

G-20 Resolves on Banking Reform – Plugs on Bonus Leaks

Group of 20 leaders built on the common front they forged in fighting the financial crisis to chart a shared-path toward a more stable banking system and a stronger global economy.

President Barack Obama and his counterparts ended their Pittsburgh meeting on 25 September promising to “raise standards together” to ensure banks restrain pay and build up capital buffers. They also established a peer-review process to monitor individual efforts to rebalance their economies and to hand emerging economies a greater say in managing world growth.

Spiral

The third summit of G-20 leaders in the past year plotted a roadmap for revamping the banking industry after the two previous meetings, in Washington and London, focused on fighting market turmoil and reverse the spiral into recession.

After recording \$1.6 trillion in losses and writedowns, banks were told to avoid “multi-year guaranteed bonuses” and a “significant portion of variable compensation” must be deferred, paid in stock, tied to performance and subjected to clawbacks if earnings flop. The G-20 stopped short of endorsing a French proposal to introduce specific caps on pay.

Speculation

Awards must also be curbed if they are “inconsistent with the maintenance of a sound capital base.” Regulators should be allowed to modify the compensation practices of key firms. Banks will also have to increase the quality and quantity of capital they hold by the end of 2012.

Developing Economies in Rescue Pack

The growing influence of emerging economies such as China and Brazil was marked by the agreement that the G-20 would supplant the G-8 as the guardian of the world economy.

The G-20's new-found status reflects how the recent slump was sparked by the developed economies and the rebound is being powered outside their ranks. That's a reversal from previous international crises when the G-8, whose genesis lies in the oil shock of the early 1970s, drove the recovery.

The smaller group will continue to play a role in security and foreign policy issues. China and other “underrepresented” economies will also gain greater sway at the IMF and World Bank through higher voting rights.

As the G-20 becomes the primary arena for politicians to forge pacts on the economy, officials agreed to establish a “framework for strong sustainable and balanced growth.”

Countries with significant deficits in their trade accounts promised to save more, while those with surpluses will strengthen domestic demand. The IMF will help them assess each others' attempts to meet those objectives.

The initiative could see China relying less on exports and more on its own spending, the U.S. cutting back expenditure and Europe increasing investment to even out lopsided flows of trade and investment that contributed to the credit boom and subsequent bust.

Another test for the G-20's credibility may be whether regulators can enforce the new rules as the rebound in growth and stock markets since March helps banks regain lobbying strength.

Phase Out Fossil Fuel Subsidy

The leaders agreed to phase out subsidies for fossil fuels in the “medium term,” without setting a deadline. They also plan to intensify their monitoring of tax havens from next month to ensure economies follow through on promises to comply with global standards.

Originally established in the 1990s as a forum for finance chiefs, the G-20's leaders met for the first time in Washington last November and then in April in London. Canada will hold the next summit in June followed by South Korea in November and France in 2011.

The G-20 accounts for about 85 percent of global gross domestic product. Its members are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the U.S., the U.K. and the European Union.

Extracts from the Prime Minister, Manmohan Singh's Remarks at the G-20 Meeting at Pittsburgh: Plenary Session

“Push World Bank Aid, Curb Protectionism”

Following is the text of the Prime Minister, Dr. Manmohan Singh's remarks at the Plenary Session of G-20 Meeting at Pittsburgh on 25 September:

We all know that these countries were in no way responsible for the crisis, but in many ways, they are the hardest hit. In the seven years before the crisis, the GDP of the developing countries grew at an average of 6.5 per cent per year. In 2009 it will grow by only 1.5 per cent, implying a fall in real per capita income.

Visit: www.worldtradescanner.com
for Daily Updates

Of course, experience varies across countries. Countries in Asia have generally fared much better. Countries in sub-Saharan Africa and in many other regions have been very badly hit.

India too has been affected but, in common with other Asian countries, we have weathered the crisis relatively well given the circumstances. After growing at 9 per cent per year for four years our economy slowed down to 6.7 per cent in 2008-09. In 2009, despite a drought, which will affect agricultural production, we expect to grow by around 6.3 per cent in 2009-10 and then recover to 7 to 7.5 percent growth next year. This relatively strong performance is partly due to the strong stimulus measures introduced in the second half of 2008-09, which have been continued in the current financial year.

No Exit from Stimulus Now

First, the problem must be tackled at its root by ensuring the quickest possible return to normalcy in the global economy. This requires a commitment that we will not undertake any premature withdrawal of stimulus. We must certainly plan for an orderly "exit" when the time is right, but that time is not now. The global economy may be bottoming out, but it is not expected to reach 3% growth until the end of 2010.

