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Rupee Rises Past 63, A Gain of 5 in 15 days!

May Reach 58 by Diwali

The currency tide has turned in spectacular fashion. Asia's worst performer until last week, the rupee has become the world's best performer in the past five days as investor confidence has surged following a series of steps to boost inflows and the receding likelihood of a US strike on Syria. At last count on Tuesday 11 Sept, the Rupee was at 63.543 after touching the 63 mark in the course of the day.

The local currency had its best five day rally in four decades after Reserve Bank of India Governor Raghuram Rajan took over. Liberal fund-raising rules for banks and exchange risk cover for NRI deposits are estimated to draw about $20 billion in the next few weeks.

RBI meanwhile allowed a special swap window for FCNR(B) deposits to narrow the current account deficit, a measure of the difference between overseas spending and earnings. RBI will swap the fresh FCNR(B) dollar funds with a three-year tenor at a fixed rate of 3.5 percent per annum.

The Federal Open Market Committee meeting next week will indicate what Fed ChairmanBen Bernanke plans to do with the quantitative easing programme, which has become the life-blood of emerging markets in the past few years.

The de-escalation of the Syrian crisis has caused oil prices to fall sharply. Brent has dropped by a further 2%. Since the beginning of the week, Brent has fallen by approx. $5 on the back of a declining risk premium. At the falling rate, crude may reach the $85 level reached in mid May this year.

In the speech on 10 May, US President Obama conceded that a diplomatic solution to the Syrian crisis would be preferable and put on ice the planned US Congress vote on the previously intended military strike against the Assad regime.

OPEC and the US Energy Information Administration (EIA) confirmed the picture of an amply supplied oil market. Despite the production outages in some OPEC countries, which the EIA put at a total of 2.1 million barrels per day in August, OPEC produced 30.24 million barrels of crude oil per day and thus more than necessary in August.

What is more, the call on OPEC next year is expected to be even lower than this year because non-OPEC supply looks set to grow more strongly than global oil demand. According to OPEC, the call on OPEC will diminish to an average figure of 29.6 million barrels per day in 2014, while EIA even puts the figure at 29.4 million barrels per day.

Spot gold fall by $40 to $1360 per ounce. We may see it reach the $1200 level in July 2013.

Given the inflow of forex on the capital account as well as exports, the measures to augment forex through the World Bank loan (See Box). The dollar shortage will ease.

Last and most important, the revival of the stock market will fuel the demand for rupees in the Singapore market where the FII trade. The flight from India is now reversed. The sings are good.

-Arun Goyal-

India Cabinet to Consider $4.3 billion Loans from World Bank Arm

India's cabinet will on Thursday consider a finance ministry proposal to borrow an additional $4.3 billion from an arm of the World Bank, according to a cabinet agenda document.

Under the proposal India would borrow the money from the International Bank of Reconstruction and Development (IBRD), a World Bank subsidiary, according to the note seen by Reuters on Wednesday, which did not give more details.

It was not immediately clear how quickly the money would reach India if approved, or the terms of such loans.

A World Bank spokeswoman said she could not immediately comment. The IBRD usually gives such loans for development and infrastructure programmes, which are often disbursed in tranches over a long period.

India has been scrambling to shore up capital inflows to stabilize its volatile rupee currency.

Exports Rise by $3bn in Aug, Imports Crash, Rupee Fall Spurs

Exports (including re-exports)

Exports during August, 2013 were valued at US $ 26135.94 million (Rs. 165202.15 crore) which was 12.97 per cent higher in Dollar terms (28.53 per cent higher in Rupee terms) than the level of US $ 23134.47 million (Rs. 128534.68 crore) during August, 2012. Cumulative value of exports for the period April-August 2013-14 was US $ 124426.07 million (Rs724733.44 crore) as against US $ 119771.91 million (Rs. 654859.77 crore) registering a growth of 3.89 per cent in Dollar terms and growth of 10.67 per cent in Rupee terms over the same period last year.

Imports

Imports during August, 2013 were valued at US $ 37053.85 million (Rs.234212.93 crore) representing a negative growth of 0.68 per cent in Dollar terms and growth of 12.99 per cent in Rupee terms over the level of imports valued at US $ 37307.27 million (Rs. 207278.42 crore) in August, 2012. Cumulative value of imports for the period April-August, 2013-14 was US $ 197792.14 million (Rs. 1146140.26 crore) as against US $ 194442.45 million (Rs. 1062866.95 crore) registering a growth of 1.72 per cent in Dollar terms and growth of 7.83 per cent in Rupee terms over the same period last year.

Crude Oil and Non-Oil Imports

Oil imports during August, 2013 were valued at US $ 15095.3 million which was 17.88 per cent higher than oil imports valued at US $ 12805.7 million in the corresponding period last year. Oil imports during April-August, 2013-14 were valued at US $ 69679.6 million which was 5.60 per cent higher than the oil imports of US $ 65982.0 million in the corresponding period last year.

Non-oil imports during August, 2013 were estimated at US $ 21958.6 million which was 10.4 per cent lower than non-oil imports of US $ 24501.6 million in August, 2012. Non-oil imports during April-August, 2013-14 were valued at US $ 128112.5 million which was 0.3 per cent lower than the level of such imports valued at US $ 128460.5 million in April-August, 2012-13.

Trade Balance

The trade deficit for April-August, 2013-14 was estimated at US $ 73366.07 million which was lower than the deficit of US $ 74670.54 million during April-August, 2012-13.

