

(6) No.:

(7) Date:

(8) Destination of goods Country name:

(9) Bill amount CIF/C&F/FOB (In foreign exchange):

(10) Freight amount as per Bill of lading/ Freight memo:

(11) Insurance amount as per insurance Company's bill/ Receipt:

(12) Commission/ Discount paid/ payable:

(13) Whether the export is in freely convertible currency* or in Indian Rupees:

(14) FOB value/ FOB value actually realised in free Foreign Exchange/Rupees:

(15) Date of realisation of export proceeds:

(16) GRI/PP/ SDF form No.:

(17) No. date & category of applicable Licence/ Authorisation:

*Note: In case of Export Proceeds Realisation through Freely Convertible Vostro Account, as stated in paragraph 2.40 of FTP, 2009-14, the Authorised Dealer Banks shall endorse the words "Realisation from Freely Convertible Vostro Account".

We further declare that the aforesaid particulars are correct. (Copies of invoices relevant to these exports and Customs attested EP, Copy of relevant Shipping Bill is attached for verification by the bank).

Signature of the exporter :

Name in block letters :

Place: Designation :

Date: Full official address :

Full Residential address :

Official

Seal/stamp

Bank's Certificate

Authorised Foreign Exchange Dealer Code No. allotted to the Bank by RBI _____

Ref.No. _____

Date _____

Place _____

1. This is to certify that we have verified the relevant Export Invoices, Customs attested E.P. Copy of the Shipping Bill and other relevant documents of M/s._____. We further certify that the particulars given in Co.1 to 17 have been verified and found to be correct. We have also verified the F.O.B. value mentioned in Col.14 above with reference to following documents:-

(i) Bill of Lading/PP receipt/Airways Bill

(ii) Insurance policy/Cover/Insurance Receipt.

2. FOB actually realized and date of realization of export proceeds are to be given in all cases except where consignment has been sent against confirmed irrevocable letter of credit or exports made against the Government of India/ EXIM Bank Line of Credit or exports made under Deferred Payment/Suppliers Line of Credit Contract backed by ECGC Cover. An endorsement to that effect needs to be endorsed in BRC.

3. We have also verified that the date of Export is _____. (Applicable only in respect of Exports by air.)

4. This is to certify that we have certified the amount of the Commission paid/payable, as declared above, by the exporter i.e. _____(in figures and words) with G.R. Forms and found to be correct.

[Signature of the Banker(s)]

Full address of the Banker(s)

Branch and City

Official Stamp

Note: 1. Bank can issue a consolidated certificate (consignment-wise) for more than one consignment.

2. FOB actually realized and date of realization of export proceeds are to be given in all cases except where consignment has been sent against conformed irrevocable letter of credit.

3. This shall be required wherever specifically prescribed in the Policy/ procedure.

4. Banks referred in this Appendix shall also include other authorized dealers who have been permitted by RBI to issue BRC. Applicant should be required to furnish a copy of RBI permission circular/letter to this effect.

E-Payment through IDBI Bank Authorized for Customs Duty Payment at JNCH

The following Public Notice was issued by the Commissioner of Customs (Import) Jawaharlal Nehru Customs House on 25th August 2010.

Subject: Inclusion of IDBI Bank in the list of authorized banks for payment of Customs Duty through e-payment mode.

83-PN Attention of the trade is invited
25.08.2010 to the Public Notice No 071
1998 dated 04.12.1998, Public
Notice No 33/2007 dt. 31.07.2007 and Facility
Note No.38/2006 dated 09.06.2006 issued by
the Commissioner of Customs (Import), JNCH,
regarding payment of Customs duty. In addition
to the facility of payment of Customs duty at

Bank of India, Nhava Sheva and State Bank of
India, Nhava Sheva, a facility of payment of
Customs Duty through net banking was also
extended to the importers at JNCH.

2. At present, the facility of payment of Customs Duty is being offered by State Bank of India and Bank of India.

3. The Reserve Bank of India has now authorized IDBI Bank for collection of Customs Duty at JNCH Port in addition to the banks mentioned above. The details of the procedure to be followed have already been outlined in the Public Notice no.33/2007

4. The facility of e-payment through IDBI Bank shall commence with immediate effect.

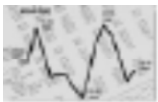
5. In case of any problems in e-Payment, the Importer/ CHA can contact the ICEGATE 24 hour helpdesk by phone at (011) 23370133 or (011) 23379020 or by email at icegatehelpdesk@icegate.gov.in.