The depressed state of the global economy translates into a considerable loss of export demand for the developing countries. Exports of non-oil developing countries are expected to decline by about \$900 billion in 2009, compared to the previous year. They will remain well below the trajectory earlier projected for several years. This is bound to reduce production, incomes and employment in the developing countries.

Expand Investment

To resuscitate growth in the developing countries, we have to replace lost export demand by expanding other components of domestic demand. The best option is to expand investment. An obvious area where additional investment is needed in developing countries is infrastructure, including energy, transport and other infrastructure for public services. These investments can be made ahead of requirements and therefore are an ideal form of countercyclical activity.

Civil society to discuss better global governance at WTO's Public Forum

The role of the multilateral trading system in the context of the current economic crisis will be the central focus of this year's WTO Public Forum and representatives of civil society, academia, governments and the media will be encouraged to engage and debate on how the system can best provide global answers to the crisis.

During the course of the three day meeting, 28-30 September, participants can choose to

A strategy of expanding investment demand in developing countries to replace lost export demand will not only help growth in developing countries, it will also contribute to a broader global revival. This is because the import content of investment is typically higher than of exports, which means a significant percentage of the initial increase in demand will spill over into the global economy.

The World Bank has announced that the volume of IBRD lending would be increased to \$100 billion over the next three years. This is commendable. However, if the capital base of the IBRD is not expanded, they will have to compress lending at the end of the three year period to less than the pre-crisis level. This is surely not acceptable.

There is, therefore, an overwhelming case for doubling the capital of the IBRD. Similar increases in capital are needed for the other regional development banks also.

Recapitalizing Pitfalls

I realize there may be hesitation in committing additional public resources for recapitalization. However, we must keep in mind that what is needed for these institutions is small compared to the massive scale of public money used to stabilize the private financial system in industrialized countries. Some additional effort is surely justified to help the developing countries to cope with the spillover effects of a crisis for which they were not responsible.

Resist Protectionism

Finally, Mr. President, a word on trade. The collapse in export markets makes it all the more important that the market access of developing countries is not constrained by protectionism. I recognize that when growth is low, and unemployment is high, it is inevitable that protectionist pressures will arise. It will be a test of the collective political leadership of this Group, whether we are able to resist these pressures in our countries. I am happy to note that the Delhi Ministerial succeeded in reviving momentum for the Doha Round negotiations. I venture to suggest that this is an area where the industrial countries can give a lead to achieve a successful outcome.

attend 44 interactive workshops covering the full spectrum of trade related issues and concerns.

Background

The annual WTO Public Forum, first launched in 2001, provides a platform for public debate and discussion across a wide range of WTO issues and activities, including the current Doha Round of multilateral trade negotiations. Since then the

China's Role

China has already overtaken Germany to become the world's third-largest economy and may soon be named the biggest exporter. It passed Japan a year ago as the main foreign investor in U.S. government debt. China, Russia, Brazil and India together hold about 42 percent of international reserve assets, excluding gold.

Economists at JPMorgan Chase & Co. predict developed economies will shrink 3.3 percent this year and grow 2.8 percent in 2010, compared with growth of 0.5 percent and 5.8 percent in emerging markets.

G-20 leaders meeting on 25 September are discussing an agenda aimed at tackling global imbalances, restraining banker pay, raising capital at financial companies and revamping control of the International Monetary Fund.

Bretton Woods to G-8 to G-20

The need for economic policy makers to convene regularly grew out of the turmoil that followed the abandonment of the Bretton Woods system of fixed currencies and the oil shock of the 1970s. In 1975, French President Valery Giscard d'Estaing gathered the leaders of West Germany, Italy, Japan, the U.K. and the U.S. at a summit in Rambouillet, France.

The group soon expanded to seven and its influence reached its zenith through the Louvre and Plaza currency accords of the 1980s and with its responses to financial crises in Asia, Latin America and Russia in the 1990s. It hasn't intervened in foreign exchange markets since a rescue of the euro in September 2000.

Russia joined after the end of the Cold War to expand it to the G-8, although its officials are still not invited to finance and economic talks.

The G-20 members are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the U.S., the U.K. and the European Union.

WTO Public Forum has become one of the most important platforms for dialogue between the civil society and governments. It is now a significant feature of the international calendar. Over the years, 8,500 representatives from civil society, academia, business, the media, governments and inter-governmental organizations including regional economic and development organizations, attended the Public Forum.