Exports & Imports: (US $ Million)

(Provisional)

	August	April-August
Exports (including re-exports)		
2012-13	23134.47	119771.91
2013-14	26135.94	124426.07
%Growth 2013-14/ 2012-2013	12.97	3.89
Imports		
2012-13	37307.27	194442.45
2013-14	37053.85	197792.14
%Growth 2013-14/ 2012-2013	-0.68	1.72
Trade Balance		
2012-13	-14172.80	-74670.54
2013-14	-10917.91	-73366.07

Colombia Launches Safeguard Investigations on Steel Profiles Products

Colombia has notified the WTO's Committee on Safeguards that on 6 August 2013 it initiated safeguard investigations on steel angles ("L profiles") and on steel square profiles and plates, and that on 9 August 2013 it initiated a safeguard investigation on iron and steel bars and wire.

In its notification, Colombia indicated that on 14 and 16 August 2013 respectively it had invited interested parties wishing to express their views to do so within thirty working days, and that it on 16 August 2013 had sent to interested parties communications informing them of the initiation of the investigations and requesting them to complete questionnaires within 30 working days.

New WTO DG Launches "Rolling set of Meetings" for TF, LDC and Agro Agenda at Bali

Director-General Roberto Azevêdo, in his inaugural speech to the WTO General Council on 9 September 2013, said "my full priority will be to ensure that we have a successfully negotiated outcome in our 9th Ministerial Conference". He said: "Time is short. Our work must start here and now. That's why I will be commencing intensive consultations with members immediately, starting this week…This will be in a variety of formats and configurations at Ambassador level. We will focus on the three key areas of trade facilitation, development and some elements of agriculture. "

I will be an inclusive Director-General, working closely with everyone - from the Geneva representatives to ministers; from the secretariat to wider stakeholders, from the smallest to the largest delegations. I will also have transparency as a fundamental yardstick in all areas of work, also in administrative matters.

Our negotiating arm is struggling. We all know that this is just one part of the work that we do here. We all know that. But the WTO, as we know, has been defined by what we have been doing in the negotiating front. This is how the world sees us. There is no escaping that. It doesn't matter how much we say that we do more than negotiate, that we have a number of other things going on here, which are extremely important to the world even though the world doesn't know it. People only see us as good as our progress on Doha. That is the reality. And the perception in the world is that we have forgotten how to negotiate. The perception is ineffectiveness.

That's why success at the Bali Ministerial Conference is vital - this has to be our first priority. Success in Bali would bring huge benefits, improving people's lives, including for the poorest amongst us, and boosting trade at a critical moment for the global economy.

The world will not wait for the WTO indefinitely. It will move on. And it will move on with choices that will not be as inclusive or efficient as the deals negotiated within these walls. This is the message I took to the G20 Leaders in St. Petersburg last week.

Of course the WTO has other priorities too. We must continue to strengthen the implementation and monitoring functions of the WTO to maintain vigilance against protectionism. This is one of the most important aspects of our work. The dispute settlement mechanism is under heavy demand. This is yet another sign of the importance of the WTO system in uncertain times.

So how are we going to go about this?

I am going to be transparent, open and inclusive. This will be a key part of how we move forward. As we work towards Bali, I will be doing everything I can to ensure that all Members are involved and that all voices are heard.

As you know, I have already announced the appointment of my Deputy Directors-General. They are trade professionals. They are familiar to all of you. They will serve the membership and will help advance our shared aims. I am grateful that they have agreed to join us. As I told you in my presentation to this General Council last January, I will be a hands-on DG. I will roll up my sleeves and I will be by your side at the table. Between now and Bali, I will be away from Geneva only when strictly necessary. My full priority will be to ensure that we achieve a successfully negotiated outcome in our 9th Ministerial.

We will focus on the three key areas of trade facilitation, development and some elements of agriculture. My intention is to have a rolling set of meetings, giving the opportunity for everyone's voice to be heard across all these issues. There will also be regular TNC meetings, which I will convene as necessary.

We need to bring the three Bali elements together now. They must move simultaneously in our so-called horizontal process. We need to tackle the difficult issues to identify, early in the process, where the possible trade-offs may lie.

I say again: time is short. There are just 84 days until the Ministerial Conference. All aspects of this work must start to deliver results quickly. Flexibility will be key.

Azevêdo Takes Office from Lamy as WTO DG

Roberto Carvalho de Azevêdo formally began his term as WTO Director-General on Sunday, succeeding Pascal Lamy in the role. The leadership transition comes as the organisation's 159 members gear up for their December ministerial conference, where they hope to clinch a package of deliverables from the long-running - and often troubled - Doha Round of trade talks.

The arrival of Azevêdo, who was previously Brazil's Ambassador to the global trade body, marks the first new WTO chief in eight years. Azevêdo will give his inaugural speech to members next Monday at a meeting of the General Council, where he is expected to outline his initial plans and priorities for his four-year term.

Lamy exits

Azevêdo's entry comes on the heels of the departure of Pascal Lamy, a French national who served as Director-General from 1 September 2005 until 31 August of this year. Notably, Lamy's eight-year tenure saw the organisation launch the Aid for Trade initiative, along with taking an active role in monitoring the rate and number of protectionist measures implemented by WTO members during the financial crisis.

Other major WTO developments during this period included the finalisation of a revised Government Procurement Agreement (GPA), an update to the organisation's guidelines for least developed country (LDC) accessions, and the adoption of a transparency mechanism for regional trade agreements. Eleven new members have joined the WTO since Lamy took office in 2005, including Russia, bringing the current total to 159.

The next steps for Lamy remain unclear. The former EU Trade Commissioner has long been rumoured to be a contender for a place in the French government's cabinet; however no formal announcement of his future plans has been made.