F.No.EDI-18/2007 JNCH

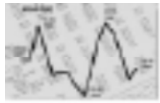
World Bank Pinksheet issued in September 2010 covers price movements in 43 energy and non-energy products. This Pink Sheet focuses on price movements in August 2010.

Grains, Veg Oils and Sugar on the Rise

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



	Monthly averages			Quarterly averages					Annual averages		
	2010			2009			2010		2008	2009	2010
	Jun	Jul	Aug	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jul	Jan-Dec	Jan-Dec	Jan-Aug
Energy											
Coal, Australia \$/mt	98.19	95.15	89.59	66.48	71.31	77.66	95.19	99.49	127.10	71.84	96.10
Crude oil, average \$/bbl	74.73	74.58	75.83	59.19	68.21	75.50	77.06	78.18	96.99	61.76	77.01
Crude oil, Brent \$/bbl	74.84	74.74	76.69	59.13	68.37	74.97	76.65	78.69	97.64	61.86	77.18
Crude oil, Dubai \$/bbl	73.98	72.65	74.18	58.93	68.07	75.46	75.86	77.98	93.78	61.75	76.04
Crude oil, West Texas Int. \$/bbl	75.35	76.35	76.60	59.52	68.21	76.08	78.67	77.85	99.56	61.65	77.82
Natural gas Index 2000=100	155.0	156.9	157.8	142.9	123.3	149.4	170.3	147.5	267.9	153.5	158.5
Natural gas, Europe \$/mmbtu	7.74	8.04	8.45	8.18	6.91	7.81	8.84	7.51	13.41	8.71	8.19
Natural gas, US \$/mmbtu	4.79	4.63	4.31	3.70	3.17	4.36	5.15	4.32	8.86	3.95	4.67
Natural gas LNG, Japan \$/mmbtu	10.48	11.10	11.50	7.60	7.91	9.33	10.32	10.95	12.53	8.94	10.80
Beverages											
Cocoa ¢/kg	323.1	322.2	309.1	257.9	296.4	341.8	329.7	321.0	257.7	288.9	322.9
Coffee, Arabica ¢/kg	420.9	448.0	466.5	320.2	322.7	341.7	353.7	392.0	308.2	317.1	393.9
Coffee, robusta ¢/kg	169.6	188.0	182.3	165.3	160.1	156.4	150.8	161.0	232.1	164.4	163.2
Tea, auctions (3) average ¢/kg	271.8	286.4	299.0	266.1	303.6	301.9	279.0	276.4	242.0	272.4	281.4
Tea, Colombo auctions ¢/kg	300.1	304.5	322.9	299.1	356.1	338.0	335.1	316.2	278.9	313.7	322.7
Tea, Kolkata auctions ¢/kg	291.8	323.3	321.9	271.3	273.0	284.4	215.8	274.0	225.5	251.5	264.3
Tea, Mombasa auctions ¢/kg	223.5	231.5	252.0	228.0	281.7	283.2	286.1	238.9	221.8	252.0	257.3
Fats and Oils											
Coconut oil \$/mt	993	1,031	1,161	779	711	734	834	955	1,224	725	945
Copra \$/mt	651	689	772	513	469	491	557	634	816	480	629
Groundnut oil \$/mt	1,342	1,300	1,225	1,166	1,133	1,152	1,359	1,352	2,131	1,184	1,332
Palm oil \$/mt	798	807	901	743	679	732	808	813	949	683	821
Palmkernel oil \$/mt	1,051	1,059	1,161	763	700	761	922	1,034	1,130	700	1,011
Soybean meal \$/mt	338	356	383	424	431	412	369	342	424	408	359
Soybean oil \$/mt	859	907	1,002	863	856	921	917	876	1,258	849	911
Soybeans \$/mt	408	429	457	461	454	439	417	409	523	437	420
Grains											
Barley \$/mt	145.9	156.4	161.2	129.5	122.0	145.5	143.6	146.9	200.5	128.3	148.6
Maize \$/mt	152.7	163.8	175.6	176.0	151.3	167.8	162.7	157.7	223.1	165.5	162.6
Rice, Thailand, 5% \$/mt	440.0	441.8	452.8	552.4	539.0	542.3	535.3	452.4	650.2	555.0	482.2
Rice, Thailand, 25% \$/mt	392.0	395.6	412.0	458.7	441.4	462.8	477.0	399.1	n.a.	458.1	429.5
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.
Rice, Thai, A.1 \$/mt	329.5	349.8	369.0	326.3	309.7	346.1	400.7	333.8	482.3	326.4	365.3