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 |
|------------|------------|------------|-----------|-------------|------------------------|---------------|------------------|-------------------|--------------------|
| 29-Sep-09 | 48.1150 | 48.1875 | 48.0800 | 48.1775 | 48.1775 | 294781 | 898216 | 432380.5 | 48.0400 |
| 25-Sep-09 | 48.2525 | 48.3925 | 48.0325 | 48.0925 | 48.0925 | 290625 | 1422524 | 685053.4 | 47.9800 |
| 24-Sep-09 | 48.2600 | 48.2875 | 48.0700 | 48.1150 | 48.1150 | 296213 | 1131985 | 545304.1 | 48.1000 |
| 23-Sep-09 | 48.1100 | 48.2250 | 47.9825 | 48.1250 | 48.1250 | 274179 | 305573 | 146994.6 | 47.9600 |
| 22-Sep-09 | 48.2800 | 48.3300 | 48.0725 | 48.1025 | 48.1025 | 216612 | 266690 | 128554.1 | 48.1700 |

[Source: NSE and RBI Website]

Subscription rate for the Weekly Index with World Trade Scanner

| | | |
|-------------------------------------|----------|---------|
| <input type="checkbox"/> Six months | Rs. 350 | US\$35 |
| <input type="checkbox"/> 1 Year | Rs. 650 | US\$65 |
| <input type="checkbox"/> 2 Years | Rs. 1200 | US\$120 |
| <input type="checkbox"/> 3 Years | Rs. 1800 | US\$180 |

DFIAs Issued During 2006-07 and 2007-08 Revalidates for a Period of Six Months

Subject: Revalidation of DFIAs

13-PN(RE) In exercise of powers conferred
22.09.2009 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. Attention is invited to Public Notice No. 44 dated 4.7.08 and Public Notice No. 158 dated 2.3.09 issued during the policy period 2004-09 on the issue of revalidation of Duty Free Import Authorisations (DFIAs) which were issued during 2006-07, for a total period of 12 months (6 months in each Public Notice) even after endorsement of transferability. Trade and Industry have represented that due to varying interpretation of the provisions of DFIA scheme, as per FTP and the corresponding Customs Notification No. 40/2006 dated 1.5.06, DFIAs, in particular, the DFIAs endorsed with transferability, could not be utilized in time for import clearances. The Department of Revenue could issue the Customs circular no. 11/2009 and the Notification No. 17 only on 25.2.2009 and 19.2.09 respectively clarifying the provisions and utilization of DFIAs thereby leaving no time / little time to use these DFIAs for import clearance. Accordingly, it has been represented that DFIAs issued dur-

ing the period 2006-07 and 2007-08 may be revalidated for a further period of 6 months from the date of endorsement.

2. The matter has been examined in detail based on the representations and facts and figures on DFIAs issued during 2006-07 and 2007-08. It has now been decided to revalidate the DFIAs (even if endorsed with transferability) issued during 1.5.06 till 31.3.08 for a period of 6 months from the date of endorsement subject to the following conditions:

(i) Request for revalidation may be submitted to the concerned Regional Authority (who have issued the DFIA) within a maximum period of 60 days from the date of the issuance of this Public Notice. DFIA shall be revalidated for a period of six months from the date of endorsement of revalidation. RAs shall endorse revalidation within a period of maximum 7 working days from the date of receipt of the request.

(ii) No application fee is required for this revalidation.

(iii) This facility shall not be available where misrepresentation / fraud has come to the notice of any authority.

This issues in public interest.

Electrical Energy Imports from SEZ Declared Free, Other Imports Restricted – Applicable from 8 Sept. '09

Subject: Import Policy of Electrical Energy.

11-Ntfn(RE) In exercise of powers conferred under section 5, read along with Section 3 (2) of
23.09.2009 the Foreign Trade (Development and Regulation) Act, 1992, also read with
(DGFT) paragraph 2.1 of the Foreign Trade Policy, 2009-14, the Central Government
hereby makes the following amendments in the ITC(HS) Classifications of Export and Import Items.

1. Notification No. 9/2009-2014 dated 10th September, 2009, is hereby withdrawn from the date of its issue.

2. Import Policy for the following items will be amended as follows:

| Exim Code | Item Description | Policy | Policy conditions |
|------------|-------------------|------------|---|
| 2716 00 00 | Electrical Energy | Restricted | Import subject to license to be issued by DGFT in consultation with Ministry of External Affairs, Ministry of Power and Department of Commerce, Government of India. However, import from SEZ will be 'Free'. |

3. The amendments in Para 2 above shall be applicable from 8th September, 2009.

4. This issues in public interest.

Lanolin Exports Allowed Freely

10-Ntfn(RE) In exercise of the powers conferred by Section 5 of the Foreign Trade
22.09.2009 (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 1.3 and
(DGFT) Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby
makes the following amendments to the ITC(HS) Classifications of Export and
Import Items, as amended from time to time.