Bluetooth Wireless Headset for Mobile Phones/Cell Phones Classified in Sub-heading 8517.62

Subject: Classification of "Bluetooth Wireless Headset for mobile phones / cell phones" under harmonised Customs Tariff

36-CBEC
05.09.2013
(DoR)

Doubts have been raised on whether "Bluetooth Wireless Headset for mobile phones / cell phones" is classifiable in heading 8517 or 8518 of the Customs Tariff. The relevant text of these headings is as under:

85.17 "…; *other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network*),…"

85.18 "…; *headphones and earphones, whether or not combined with a microphone*,…"

2. The illustrative product description for the purpose of classification of similar or identical headsets for "mobile phones / cell phones" is as follows: "*Wireless headset consisting of a single (monaural) over-the-ear earphone combined in the same housing with a microphone, a radio transceiver, a rechargeable battery, a power input, a LED indicator light and controls. The radio transceiver utilizes an open wireless technology standard (wireless protocol for exchanging data within a Personal Area Network (PAN) using short length radio waves over short distances (up to 10 meters)) with Enhanced Data Rate (EDR) technology, which enables the headset to communicate wirelessly with fixed and mobile devices, such as a mobile telephone for cellular networks. The controls are used functions like on and off, voice dialling, call waiting, redial of the last number, etc., if supported by the apparatus with which it is "paired" (transmitting to and receiving from). The product is put up in a set for retail sale in a box with an AC charger and two ear-hooks of different sizes and a quick start manua*l."

3. This issue has been examined by the Board in consultation with the Department of Electronics and Information Technology, Ministry of Communication and Information Technology. The Compendium of Classification Opinions reflecting the decisions taken by the Harmonized System Committee (HSC) (47th Session – March 2011) was also referred. As seen, the classification of goods in the First Schedule of the Customs Tariff Act, 1975 is governed by the General Rules for the Interpretation (GRI) of Import Tariff.

4. In the instant case, as "Bluetooth Wireless headset for mobile / cell phone", is presented together with a charger, ear hooks and user documentation and put up in a set for retail sale, therefore besides GRI 1, the legal basis of classification would be the sequential application of Rules 2(a), 2(b), 3(a) and 3(b). It is the **headset** that confers it the essential character to this set. As seen, the "Bluetooth Wireless Headset for mobile phones/cell phones" comprises microphone / transmitter, headphone / receiver, wireless communication system**.** The communication function for mobile telephony characterizes its principal function for the purpose of Note 3 to Section XVI. This function is included in heading 85.17: "*other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network*". Thus, heading 85.17 would apply to "apparatus" used for communication in wireless networks, which is a simultaneously two-way audio and data streaming in the radio frequency band. Also, the HS Explanatory Note to subheading 8517.62 (*Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus)* provides that, "*this subheading includes cordless handsets or base units, when presented separately*." Headphones combined with a microphone of heading 8518 carry only audio signals and are not an active part of a network, whereas a Bluetooth headset with mobile telephony function is an active part of a wireless network, includes a software part for the wireless network and simultaneously receives/transmits voice and data in a wireless network. Thus, "Bluetooth Wireless headsets for mobile phones / cell phones" equipped with communication device fully comply with the subheading 8517.62.

5. In view of the above, the Board is of the view that "Bluetooth Wireless headsets for mobile phones / cell phones" is correctly classified in heading 85.17, subheading 8517.62, by application of GRI 1 (Note 3 to Section XVI), 3(b) and 6.

6. Accordingly, suitable instructions may be given to the field formations. Difficulty faced, if any, may be brought to notice of the Board.

F.No. 528/8/2012-STO (TU)

Gold Import can Succeed Export as Replenishment

Subject: Non-insistence on sequencing of import of gold being followed by export of gold jewellery/articles of gold.

40-Ntfn(RE)
06.09.2013
(DoR)

In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), read with paragraph 2.1 of the Foreign Trade Policy, 2009-2014, as amended from time to time, the Central Government hereby notifies the following:

2. Chapter 71 of ITC(HS) 2012 Schedule 1 stipulates that import of gold is 'subject to RBI regulations'. The Reserve Bank of India has issued certain guidelines including A.P. (DIR Series) Circular No.25 dated August 14, 2013 on the operational aspect of the scheme of import of gold. Para 2(f) of the circular No.25 states:

"(f) Any authorization such as Advance Authorization / Duty Free Import Authorization (DFIA) is to be utilized for import of gold meant for export purposes only and no diversion for domestic use shall be permitted. "

3. This condition (f) is getting interpreted as every import under Advance Authorisation/ DFIA has to be followed by a corresponding export. Normally import precedes export under AA/DFIA but in certain cases export may precede import. It is necessary that every import under AA/DFIA must be duly accounted for by corresponding exports without insisting on the sequence: import preceding export.

4. Accordingly, import of gold under AA/ DFIA would have a corresponding export but not necessarily import first and export later.

5. Effect of this Notification

Import of gold under AA/ DFIA would not necessarily be followed by export but each import has to be accounted for.

Procedure for Supply of Duty Free Gold to Jewellery Exporters by Nominated Agencies

- No Coins Allowed
- Norms for 20/80 Export Obligation Specified

Sub: Import of Gold and Gold Dore Bars- Procedure and Guidelines.

34-CBEC
04.09.2013
(DoR)

Reference is invited to Board's Circular No. 28/2009 dated 14.10.2009 regarding procedure to be followed by the Nominated Agencies for supplying duty free gold to exporters. RBI has now issued fresh guidelines for import of gold and gold dore bars vide circular RBI/2013-14/187, AP (DIR Series) Circular No. 25 dated 14.8.2013, as revised (copy enclosed). In order to operationalize the same, the following procedure shall be followed for import of gold. This circular shall supersede the customs circular no. 28/2009-Cus dated 14.10.2009 insofar as the import of gold is concerned. The import of silver and platinum shall continue to be governed by the customs circular dated 14.10.2009.