	Monthly averages			Quarterly averages					Annual averages		
	2010			2009			2010		2008	2009	2010
	Jun	Jul	Aug	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jul	Jan-Dec	Jan-Dec	Jan-Aug
Sorghum \$/mt	131.0	132.4	143.4	155.8	139.3	163.8	156.9	142.6	207.8	151.1	146.8
Wheat, Canada \$/mt	261.3	287.5	326.0	325.6	271.2	283.4	279.0	260.9	454.6	300.5	279.1
Wheat, US, HRW \$/mt	157.7	195.8	246.2	250.5	208.8	205.4	195.4	177.4	326.0	224.1	195.1
Wheat, US SRW \$/mt	182.6	222.3	261.6	195.6	165.2	195.6	193.5	186.9	271.5	186.0	203.1
Other Food											
Bananas EU \$/mt	1,037	959	865	1,288	1,118	1,032	1,014	1,029	1,188	1,145	994
Bananas US \$/mt	962	985	899	858	826	813	781	862	844	847	852
Fishmeal \$/mt	1,747	1,715	1,616	1,097	1,276	1,535	1,660	1,814	1,133	1,230	1,719
Meat, beef ¢/kg	319.7	321.0	336.5	262.8	273.2	273.5	314.2	342.4	313.8	263.6	328.4
Meat, chicken ¢/kg	174.7	176.1	176.0	174.1	173.9	165.1	167.2	173.0	169.6	171.7	171.6
Meat, sheep ¢/kg	520.1	462.3	528.3	428.7	453.3	450.1	447.6	486.8	458.5	427.6	474.3
Oranges \$/mt	1,201	1,302	1,127	870	861	1,107	1,009	1,084	1,107	909	1,088
Shrimp, Mexico ¢/kg	n.a.	n.a.	n.a.	970	970	864	827	945	1,069	945	874
Sugar EU ¢/kg	40.91	42.77	43.21	53.76	55.43	49.11	46.38	42.66	69.69	52.44	44.14
Sugar US ¢/kg	72.37	73.28	77.17	47.89	57.31	70.48	84.31	69.62	46.86	54.88	76.53
Sugar, world ¢/kg	35.01	38.49	40.71	33.89	46.98	50.29	51.82	34.93	28.21	40.00	42.43
Timber											
Logs, Cameroon \$/cum	390.8	421.4	425.6	394.8	414.9	449.5	431.4	408.0	526.9	421.5	420.6
Logs, Malaysia \$/cum	260.8	274.9	294.7	284.5	279.6	271.1	253.6	253.5	292.3	287.2	261.4
Plywood ¢/sheets	567.5	569.7	571.8	565.8	561.5	558.4	557.2	566.3	645.5	564.6	564.0
Sawnwood, Cameroon \$/cum	770.4	794.5	813.7	721.2	779.0	806.3	804.1	787.1	958.3	748.9	797.7
Sawnwood, Malaysia \$/cum	841.1	871.2	892.2	829.7	771.4	807.4	787.8	832.6	889.1	805.5	828.1
Woodpulp \$/mt	896.9	914.2	914.0	550.0	627.7	715.6	780.9	875.5	820.2	614.6	849.7
Other Raw Materials											
Cotton A Index ¢/kg	205.1	185.5	199.2	132.4	141.9	157.7	178.8	199.3	157.4	138.2	189.9
Cotton Memphis ¢/kg	202.7	n.a.	n.a.	137.5	148.8	172.4	183.6	200.1	161.3	145.3	191.9
Rubber RSS1, US ¢/kg	371.0	349.7	356.5	187.0	221.0	284.7	345.2	381.5	284.1	214.6	360.8
Rubber RSS3, SGP ¢/kg	356.6	327.4	331.6	166.4	199.3	256.5	318.6	372.7	258.6	192.1	341.6
Fertilizers											
DAP \$/mt	448.0	461.3	496.1	303.6	309.6	316.9	464.8	458.2	967.2	323.1	465.8
Phosphate rock \$/mt	125.0	125.0	125.0	113.3	90.0	90.0	102.1	125.0	345.6	121.7	116.4
Potassium chloride \$/mt	319.0	320.0	345.0	726.7	506.8	423.0	334.0	316.1	570.1	630.4	326.9
TSP \$/mt	346.8	360.0	380.8	247.7	224.7	235.7	316.9	357.4	879.4	257.4	345.4
Urea \$/mt	229.3	249.5	273.0	241.1	241.6	248.3	281.0	237.2	492.7	249.6	259.7
Metals and Minerals											
Aluminum \$/mt	1,931	1,988	2,118	1,485	1,812	2,003	2,163	2,096	2,573	1,665	2,111
Copper \$/mt	6,499	6,735	7,284	4,663	5,859	6,648	7,232	7,027	6,956	5,150	7,100
Gold \$/toz	1,233	1,193	1,216	922	960	1,102	1,109	1,196	872	973	1,165
Iron ore ¢/dmtu	167.0	205.0	205.0	101.0	101.0	101.0	101.0	167.0	140.6	101.0	151.7
Lead ¢/kg	170.4	183.7	207.5	149.9	192.8	229.3	222.1	195.0	209.1	171.9	205.3
Nickel \$/mt	19,389	19,518	21,413	12,920	17,700	17,528	19,959	22,476	21,111	14,655	21,029
Silver ¢/toz	1,853	1,794	1,849	1,376	1,477	1,760	1,693	1,838	1,500	1,469	1,779
Steel products index 2000=100	242.1	231.8	230.4	215.5	210.8	207.4	211.5	241.1	289.3	227.1	227.5
Steel cr coilsheet \$/mt	850	850	850	700	700	700	725	838	966	783	798
Steel hr coilsheet \$/mt	750	750	750	600	600	600	625	738	883	683	698
Steel rebar \$/mt	618	540	530	450	500	522	546	621	760	486	571
Steel wire rod \$/mt	755	694	670	1,007	857	814	751	767	1,010	969	740
Tin ¢/kg	1,732	1,819	2,075	1,351	1,459	1,517	1,721	1,786	1,851	1,357	1,802
Zinc ¢/kg	174.3	184.4	204.5	147.3	176.1	221.4	228.9	202.6	187.5	165.5	210.4