2. With immediate effect the existing entry in the column 'Item Description' at Sl. No.67 in Chapter 15 under Schedule 2 of ITC(HS) shall be substituted to read as under: -

'Tallow, fat and / or oils of any animal origin excluding fish oil and Lanolin'

3. This issues in Public Interest.

Benefit of Reduced Penalty under Provisos to Sec. 11AC

Sub:- Benefit of reduced penalty under provisos to Section 11AC- whether also available at appeal stage.

898-CBEC A case has been brought
15.09.2009 to the notice of the Board
(DoR) wherein a Commissioner
(Appeals) had allowed the
benefit of proviso to Section 11AC of the Central Excise Act, 1944 to pay penalty at the reduced rate of 25% within 30 days of the communication of the Order in Appeal. Commissioner (Appeals) has read Section 11AC and Section 35 F together to arrive at the aforesaid decision.

2. The matter has been examined. The provisions relating to reduction of penalty to 25% are contained in proviso (1) to (4) of Section 11AC. In terms of proviso (1) and (2), a penalty imposed under Section 11AC can be reduced to 25% on fulfillment of following conditions.

i. Duty determined under Section 11A(2) and interest payable thereon has been paid within 30 days.

ii. The said period of 30 days is calculated from the date of communication of the order passed by a Central Excise Officer determining the duty.

iii. The reduced 25% penalty is also paid within 30 days of the date of communication of the order passed by the Central Excise Officer.

3. From the above it is clear that in order to avail the benefit of 25% penalty, the duty, interest and penalty are required to be paid within 30 days of communication of the order passed by the adjudicating authority. Further, the reading of proviso (4) would also support this interpretation because the said proviso stipulate that wherever duty amount is increased at any appellate stage, in that case in order to avail the benefit of 25 % penalty, the assessee is required to pay differential amount within 30 days of the passing of the order by the appellate authority. A combined reading of all the 4 proviso would, therefore, make it clear that the benefit of 25% penalty is applicable only when the assessee has paid duty, interest and the reduced penalty within 30 days of communication of the order passed by the adjudicating authority. However, if the penalty amount is increased at the appellate stage, in that case the 25% of differential amount of penalty can be paid within 30 days of communication of said appellate order. Therefore, the view taken by the Commissioner (Appeal) is not as per the provision of law.

4. Trade and Industry may be informed.

[F. No. 4/2/2009-CX.1]

Amendments in Gem and Jewellery Notifications

Value Limit for Jewellery Samples Enhanced to US\$1mn

Time Limit for Re-imports from Exhibitions in USA Raised to 90 Days

Five More Agencies Notified

Ntfn 106 In exercise of the powers conferred by sub-section (1) of 14.09.2009 section 25 of the Customs Act, 1962 (52 of 1962), the (DoR) Central Government being satisfied that it is necessary in the public interest so to do, hereby directs that each of the notifications of the Government of India in the Ministry of Finance (Department of Revenue), specified in column (2) of the Table hereto annexed shall be amended or further amended, as the case may be, in the manner specified in the corresponding entry in column (3) of the said Table, namely:-

Table

| SNo. | Notification number and date | Amendments |
|------|---|---|
| (1) | (2) | (3) |
| 1. | 94/96-Customs dated the 16th December, 1996 [G.S.R 569 (E), dated the 16th December, 1996] [Reimports of Exported Goods (Q/56)] | In the said notification, in the <i>Explanation</i> ,- (i) for clause (b), the following clause shall be substituted, namely:- “(b) ‘Foreign Trade Policy’ means Foreign Trade Policy, 2009 - 2014 notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub section (ii) vide notification No. 1/2009-2014, dated the 27th August, 2009, as amended from time to time.”; (ii) for clause (c), the following clause shall be substituted, namely “(c) ‘Nominated agencies’ means,- (1) Metals and Minerals Trading Corporation Limited (MMTC); (2) Handicraft and Handloom Export Corporation (HHEC); (3) State Trading Corporation (STC); (4) Project and Equipment Corporation of India Ltd. (PEC); (5) STCL Ltd; (6) MSTC Ltd; (7) Diamond India Limited (DIL); (8) Gems & Jewellery Export Promotion Council (G&J EPC); (9) a Star Trading House (only for Gems and Jewellery sector) or a Premier Trading House under paragraph 3.10.2 of Foreign Trade Policy; and (10) any other agency authorised by Reserve Bank of India (RBI).”. |
| 2. | 41/99-Customs, dated 28th April, 1999 [G.S.R. 289 (E), dated the 28th April, 1999] [Duty Free Import of Consumables for Jewellery (p/733)] | In the said notification, for the words, letters and figures “Handbook of Procedures Volume-I, the 1st September, 2004-31st March, 2009, published by the Government of India in the Ministry of Commerce and Industry vide Public Notice No. 1/2004-09, dated the 31st August, 2004, as amended from time to time”, the following words, letters and figures shall be substituted, namely: - “ ‘Handbook of Procedures (Volume-I)’ means Handbook of Procedures (Volume-I) notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-I, Section-1 vide Public Notice No. 1/2009-2014, dated the 27th August, 2009, as amended from time to time”; |
| 3. | 42/99-Customs, dated the 28th April, 1999 [G.S.R. 290(E), dated the 28th April, 1999] [Cut and Polished Diamonds and Gem Stones (p/736)] | In the said notification,- 1. in the opening paragraph, for the words, letters and figures “Gem Replenishment Licenses referred to in para 4.58 of the HOP”, the words, letters and figures “Gem & Jewellery Replenishment Authorization referred to in Paragraph 4A.4 of the Handbook of Procedures (Volume-I)” shall be substituted; |