2. Henceforth, gold shall be permitted to be imported only by the agencies notified by DGFT, which as of now are as follows:

i. Metals and Minerals Trading Corporation limited (MMTC);
ii. Handicraft and Handloom Export Corporation (HHEC);
iii. State Trading Corporation (STC);
iv. Project and Equipment Corporation of India Ltd. (PEC);
v. STCL Ltd;
vi. MSTC Ltd;
vii. Diamond India Limited (DIL);

viii. Gems & Jewellery Export Promotion Council (G&J EPC);

ix. A Star Trading House (only for Gems & Jewellery sector) or a Premier Trading House under paragraph 3.10.2 of Foreign Trade Policy; and

x. Any other agency authorized by Reserve Bank of India (RBI).

3. Import of gold by the banks/agencies/entities specified in para 2 above, henceforth referred to as Nominated Agencies for the purpose of this Circular, shall be subject to the following:

a. Import of gold in the form of coins and medallions is prohibited.

b. It shall be incumbent on the nominated banks/ agencies/entities to ensure that at least one fifth, i.e., 20%, of every lot of import of gold imported to the country is exclusively made available for the purpose of exports and the balance for domestic use. A working example of the operations of the 20/80 scheme is given in the Annexure to the RBI Circular dated 14.8.2013, as revised.

c. Entities/units in the SEZ and EOUs, Premier and Star Trading Houses shall be permitted to import gold exclusively for the purpose of exports only and these entities shall not be permitted to clear imported gold for any purpose other than for exports (irrespective of whether they are nominated agencies or not).

d. Gold made available by a nominated agency to units in the SEZ and EoUs, Premier and Star Trading Houses shall not qualify as supply of gold to the exporters, for the purpose of the 20/80 Scheme;

e. Gold imported against any authorization such as Advance Authorization/Duty Free Import Authorization (DFIA) shall be utilized for export purposes only and no diversion for domestic use shall be permitted.

4. For import of gold, following procedure is prescribed:

i. all imports shall be routed through customs bonded warehouses only;

ii. jurisdictional Commissioner may permit the vaults of the nominated agencies as customs bonded warehouse subject to the procedure prescribed under Section 58 of the Custom Act;

iii. for every consignment of gold imported, at least 20% quantity shall be for supply to the exporters only and remaining can be cleared on payment of duty in accordance with RBI circular dated 14.8.2013, as revised;

iv. the Nominated Agencies shall furnish a bond to the satisfaction of the said officer undertaking to properly account for the warehoused gold and also to discharge the duty liability at the prescribed effective rate of duty;

v. the Nominated Agencies may be permitted by the jurisdictional Commissioner of Customs to give a general bond for an estimated amount of duty worked out at the effective rate involved in their monthly import or a revolving bond starting with a bond equal to the duty estimated at the effective rate on quantity of gold likely to be imported in a month;

vi. the Nominated Agencies (other than designated banks nominated by RBI and public sector undertakings) shall also furnish a bank guarantee equal to 25% of the estimated amount of duty involved on import of gold in a month or the bonds executed by them. The exemption from bank guarantee to the designated banks nominated by RBI and public sector undertakings shall be permissible subject to the following conditions:

a. the said entity has not defaulted in following the procedure and condition specified by Customs and/or DGFT;

b. in case of default in export of jewellery manufactured out of precious metal supplied by nominated agency within the prescribed period, the said entity has not defaulted in payment of duty within the specified period;

c. the said entity has not been served with a show cause notice or no demand confirmed against it, during the preceding 3 years, for violations involving fraud or collusion or any willful misstatement or suppression of facts under relevant provisions of the Customs Act 1962, the Central Excise Act 1944, the Finance Act 1994 covering Service Tax, the Prevention of Money Laundering Act 2002, the Foreign Trade (Development & Regulation) Act 1992, the Foreign Exchange Management Act 1999 and the Rules made thereunder;

vii. the Commissioner of Customs may allow more than one Nominated Agencies to keep their imported goods in the same bonded warehouse provided the quantities are kept segregated and separate accounts are maintained;

viii. the Nominated Agencies shall be exempt from following the double lock system. Physical presence of the Bond Officer will not be required for bonding or ex-bonding the goods. No cost recovery charges would be payable by the Nominated Agencies;

ix. the Nominated Agencies can be visited by Custom officers for surprise audit or checks. The jurisdictional Commissioner should devise a system of random audit at least once in 3 months during the first year and twice in a year subsequently;

x. the Nominated Agencies, intending to clear gold to an exporter, shall file an ex-bond Bill of entry, clearly stating the name, address and details of owners/promoters/Managing Director/Partners etc of the exporter to whom the gold is being sold, with the jurisdictional customs officer where the gold has been bonded. The Nominated Agencies shall clear gold for domestic use on payment of duty by filing appropriate exbond Bill of Entry.