\$ = 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

Professional Equipment Vehicles under Restricted List Allowed in SFIS

VKGUY Scrip can be used for Cold Chain Equipments by Food Park Units

Safeguard and Anti-dumping Duty Exempted on Annual AA

Ntfn 90 In exercise of the powers India in the Ministry of Finance (Department
01.09.2010 conferred by sub-section (1) of Revenue), specified in column (2) of the Table
(DoR) section 25 of the Customs Act, below, shall be amended or further amended, as
1962 (52 of 1962), the Central the case may be, in the manner specified in the
Government, being satisfied that it is necessary corresponding entry in column (3) of the said
in the public interest so to do, hereby directs that Table, namely :-
each of the notifications of the Government of

Table

SNo.	Notification No. and date	Amendment
(1)	(2)	(3)
1.	91/2009-Customs, dated the 11 th September, 2009 [Vide number G.S.R. 657 (E), dated the 11 th September, 2009] [Served from India Scheme under FTP 2009-2014 (Q/12)]	In the said notification, in para 2, for the portion beginning with the words "Exemption under this notification shall not be available" and ending with the words "freely importable under the Foreign Trade Policy", the following shall be substituted, namely:- "Exemption under this notification shall not be available for import of vehicles even if such vehicles are freely importable under the Foreign Trade Policy. However, the vehicles which are in the nature of professional equipment (and are not personal vehicles) for use by the service provider in his regular service business shall be permitted."
2.	94/2009-Customs, dated the 11 th September, 2009 [Vide number G.S.R. 660 (E), dated the 11 th September, 2009] [Agri Infrastructure Incentive Scheme for Status Holders under VKGUY under FTP 2009-2014 (P158)]	In the said notification, in the opening paragraph, for condition (ii), the following condition shall be substituted, namely:- "(ii) that the scrip shall be non-transferable and the capital goods allowed for import shall be in accordance with the provisions of paragraph 3.13.4 of the Foreign Trade Policy: Provided that the scrip shall be freely transferable amongst status holders for import of Cold Chain equipments, and Provided further that the scrip shall be freely transferable for import of cold chain equipment by units (the terms units shall not include developers) in a Park recognized by the Ministry of Food Processing Industries."
3.	99/2009-Customs, dated the 11 th September, 2009 [Vide number G.S.R. 665 (E), dated the 11 th September, 2009] [Advance Authorisation for Annual Requirement under FTP 2009-2014 (Q/5)]	In the said notification in the opening paragraph,- (a) for the portion beginning with the words "from the whole of the additional duty" and ending with the words and figure "section 3 of the said Customs Tariff Act", the following shall be substituted, namely:- "from the whole of the additional duty, safeguard duty and anti dumping duty leviable thereon, respectively under section 3,8B and 9A of the said Customs Tariff Act". (b) after condition (xii), the following condition shall be inserted, namely:- "(xiii) that the exemption from safeguard duty and anti-dumping duty shall not be available in respect of material imported-