(2) in the *Explanation* :-

1. for clause (i), the following clause shall be substituted, namely:-
“(i) ‘Foreign Trade Policy’ means Foreign Trade Policy, 2009 - 2014 notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub section (ii) vide notification No. 1/2009-2014, dated the 27th August, 2009, as amended from time to time.”;
(b) for clause (ii), the following clause shall be substituted, namely:-
“(ii) ‘Handbook of Procedures (Volume-I)’ means Handbook of Procedures (Volume-I) notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-I, Section-1 vide Public Notice No. 1/2009-2014 dated the 27th August, 2009, as amended from time to time.”.

4. 56/2000-Customs dated the 5th May, 2000 [G.S.R. 399 (E), dated the 5th May, 2000] **[Gold and Silver Jewellery and Articles Export Against Supply by Foreign Buyer (p/732)]**
- In the said notification, in the *Explanation*,-
(i) for clause (a), the following clause shall be substituted, namely:-
“(a) ‘Foreign Trade Policy’ means Foreign Trade Policy, 2009 - 2014 notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub section (ii) vide notification No. 1/2009-2014, dated the 27th August, 2009, as amended from time to time.”;
(ii) for clause (b), the following clause shall be substituted, namely :-
“(b) ‘Handbook of Procedures (Volume-I)’ means Handbook of Procedures (Volume-I) notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-I, Section-1 vide Public Notice No. 1/2009-2014, dated the 27th August, 2009, as amended from time to time.”;
(iii) in clause (d), for the words and figures “paragraph 3.5.2 of the Foreign Trade Policy”, the words and figures “paragraph 3.10.2 of Foreign Trade Policy” shall be substituted.
5. 57/2000-Customs dated the 8th May, 2000 [G.S.R. 413 (E), dated the 8th May, 2000] **[Gold and Silver Jewellery and Articles Export Against Supply by Nominated Agencies (p/733)]**
- In the said notification,-
1. in clause (a) of opening paragraph, for the words, letter and figures “paragraph 4A.15”, the words, letter and figures “paragraph 4A.14” shall be substituted;
2. after the second proviso, the following proviso shall be inserted, namely,-
“Provided also that the nominated agencies (except for those authorized by RBI) shall follow the procedure and fulfill the conditions as specified in the Policy circular No. 77 (RE-2008)/2004-09 dated 31st March, 2009 as amended from time to time, issued by Director General of Foreign Trade.”;
- (3) in the *Explanation* :-
i. for clause (a), the following clause shall be substituted, namely:-
“(a) ‘Foreign Trade Policy’ means Foreign Trade Policy, 2009 - 2014, notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub section (ii) vide notification No. 1/2009-2014, dated the 27th August, 2009, as amended from time to time.”;
(ii) for clause (b), the following clause shall be substituted, namely:-
“(b) ‘Handbook of Procedures (Volume-I)’ means Handbook of Procedures (Volume-I) notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-I, Section-1 vide Public Notice No. 1/2009-2014, dated the 27th August, 2009, as amended from time to time.”;
(iii) for clause (c), the following clause shall be substituted, namely-
“(c) ‘Nominated agencies’ means,-
(1) Metals and Minerals Trading Corporation Limited (MMTC);
(2) Handicraft and Handloom Export Corporation (HHEC);
(3) State Trading Corporation (STC);
(4) Project and Equipment Corporation of India Ltd. (PEC);
(5) STCL Ltd;
(6) MSTC Ltd;
(7) Diamond India Limited (DIL);