xi. the exporters intending to receive precious metal from the Nominated Agencies will register themselves with their jurisdictional Deputy/ Assistant Commissioners who will issue them a one-time Certificate specifying therein the details of their units such as name and address of the unit and the owners/promoters/Managing Director/Partners etc. of the organization. Exporters already registered with the customs authorities under the provisions of circular 28/2009-Cus dated 14.10.2009 need not take a fresh registration under this circular. This certificate has to be produced to the Nominated Agencies while taking gold. The units shall submit an undertaking to the Deputy/ Assistant Commissioner without bank guarantee to follow the conditions of notification under which they are receiving duty free gold and export the jewellery made therefrom within the period stipulated in the Foreign Trade Policy. The same procedure will be followed by the EOU/SEZ units intending to receive gold from nominated agencies;

xii. the customs officer shall permit clearance of the gold for export production under the relevant exemption notification after submission of the documents stated above and shall make necessary entries in the Register in the form prescribed in Annexure-I. This register shall be maintained by the customs officer separately for each of the nominated agency importing gold under his/her jurisdiction;

xiii. the Nominated Agencies shall also maintain an account of the goods released to the exporters (exporter-wise) on day-to-day basis. This account shall be liable for inspection by any Customs authority as the account of a bonded warehouse;

xiv. proof of export by the exporter shall be furnished in accordance with para 4A.8(a) of HBP V.1, to the nominated agencies as a proof of having exported the jewellery made from the duty free gold released to them within the period prescribed in the Foreign Trade Policy. The Nominated Agency shall furnish a self-certified copy of the same to the customs officer where the gold was bonded;

xv. wherever such proof of export is not produced within the period prescribed in the Foreign Trade Policy, the Nominated Agency shall (without waiting for its recovery from the exporter) deposit the amount of duty calculated at the effective rate leviable on the quantity of precious metal not exported, within 7 days of expiry of the period within which the jewellery manufactured out of the said quantity of gold was supposed to be exported. The Nominated Agencies will settle their claim with the exporter at their own level. The Nominated Agencies shall also report the cases of failure to export the jewellery made out of gold released to the exporter, to the Commissioner of Customs in whose jurisdiction the gold was originally warehoused;

xvi. the customs officer shall ensure that all clearances of gold from the customs bonded warehouse are in accordance with the RBI circular, especially that the quantity of gold imported by the Nominated Agency, in the third consignment onwards from the date of notification of the RBI Circular dated 14.08.2013, as revised, does not exceed five times the quantity of gold contained in the exported products for which proof of export and realization of payments related thereto, has been submitted to the customs officer;

xvii. the reconciliation of exports and calculation of quantities for subsequent imports shall be done nominated agency-wise and port-wise by the jurisdictional customs officer.

5. For the import of gold dore bars, the following procedure is prescribed:

i. import of gold dore bars shall be permitted only against a license issued by the DGFT;

ii. the entity to whom the license has been issued by DGFT, hereinafter referred to as the license-holder, shall be permitted to import gold dore bars subject to the conditions laid down in notification 12/2012-Cus dated 17.3.2012 as amended;

iii. the customs officer at the port from where gold dore bars are imported shall ensure that the quantity of gold imported by the license-holder, in the third consignment onwards from the date of notification of the RBI Circular dated 14.08.2013 as revised, does not exceed five times the quantity of gold contained in the exported products for which proof of export in accordance with Para 4A.8 (a) of HBP Volume 1 has been submitted to the customs officer;

iv. the customs officer at the port from where gold dore bars are imported shall maintain a license-holder wise record of the gold imported as per Register prescribed in Annexure-II. He/she shall also maintain a record of proof of export of the goods manufactured out of gold supplied by the license-holder to exporters from the refined gold. The proof of export, duly certified by the central excise officer in whose jurisdiction the refinery is registered, shall be submitted to the customs officer by the license holder.

v. the license holder shall ensure that at least 20% of the gold manufactured out of each consignment of gold dore bars is supplied to the exporters and the remaining is supplied for domestic use in accordance with the RBI circular dated 14.8.2013, as revised;

vi. entities/ units in the SEZ and EOUs, Premier and Star Trading Houses shall be permitted to procure gold from the refinery of the license holder exclusively for the purpose of exports only and these entities shall not be permitted to clear such gold for any purpose other than for exports (irrespective of whether they are nominated agencies or not). Further, gold made available by such refineries to units in the SEZ and EoUs, Premier and Star trading houses shall not qualify as supply of gold to the exporters, for the purpose of the 20/80 Scheme;

vii. the central excise officer, in whose jurisdiction the refinery is registered, shall monitor that at least 20% quantity of refined gold shall be for the supply to the exporters only and remaining can be cleared in accordance with the RBI circular dated 14.8.2013, as revised;

viii. for each consignment of gold dore bars imported, the license holder shall submit a report on utilization of gold dore bars, gold produced after refining, gold issued to exporters and the proof of export for the goods manufactured and exported by these exporters to the central excise officer under whose jurisdiction the refinery of the license holder is registered. A copy of the same, duly authenticated by the central excise officer, shall be submitted to the customs officer under whose jurisdiction the consignment was initially imported.

6. This Circular shall be deemed to be modified as and when, and in the manner RBI issues any circular to amend the policy related to import of gold as contained in their circular dated 14.08.2013 as revised.

7. Wide publicity may be given to these instructions by way of issuance of Public/Trade Notice. Difficulties, if any, in implementation of these instructions, may be brought to the notice of the Directorate General of Export Promotion.

Annexure-I

Register to be maintained by the customs officer in terms of Para 4 (X)

1. Name of the Nominated Agency:
2. Full Address:
3. Bond No. & Date:
4. Amount of Bond:
5. Type of Bond (Running/Revolving/Consignment-wise):
6. Accepted by:

Receipts

1. Date
2. Date of Import
3. B/ E No. & Date
4. Date of warehousing
5. Quantity of Gold warehoused
6. Value of, and duty involved in the gold warehoused
7. Signature of the authorized representative of the Nominated Agency
8. Signature of the Customs officer

Quantity permitted to be imported in terms of RBI Circular

1. B/E number and Date:
2. Quantity imported:
3. Quantity warehoused:
4. Quantity cleared on payment of duty:
5. Quantity supplied to EOUs/SEZ units, Premier and Star trading houses:
6. Quantity supplied to exporters (other than those in column 5):
7. Quantity for which proof of export has been received till the date of next import of gold from quantity supplied in column 6:
8. Quantity permitted to be imported:

Shipping Bill, Customs Invoice and BRC are the "Must" Docs for Export Proof of Gold – Two of these Compulsory

Subject: Relaxation of condition for fulfillment of export obligation in respect of consignments of gold articles.