(a) for supply of goods against Advance Authorisation or Advance Authorisation for annual requirement or Duty Free Import Authorisation;
(b) for supply of goods to Export Oriented Unit (EOU) or Software Technology Park (STP) or Electronic Hardware Technology Park (EHTP) or Biotechnology Park (BTP);
(c) for supply of capital goods to Export Promotion Capital Good (EPCG) Authorisation holders;
(d) for supply of marine freight containers by 100% Export Oriented Unit (Domestic freight containers-manufacturers) where said containers are exported out of India within 6 months or such further period as permitted by customs; and
(e) for supply to projects funded by UN Agencies."

[F.No.605/33/2010-DBK]

Declaration of Vague Description in Filing Bill of Entry Relating to Alloys of Steel

The following Public Notice was issued by the Commissioner of Customs (Import) Jawaharlal Nehru Customs House on 16th August 2010.

81-PN Attention of all Importers, CHA, Importers/CHAs are still not declaring the complete description of goods and instead continue
16.08.2010 Trade and all other concerned to submit vague description of goods which
is invited towards public notice makes it difficult to decipher the exact nature
no.42/2010 regarding the data quality of imported goods. It is noticed that some of the
and composition of the goods because of which

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it becomes difficult to verify the correctness of the classification and valuation of the consignments imported.

2. In this regard, all the Importers/CHAs are directed to compulsorily furnish the composition in respect of import of rolled products, pipes, rod bars and similar other items of alloy (Ferrous and non-ferrous), segments, welding wire and rods, saw blade, and steel other than mild steel and carbon steel. In cases of mild steel and plain carbon steel, the same is required to be mentioned.

3. In all such cases where complete details regarding composition are not furnished, documents shall be returned for incorporating the same. Since, this mandatory requirement is not being complied by a large number of importers/CHAs, it has been decided to take stern action in case of non-compliance. In case, an importer/CHA repeatedly fails to furnish the complete details in documents furnished by him, appropriate penal action would be initiated including suspension of license of CHA, wherever situation so warrants.

F.No.S/26-Misc-673/2009-2010 Gr.IV

Wire Drawing from Wire Rods

28-CE(NT) In exercise of the powers
01.09.2010 conferred by section 5B of the
(DoR) Central Excise Act, 1944 (1 of 1944), the Central Government hereby orders that where an assessee has paid duty of excise on wires drawn from wire rods (hereinafter referred to as final product), falling under Chapter 72 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), the CENVAT credit taken or utilized, of the duty or tax or cess paid on inputs, capital goods and input services used in the making of the said final product, shall not be required to be reversed, notwithstanding that the process of drawing of wires from wire rods was held as not amounting to manufacture by the Supreme Court in Civil Appeal No. 74 of 2001 with C.A. Nos. 96,1701,4206 of 2002 and 1988 of 2003, decided on the 27th March, 2003 in the case of Collector of Central Excise Vs Technoweld Industries, reported in 2003(155) ELT209(SC), subject to following conditions, namely:-

(a) the said non-reversal shall be allowed only for the CENVAT credit taken upto the 8th of July, 2004.

(b) the said non-reversal shall be allowed only when excise duty has been paid on removal of the said final product.

(c) the said assessee shall not prefer a claim of refund of the excise duty paid by him on the said final product:

Provided that the CENVAT credit, if any, taken by the buyer of the said final product, of the excise duty paid by the said assessee on the said final product made and cleared upto the 8th of July, 2004 shall not be required to be reversed.