| | | |
|---|---|--|
| <p>(8) Gems & Jewellery Export Promotion Council (G&J EPC); (9) a Star Trading House (only for Gems and Jewellery sector) or a Premier Trading House under paragraph 3.10.2 of Foreign Trade Policy; and (10) any other agency authorised by Reserve Bank of India (RBI).”.</p> | | <p>figures and words “No. 62/2004-Customs dated 12th May 2004” shall be substituted; 4. in paragraph (10),- (a) after clause (ii), the following clause shall be inserted, namely:- “(iii) the exemption contained herein shall also apply to goods which are relatable to the articles manufactured by the unit for consolidation into sets alongwith such articles and export thereof (for example, cuff-links imported for exports alongwith shirts manufactured by the unit or a brush imported for packaging with the hair dye manufactured and exported by the unit, etc.), subject to the following conditions, namely:- (a) no such exemption shall apply to gems and jewellery units; (b) the value of goods eligible for exemption shall not exceed 5% of the FOB value of such manufactured articles exported by the unit in the preceding financial year; (c) the list of goods to be imported under this clause shall be approved by the Board of Approval and the unit shall fulfill such conditions as may be specified by the Board of Approval in this behalf; and (d) the goods imported and articles manufactured by the unit shall be listed out separately in the export documents.”; 2. for the proviso, the following proviso shall be substituted, namely:- “Provided that the export value of such spares, components, promotional material and goods imported for consolidation shall not be taken into consideration for fulfillment of Net Foreign Exchange Earnings (NFE) and for availing Domestic Sale Entitlement as specified in paragraph 6.8 of the Foreign Trade Policy. The goods imported for consolidation shall not be allowed to be sold in Domestic Tariff Area”; (5) in the <i>Explanation</i> occurring after paragraph 13,- 1. for the clause (iii), the following clause shall be substituted, namely:- “(iii) ‘Foreign Trade Policy’ means Foreign Trade Policy, 2009 - 2014 notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub section (ii) vide notification No. 1/2009-2014, dated the 27th August, 2009, as amended from time to time.”; 2. for clause (vi), the following clause shall be substituted, namely:- “(vi) ‘Handbook of Procedures (Volume-I)’ means Handbook of Procedures (Volume-I) notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-I, Section-1 vide Public Notice No. 1/ 2009-2014, dated the 27th August, 2009, as amended from time to time.”; (c) for clause (viii), the following clause shall be substituted, namely:- “(viii) “Nominated agencies” means,- (1) Metals and Minerals Trading Corporation limited (MMTC), (2) Handicraft and Handloom Export Corporation (HHEC), (3) State Trading Corporation (STC), (4) Project and Equipment Corporation of India Ltd (PEC), (5) STCL Ltd, (6) MSTC Ltd, (7) Diamond India Limited (DIL), (8) Gems & Jewellery Export Promotion Council (G&J EPC), (9) a Star Trading House (only for Gems and Jewellery sector) or a Premier Trading House under paragraph 3.10.2 of Foreign Trade Policy; and (10) any other agency authorised by Reserve Bank of India (RBI).”; (d) in clause (xi), for the words and figures “Paragraph 3.5.2 of the Foreign Trade Policy”, the words and figures “Paragraph 3.10.2 of Foreign Trade Policy” shall be substituted.; (e) in clause (xii), for the word and figures “Para 6.10.1”, the word and figures “Para 6.9.1” shall be substituted.; (6) in ANNEXURE-I, in Serial number 15A and the entries relating thereto, the following serial number and entries shall be substituted, namely:- “15A. Goods re-imported within sixty days of close of exhibition for which these goods were exported. In case of exhibition in USA, the time period shall be ninety days.”.</p> |
| <p>6. 60/2002-Customs, dated the 7th June, 2002 [G.S.R. 416 (E), dated the 7th June, 2002] [Precious and Semi-Precious Stones other than Rough Diamond Import Gem REP Licence (p/737)]</p> | <p>In the said notification,- (1) for clause (ii), the following clause shall be substituted, namely:- (ii) Gem Replenishment Authorization issued under, and in accordance with, paragraph 4A.12 of the Foreign Trade Policy”; (2) for the Explanation, the following Explanation shall be substituted, namely:- “Explanation.- For the purpose of this notification, ‘Foreign Trade Policy’ means Foreign Trade Policy, 2009-2014 notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub section (ii) vide notification No. 1/2009-2014, dated the 27th August, 2009, as amended from time to time.”.</p> | |