25-PN(RE) 06.09.2013 (DGFT) In exercise of powers conferred under Paragraph 2.4 the Foreign TradePolicy, 2009-2014, the Director General of Foreign Trade hereby relaxes certain conditions of para 4A.8 of HBP v1 for the purpose of import/release of 20% gold consignment (under customs bond) against export of gold jewellery/articles of gold.

2. Para 4A.8(a) stipulates what may constitute "Proof of Export" and lists three specific documents as under:

(i) E.P. copy of the shipping bill;

(ii) Customs attested invoice;

(iii) Bank certificate of realisation in Appendix 22A

3. Only in respect of export of gold jewellery and export of articles of gold, the document listed at (iii) above, namely "Bank certificate of realisation in Appendix 22A" will not be insisted upon so far as "proof of exports" is required as per RBI Circular No.25 dated 14.08.2013 or any other related guidelines issued by RBI or Ministry of Finance.

4. It is reiterated that in respect of all other exports, all the 3 documents listed above will continue to be required for establishment of proof of export. Similarly against export of gold jewellery and export of articles of gold, if any claim of export benefit like drawback, etc., is considered then Bank certificate of realisation in Appendix 22A would be required.

Effect of this Public Notice

The exporters/importers can import/get their 20% gold consignment (under customs bond) released without waiting for the realization, if the other two requirements of para 4A.8(a) are satisfied.

Annexure-II

Register to be maintained by the customs officer in terms of Para 5 (v)

1. Name of the License holder:
2. Full Address:
3. Name and address of the central excise office where the refining unit is registered:

Receipts

1. Date:
2. Date of Import:
3. B/ E No. & Date:
4. Quantity of Gold dore imported:
5. % purity of gold as indicated in the assay report:
6. Estimated quantity of pure gold:
7. Signature of the Customs officer:

Quantity permitted to be imported in terms of RBI Circular

1. B/E number and Date:
2. Quantity of pure gold estimated in gold dore bars imported:
3. Quantity of pure gold obtained after refining:
4. Quantity cleared on payment of duty:
5. Quantity supplied to EOUs/SEZ units, Premier and Star trading houses:
6. Quantity supplied to exporters (other than those in column 5):
7. Quantity for which proof of export has been received till the date of next import of gold from quantity supplied in column 6:
8. Quantity permitted to be imported:

[Revised RBI Circular No. 25 dated 14.08.2013 is available at our website www.worldtradescanner.com]

Customs Baggage Declaration Form Must for Passengers who come to India w.e.f. 1 Jan 2014

Red Channel for Pax Bringing in Excess Gold, Rupees and Forex

90-Cus(NT) 29.08.2013 (DoR) In exercise of the powers conferred by clause (a) of section 81 of the Customs Act, 1962, the Central Board of Excise and Customs hereby makes the following regulations, namely:—

1. Short title - These regulations may be called the Customs Baggage Declaration Regulations, 2013.

2. Extent of application - These regulations shall apply to baggage including any package comprised therein of the passengers coming to India. These regulations will come into effect w.e.f. 1st January, 2014.

3. Method of Declaration of Baggage - All passengers who come to India shall declare their accompanied baggage in **Form I** appended to this regulation.

[F. No. 520/13/2013-Cus.VI]

Form I

Indian Customs Declaration Form

(Please see important information given below before filling this Form)

1. Name of the Passenger:
2. Passport Number:
3. Nationality:
4. Date of Arrival: (DD/MM/YYYY)
5. Flight No.:
6. Number of Baggage:
7. Country from where coming:
8. Countries visited in last six days:
9. Total value of dutiable goods being imported (Rs.):
10. **Are you bringing the following items into India?** (please tick Yes or No)

(i) Prohibited Articles Yes/No

(ii) Gold jewellery (over Free Allowance) Yes/No

(iii) Gold Bullion Yes/No

(iv) Meat and meat products/dairy products/fish/poultry products Yes/No

(v) Seeds/plants/seeds/fruits/flowers/other planting material Yes/No

(vi) Satellite phone Yes/No

(vii) Indian currency exceeding Rs. 7,500/- Yes/No

(viii) Foreign currency notes exceed US $ 5,000 or equivalent Yes/No

(ix) Aggregate value of foreign exchange including currency exceeds US $ 10,000 or equivalent. Yes / No

Please report to Customs Officer at the Red Channel counter in case answer to any of the above question is ‘Yes’.

Signature of Passenger:

Speaking Orders for Drawback

Subject: Audit Report No. 15/2011-12, Section 2 – Duty Drawback Scheme: All aspects to be covered in speaking orders issued in each case of export under section 74 of Customs Act, 1962.

35-CBEC 05.09.2013 (DoR) Reference is drawn to Board’s Circular No.46/2011-Cus dated 20.10.2011 and Instructions of even number dated 31.7.2013 related to Audit Report No. 15/2011-12, Section 2 – Duty Drawback Scheme.