[F.No.73/01/2010-CX.4]

Power of Adjudication of Central Excise Officers

48-ST In exercise of the powers conferred by Section 83A of
08.09.2010 the Finance Act, 1994 (32 of 1994), the Central Board of
(DoR) Excise and Customs hereby makes the following further
amendments in the notification of the Government of
India, Ministry of Finance, Department of Revenue, No. 30/2005 – Service
Tax, dated 10th August 2005, published vide No. G.S.R. 527(E), dated the
10th August, 2005, namely:-

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

Table		
SNo.	Central Excise Officer	Amount of service tax or CENVAT credit specified in a notice for the purpose of adjudication under Section 83A
(1)	(2)	(3)
(1)	Superintendent of Central Excise	Not exceeding Rs. one lakh (excluding the cases relating to taxability of services or valuation of services and cases involving extended period of limitation.)
(2)	Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise	Not exceeding Rs. five lakhs (except cases where Superintendents are empowered to adjudicate.)
(3)	Joint Commissioner of Central Excise	Above Rs. five lakhs but not exceeding Rs. fifty lakhs
(4)	Additional Commissioner of Central Excise	Above Rs. twenty lakhs but not exceeding Rs. fifty lakhs
(5)	Commissioner of Central Excise	Without limit.

[F. No. 137/68/2010 - CX.4]

EU Tariffs on High-Tech Products Illegal, WTO Rules

The EU violated its commitments under multilateral trade rules by levying import duties on high-tech electronic products like flat-panel computer monitors, a WTO dispute panel recently determined, siding with Japan, Taiwan, and the US.

The three governments had alleged that EU duties on the products in question violated the Information Technology Agreement (ITA), a 1997 accord that lowered tariffs to zero on nearly all IT products among participating countries - which include all major traders.

The EU had argued that it was justified in charging duties as high as 14 percent on some so-called 'new generation' high-tech products, which were developed after 1996, because they were consumer goods rather than IT products. Flat-panel computer monitors, for instance, should be categorised with video monitors, as they can be connected with DVD players, the EU suggested. Thus, they should not, along with the other

Customs Valuation Exchange Rates

September 2010	Imports	Exports	
Schedule I			
1 Australian Dollar	42.15	40.90	
2 Canadian Dollar	44.85	43.60	
3 Danish Kroner	8.10	7.85	
4 EURO	60.35	58.70	
5 Hong Kong Dollar	6.10	5.95	
6 Norwegian Kroner	7.60	7.35	
7 Pound Sterling	73.70	71.80	
8 Swedish Kroner	6.40	6.20	
9 Swiss Franc	46.10	44.85	
10 Singapore Dollar	35.00	34.05	
11 U.S. Dollar	47.25	46.30	
Schedule II			
1 Japanese Yen	55.95	54.35	

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

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

(Source: Customs Notification 77(NT)/27.08.2010)

Commodity Spot Prices in India – 09-14 September 2010

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day.

(Rs.)					
Commodity	Unit	Market	09-Sep	13-Sep	14-Sep
CER (Carbon Trading)	1 MT	Mumbai	830	809	813.5
Chana	100 KGS	Delhi	2247	2239	2226
Masur	100 KGS	Indore	3474	3451	3426
Potato	100 KGS	Agra	405.2	412.7	418.6
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	NA	NA	NA
Cashewkern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	1239.3	1197.4	1148.1
Coffee ROB	100 KGS	Kushalnagar	NA	NA	NA
Jeera	100 KGS	Unjha	NA	NA	NA
Pepper	100 KGS	Kochi	NA	NA	NA
Red Chili	100 KGS	Guntur	NA	NA	NA
Turmeric	100 KGS	Nzmbad	13367	13750	13750
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1141	1156	1155
Wheat	100 KGS	Delhi	1250	1257.1	1254.2
Mentha Oil	1 KGS	Chandausi	913.9	933.5	929
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	3901	4012	4016
Guar Seed	100 KGS	Bikaner	2010	1972	1965
Soya Bean	100 KGS	Indore	2028.5	2020	2005.5
Mustrdsd JPR	20 KGS	Jaipur	541	543.5	539.1
Sesame Seed	100 KGS	Rajkot	5825	5825	6125
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1193.5	1240.4	1222.8
Coconut Oil	100 KGS	Kochi	6344	6344	6361
Refsoy Oil	10 KGS	Indore	480.05	480	475.15
CPO	10 KGS	Kandla	420.5	423.6	421
Mustard Oil	10 KGS	Jaipur	536.6	538.3	534.3
Gnutoilexp	10 KGS	Rajkot	900	950	951.1
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	3487	3560	3575
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	3651	3639	3662
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	2574	2588	2589
Sugarm	100 KGS	Delhi	2746	2726	2729
Natural Gas	1 mmBtu	Hazirabad	178.1	180.8	182.4
Rubber	100 KGS	Kochi	16659	16798	16860
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	3161.5	3169.5	3170.5
Gold	10 GRMS	Ahmd	19060	18828	19030
Gold Guinea	8 GRMS	Ahmd	15309	15123	15285
Silver	1 KGS	Ahmd	31425	31232	31850
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	26000	25565	25655
Copper	1 KGS	Mumbai	360.4	349.65	355.2
Nickel	1 KGS	Mumbai	1051.2	1068.6	1059
Aluminium	1 KGS	Mumbai	96.95	97.6	97.4
Lead	1 KGS	Mumbai	100.65	101.2	101.5
Zinc	1 KGS	Mumbai	98.9	99.4	98.75
Tin	1 KGS	Mumbai	1011.5	1020	1029