| <p>7. 52/2003-Customs dated the 31st March,2003 [G.S.R. 274 (E), dated the 31st March, 2003] [EOUs under General Scheme-STP/EHTP, Aquaculture, Granite, Gems and Jewellery – FTP 2004-09 (Q/38)]</p> | <p>In the said notification,- 1. in the opening paragraph, in condition (6),- 1. in clause (iv), for the letters and figures “US \$ 1,00,000/-”, the letters, figures and words “ US \$ 1 million” shall be substituted.; 2. in clause (v), the following proviso shall be inserted, namely:- “Provided that in case of exhibition in USA, the time period for re-importing the jewellery shall be ninety days”; 3. in clause (ix), for the letters, figures and words “No. 80/97-Customs, dated the 21st October 1997”, the following letters, figures and words “No. 62/2004-Customs dated 12th May 2004” shall be substituted;</p> | |
| | <p>2. in paragraph (3), for the words, brackets, letters and figures “or cleared to the holders of certificate from Apparel Export Promotion Council and Council for Leather Export for duty free import as referred to in clause (e) of the paragraph 6.9 of the Foreign Trade Policy, without payment of duty:”, the following words, letters, figures and brackets “or cleared to organizations which are entitled for duty free import of such goods in terms of the following exemption notifications- 1. No. 106/58-Customs dated the 29th March, 1958 2. No. 152/94-Customs dated the 13th July, 1994 3. No. 39/96-Customs dated the 23rd July, 1996 4. No. 50/96-Customs dated the 23rd July, 1996 5. No. 84/97-Customs dated the 11th November, 1997 issued by the Ministry of Finance in pursuance of clause (e) of paragraph 6.9 of the Foreign Trade Policy, without payment of duty:” shall be substituted; 3. in the paragraph (5),- (a) for the first proviso, the following proviso shall be substituted, namely:- “Provided that where silver or gold is imported on behalf of the said unit engaged in manufacture and export of gem and jewellery by the nominated agencies, the exemption shall apply only if- 1. the procedure as may be specified by the said officer is followed by such a unit; 2. the conditions stipulated in the opening paragraph are complied with by such a unit; and 3. the procedure and the conditions as specified in the Policy circular No. 77 (RE-2008)/2004-09 dated the 31st March, 2009 as amended from time to time, issued by Director General of Foreign Trade are followed by the nominated agencies (except for those authorized by RBI and the Gems and Jewellery units operating under EOU and SEZ schemes);”; (b) in the second proviso, for the letters, figures and words “No. 80/ 97-Customs, dated the 21st October 1997”, the following letters,</p> | <p>2. for clause (vi), the following clause shall be substituted, namely:- “(vi) ‘Handbook of Procedures (Volume-I)’ means Handbook of Procedures (Volume-I) notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-I, Section-1 vide Public Notice No. 1/ 2009-2014, dated the 27th August, 2009, as amended from time to time.”; (c) for clause (viii), the following clause shall be substituted, namely:- “(viii) “Nominated agencies” means,- (1) Metals and Minerals Trading Corporation limited (MMTC), (2) Handicraft and Handloom Export Corporation (HHEC), (3) State Trading Corporation (STC), (4) Project and Equipment Corporation of India Ltd (PEC), (5) STCL Ltd, (6) MSTC Ltd, (7) Diamond India Limited (DIL), (8) Gems & Jewellery Export Promotion Council (G&J EPC), (9) a Star Trading House (only for Gems and Jewellery sector) or a Premier Trading House under paragraph 3.10.2 of Foreign Trade Policy; and (10) any other agency authorised by Reserve Bank of India (RBI).”; (d) in clause (xi), for the words and figures “Paragraph 3.5.2 of the Foreign Trade Policy”, the words and figures “Paragraph 3.10.2 of Foreign Trade Policy” shall be substituted.; (e) in clause (xii), for the word and figures “Para 6.10.1”, the word and figures “Para 6.9.1” shall be substituted.; (6) in ANNEXURE-I, in Serial number 15A and the entries relating thereto, the following serial number and entries shall be substituted, namely:- “15A. Goods re-imported within sixty days of close of exhibition for which these goods were exported. In case of exhibition in USA, the time period shall be ninety days.”.</p> |