2. Board has noted that the Circular No. 46/2011- Cus had earlier directed, inter alia, passing of speaking orders, after following the principles of natural justice, under section 74 of Customs Act on the issues of establishing identity/determination of use of goods under re-export under section 74 of Customs Act. Further, taking note of Audit observations regarding payment of claims under section 74 in a manner inconsistent with provisions of Rule 5 of Re-export of Imported Goods (Drawback of Customs Duties) Rules, 1995relating to manner and time of claiming drawback, the Board’s Instructions dated 31.7.13 had directed field formations to, inter alia, ensure due diligence in the application of said Rule.

3. In the light of the overall position that appealable speaking orders in original are to be issued in section 74 cases, it is clarified for removal of doubts that the aspect of how the provisions, of the various sub-rules of said Rule 5, are satisfied or not satisfied, as also other attendant aspects relevant to sanction of the re-export drawback, should also invariably be covered in the speaking order in original issued by the officer.

F.No.603/01/2011-DBK

Leather Exports only thru Chennai Sea, JNPT, Kolkata Sea, ICD Kanpur, ICD Tughlakabad and Air Ports also

Subject: Permission for export of Finished Leather, Wet Blue and EI Tanned Leather through Air ports.

24-PN(RE) 05.09.2013 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, as amended from time to time, Director General of Foreign Trade hereby amends Public Notice No. 23(RE-2013)/2009-14 dated 13.08.2013 regarding export of finished leather, Wet Blue and EI Tanned Leather.

2. Public Notice No. 23(RE-2013)/2009-14 dated 13.08.2013 had prescribed that export of finished leather, Wet Blue and EI Tanned Leather would be permitted through Sea Ports of Chennai, Mumbai (JNPT) & Kolkata and ICDs Kanpur & Tughlakabad or any other port/ICDs to be notified by DGFT from time to time. This public notice also prescribed the procedure for drawl of samples and their testing as per the finished leather norms notified vide Public Notice No. 21/2009-14 dated 01.12.2009.

3. Now, in addition to sea ports/ICDs indicated in para 2 above, export of finished leather, Wet Blue and EI Tanned Leather would also be permitted through Air Ports. Customs may draw samples, wherever so required, for certification by CLRI or such other labs as notified from time to time, as per finished leather norms.

4. Effect of this Public Notice

Export of finished leather, Wet Blue and EI Tanned leather may also take place through Air ports.

Pyrkan-Kalatek-Chargaon to Sripur Route to Bangladesh Notified for Export of Goods

94-Cus(NT) 04.09.2013 (DoR) In exercise of the powers conferred by clause (c) of sub-section (1) of section 7 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise and Customs hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.63/1994-Customs (N.T.) [S.O. 830 (E)] dated the 21st November, 1994, namely:-

In the said notification,-

(a) in the opening paragraph, after the sixth proviso, the following proviso shall be inserted, namely:-

“Provided also that the route notified at entry (e) against serial number (2) relating to the land frontier of Bangladesh, against entry number (27), in column (4), after the entry (d), shall be only for the purpose of exports of all goods from India only.

(b) in the TABLE, against serial number 2 relating to the Land Frontier of Bangladesh, against entry number (27) under column 3, in column 4, after the entry (d), the following entry shall be inserted, namely:-

(1)	(2)	(3)	(4)
			"(e) Pyrkan-Kalatek-Chargaon near Border Pillar 1241 to Sripur in Sunamganj district of Bangladesh."

(F.No.550/19/2012-LC)

Zero Customs Duty for Long Range Surface to Air Missile (LR-SAM) Programme of Ministry of Defence

Ntfn 42 30.08.2013 (DoR) In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, 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. 39/96-Customs, dated the 23rd July, 1996, published in the Gazette of India, Extraordinary, *vide* number G.S.R. 291(E), dated the 23rd July, 1996, namely:-

In the said notification, in the Table,-

(i) against serial number 42, in column (3), in the Explanation, for the figures, letters and words "1st day of September, 2013", the figures, letters and words "1st day of January, 2017" shall be substituted;

(ii) after serial number 42 and the entries relating thereto, the following serial number and entries shall be inserted, namely:-

(1)	(2)	(3)
"43.	Machinery, equipment, instruments, components, spares, jigs, fixtures, dies, tools, accessories, computer software, raw materials and consumables required for the Long Range Surface to Air Missile (LR-SAM) Programme of Ministry of Defence	If,- (a) the said goods are imported by authorized works centres of the Long Range Surface to Air Missile (LR-SAM) Programme, as may be designated by an officer not below the rank of Deputy Secretary to the Government of India in the Ministry of Defence; and (b) the authorized works centre produces to the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, at the time of import, in each case, a list of the said goods with their relevant description duly certified by the Programme Director, Programme Office LR-SAM, to the effect that -
	i) the goods mentioned in the said list are required for the purposes of the LR-SAM; (ii) the import of the goods mentioned in the said list are authorized by the Ministry of Defence under LR-SAM programme and these goods shall be used only for the purpose of the LR-SAM programme. **Explanation**.– Nothing contained in this exemption shall have effect on or after the 1st day of January, 2016.".	

[F.No.354/14/2006 –TRU (Pt II)]

[F.No.354/139/2006 –TRU (Pt)]

Zero Excise Duty for Long Range Surface to Air Missile (LR-SAM) Programme of Ministry of Defence

26-CE 30.08.2013 (DoR) In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), 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.64/95-Central Excise, dated the 16th March, 1995 which was published in the Gazette of India, Extraordinary, *vide* number G.S.R.256(E), dated the 16th March, 1995, namely:-

In the said notification, in the Table, -

(i) against serial number 34, in column (3), in the Explanation, for the figures, letters and words "1st day of September, 2013", the figures, letters and words "1st day of January, 2017" shall be substituted;

(ii) after serial number 34 and the entries relating thereto, the following serial number and entries shall be inserted, namely:-

(1)	(2)	(3)
"35.	Machinery, equipment, instruments, components, spares, jigs, fixtures, dies, tools, accessories, computer software, raw materials and consumables required for the Long Range Surface to Air Missile (LR-SAM) Programme of Ministry of Defence	If,- (i) supplied to the Programme LR-SAM under the Ministry of Defence; and (ii) before clearance of the said goods, a certificate from the Programme Director, Programme LR-SAM to the effect that such goods are intended for the said Programme LR-SAM, is produced to the proper officer. *Explanation.* – Nothing contained in this exemption shall have effect on or after the 1st day of January, 2016.".