(Source: MCX Spot Prices)

products including multi-function printers, be covered by the ITA's zero tariff commitment, the EU argued.

The complainants contended that the EU was undermining the ITA. "The EU is taxing innovation - a move that could impair continued technological development in the information technology industry and raise prices for millions of business and consumers," said a statement from the US trade representative's office welcoming the WTO ruling.

When launching the dispute in 2008, Susan Schwab, the US trade representative at the

time, said that if ITA participants provided duty-free treatment only to technology that existed in 1996, very few IT products would be eligible.

The three governments had accused Brussels of using tariff protectionism to encourage domestic investment, saying that EU was aiming to maintain a tariff wall in order to move high tech production to Eastern Europe.

Electronics companies in the US and Asia, including Hewlett Packard and Samsung, welcomed the decision. Last month, officials in Taiwan said that the EU duties were costing its exporters of flat screens \$611 million a year in duties.

The EU, which has called for negotiations to update the ITA, has not yet indicated whether it will appeal the decision.

US Cuts Tariff on Raw Materials, EU May Follow Suit

Governments' trade policies tend to be full of contradictions. They preach the virtues of free trade, then fight tooth and nail at the WTO to preserve the right to levy import duties and subsidise farmers. But in the absence of import-competing interests, it becomes easier for theory and practice to line up. Such was the case for a tariff bill signed into law last month by US President Barack Obama, which temporarily suspended or reduced duties levied on hundreds of industrial inputs, in order to help reduce costs for US manufacturers.

The 'Miscellaneous Tariff Bill,' which passed the US Senate on 11 August, covers raw materials and intermediate products not produced domestically, or where there is no domestic opposition to lowering tariffs.

As a result of the bill, a wide range of US industries will pay lower costs on imported inputs. Bicycle manufacturers, for instance, will save money on importing things like speedometers and certain kinds of brakes and other parts. The Congressional Budget Office estimated the tariff revenues foregone from 2010 to 2015 as a result of the bill at about \$230 million.

US manufacturing groups welcomed the passage of the bill. The National Association of Manufacturers said it would "cut the costs of doing business in the United States and boost American manufacturing exports." In a letter urging senior Congressional leaders to pass the bill, companies such as 3M, BASF, Nike, and Reebok cited estimates that the duty cuts would support more than 90,000 US jobs and US\$3.5 billion in GDP growth.

Indo-Argentina Trade

There are 14 Indian companies which have invested about one billion dollars in IT, agrochemicals, steel, pharmaceuticals and cosmetics in Argentina. United Phosphorus and Punjab Chemicals & Crop Protection Ltd have invested 100 million dollars in Argentina in the production and export of agrochemicals and seeds.

Agricultural machinery is emerging as a new area of trade and collaboration. Mahindra, TAFE and Sonalika from India have started exporting their tractors to India. Sonalika plans to assemble their tractors in Argentina. The Argentine company Vassali is in contact with Sonalika to assemble harvesters in India.

IFFCO is exploring the possibility of setting up a fertilizer plant in Argentina using natural gas as the raw material.

A number of Indian companies have shown interest in investment and joint ventures in agribusiness in Argentina, which has one of the most advanced and competitive agriculture sectors in the world.

[Source: PIB Press Release dated 13 September 2010]

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