[F.No.354/14/2006 –TRU (Pt II)]

[F.No.354/139/2006 –TRU (Pt)]

Exchange Rates for Customs Valuation

Rupee Falls to 67.00 for Customs Valuation on Imports w.e.f. 6 September 2013

95-Cus(NT) 05.09.2013 (DoR) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 83/2013-CUSTOMS (N.T.), dated the 14th August, 2013 *vide* number S.O. 2467(E), dated the 14th August, 2013, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa* shall, **with effect from 6th September, 2013** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo.	Currency	Imprted Goods Current	Imprted Goods Previous	Exported Goods Current	Exported Goods Previous
***Schedule I** – Rate of exchange of one unit of foreign currency equivalent to Indian rupees*					
1.	Australian Dollar	61.60	56.65	59.80	55.10
2.	Bahrain Dinar	181.30	167.60	170.45	158.40
3.	Canadian Dollar	64.10	60.10	62.30	58.55
4.	Danish Kroner	11.90	11.10	11.50	10.75
5.	EURO	88.60	82.35	86.05	80.40
6.	Hong Kong Dollar	8.65	8.00	8.45	7.85
7.	Kenya Shilling	78.15	72.05	73.40	68.05
8.	Kuwait Dinar	239.40	222.35	224.45	209.40
9.	Newzeland Dollar	53.10	49.70	51.45	48.40
10.	Norwegian Kroner	11.10	10.60	10.70	10.25
11.	Pound Sterling	104.80	95.95	102.10	93.80
12.	Singapore Dollar	52.65	48.95	51.10	47.85
13.	South African Rand	6.65	6.35	6.25	5.95
14.	Saudi Arabian Riyal	18.20	16.85	17.15	15.90
15.	Swedish Kroner	10.20	9.55	9.85	9.25
16.	Swiss Franc	71.65	66.55	69.55	64.95
17.	UAE Dirham	18.60	17.20	17.50	16.25
18.	US Dollar	67.00	61.90	65.55	60.90
***Schedule II** – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees*					
1.	Japanese Yen	67.35	63.45	65.35	61.95

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

Rupee Limit for Resident Travellers Raised to 10k from 7.5k

Sub: Export and Import of Currency

AP(DIR Srs) Cir.39 06.09.2013 (RBI) Attention of Authorised Persons is invited to Regulation (2) of Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2009, notified vide Notification No. FEMA 195/RB-2009 dated July 7, 2009, in terms of which, any person resident in India may take outside India or having gone out of India on a temporary visit, may bring into India (other than to and from Nepal and Bhutan) currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding Rs.7,500 per person.

2. As part of providing greater flexibility to the resident individuals travelling abroad, the existing limit, mentioned above, has been enhanced to Rs. 10,000 per person.

3. Accordingly, any person resident in India:

i) may take outside India (other than to Nepal and Bhutan) currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding Rs.10,000 (Rupees ten thousand only) per person; and

ii) who had gone out of India on a temporary visit, may bring into India at the time of his return from any place outside India (other than from Nepal and Bhutan), currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding Rs.10,000 (Rupees ten thousand only) per person.

4. Authorised Persons may bring the contents of this circular to the notice of their constituents, customers and foreign counter parties concerned.

5. Reserve Bank of India has since amended the relevant Regulations vide Notification No. FEMA.258/2013-RB dated February 15, 2013, notified vide G.S.R.No.480(E) dated July 12, 2013

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

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Panel Established on EU Complaint against China’s Anti-dumping Duties

The Dispute Settlement Body, on 30 August 2013, established a panel requested by the European Union to examine Chinese measures imposing anti-dumping duties on high-performance stainless steel seamless tubes from the EU.

DS460: China — Measures Imposing Anti-Dumping Duties on High-Performance Stainless Steel Seamless Tubes (“HP-SSST”) from the European Union

At the request of the European Union, the Dispute Settlement Body (DSB) established a panel to examine this dispute. The EU said that anti-dumping duties imposed by China on imports of steel tubes from the EU were inconsistent with the WTO’s Anti-Dumping Agreement. Consultations to resolve the matter had failed, hence the EU’s request for the establishment of a panel. The EU noted that the matter in this dispute was the same as in DS454 where a panel had already been established and composed. Thus, in light of Article 9.3 of the Dispute Settlement Understanding (DSU), the EU would agree to having the same panellists as in DS454 examine this dispute. The EU was ready to engage with a view to harmonizing the timetables for the two disputes.

China said that the imposition of the anti-dumping measure was consistent with its obligations under WTO rules. China noted that, at Japan’s request, the DSB had already established a panel in DS454 to consider a similar measure now challenged by the EU. In order to allow the proceedings in the two disputes to be promptly harmonized, China agreed to the establishment of a panel in DS460 and agreed with the EU on having the same panellists as in DS454. Japan said that, since the EU’s claims under DS460 were related to the same measures as DS454, it was ready to cooperate with the harmonization of the procedures under Article 9.3 of the DSU.

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