[F.No: DGEP/FTP/62/2009-EOU & G & J]

Duty Raised on Sales into DTA for Gold and Silver Jewellery

24-CE 31.08.2009 (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. 23/2003-Central Excise, dated the 31st March, 2003, published in the Gazette of India, Extraordinary, vide number

G.S.R. 266(E), dated the 31st March, 2003, namely :-

In the said notification, in the TABLE -

i. against Sr. No. 8, for the entry in column (4), the entry "In excess of Rs. 500 per 10 Gms." shall be substituted;

ii. against Sr. No. 10, for the entry in column (4), the entry "In excess of Rs. 1000 per Kg." shall be substituted.

[F. No.341/88/2009-TRU

Specific Safeguard Investigation Period of Soda Ash Extended upto 15 Oct. '09

145-Cus(NT) 22.09.2009 (DoR) In pursuance of sub-rule (1) of rule 11 of the Customs Tariff (Transitional Product Specific Safeguard Duty)

Rules, 2002, the Central Government hereby extends the period upto, and inclusive of, 15th day of October, 2009 for submission of final findings on safeguard investigation concerning import of Soda Ash into India.

[F. No.528/44/2009-Cus.(TU)]

Excise Exemptions under STP/EHTP Units – Notifications Amended

25-CE 14.09.2009 (DoR) In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and sub-section (3) of section 3 of Additional Duties of Excise (Textile and Textile Articles) Act, 1978 (40 of 1978), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby directs that each of the notifications of the Government of India, Ministry of Finance (Department of Revenue), specified in column (2) of the Table hereto annexed shall be amended or further amended, as the case may be, in the manner specified in the corresponding entry in column (3) of the said Table, namely:-

Table

| SNo. | Notification number and date | Amendments |
|------|--|--|
| (1) | (2) | (3) |
| 1. | 22/2003- Central Excise, dated the 31st March, 2003 [G.S.R. 265 (E), dated the 31st March, 2003] | In the said notification,- 1. in paragraph (6), for the words, figures, brackets and letters "or cleared to the holders of certificate for duty free import from Apparel Export Promotion Council and Council for Leather Export as specified in paragraph 6.9 (e) of the Foreign Trade Policy, without payment of duty:", the following words, figures, letters and brackets "or cleared to organizations which are entitled for duty free import of such goods in terms of the following exemption notifications- 1. No. 106/58-Customs dated the 29th March, 1958 2. No. 152/94-Customs dated the 13th July, 1994 3. No. 39/96-Customs dated the 23rd July, 1996 4. No. 50/96-Customs dated the 23rd July, 1996 5. No. 84/97-Customs dated the 11th November, 1997 issued by the Ministry of Finance in pursuance of clause (e) of paragraph 6.9 of the Foreign Trade Policy, without payment of duty:" shall be substituted; 2. in the paragraph (10A),- (a) after clause (ii), the following clause shall be inserted , namely:- "(iii) the exemption contained herein shall also apply to goods which are relatable to the articles manufactured by the unit for consolidation into sets alongwith such articles and export thereof (for example, cuff-links procured for exports alongwith shirts manufactured by the unit or a brush procured for packaging with the hair dye manufactured and exported by the unit, etc.), subject to the following conditions, namely:- (a) no such exemption shall apply to gems and jewellery units; (b) the value of goods eligible for exemption shall not exceed 5% of the FOB value of such manufactured articles exported by the unit in the preceding financial year; |

(c) the list of goods to be procured under this clause shall be approved by the Board of Approval and the unit shall fulfill such conditions as may be specified by the Board of Approval in this behalf; and

(d) the goods procured and articles manufactured by the unit shall be listed out separately in the export documents:";

2. for the proviso, the following proviso shall be substituted, namely:-

"Provided that the export value of such spares, components, promotional material and goods procured for consolidation shall not be taken into consideration for fulfillment of Net Foreign Exchange Earnings (NFE) and for availing Domestic Sale Entitlement as specified in paragraph 6.8 of the Foreign Trade Policy. The goods procured for consolidation shall not be allowed to be sold in Domestic Tariff Area.";

(3) in the *Explanation* occurring after paragraph 13,-

1. for clause (iii), the following clause shall be substituted, namely:-

"(iii) 'Foreign Trade Policy' means Foreign Trade Policy, 2009 - 2014 notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub section (ii) vide notification No. 1/2009-2014, dated the 27th August, 2009, as amended from time to time.";

2. for clause (vi), the following clause shall be substituted, namely:-

"(vi) 'Handbook of Procedures (Volume-I)' means Handbook of Procedures (Volume-I) notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-I, Section-1 vide Public Notice No. 1/ 2009-2014, dated the 27th August, 2009, as amended from time to time,";

(c) in clause (x), for the words and figures "paragraph 3.5.2 of the Foreign Trade Policy", the words and figures "paragraph 3.10.2 of Foreign Trade Policy" shall be substituted.;

(d) in clause (xi), for the word and figures "Para 6.10.1", the word and figures "Para 6.9.1" shall be substituted.

| | | |
|----|--|--|
| 2. | 23/2003- Central Excise, dated the 31st March, 2003 [G.S.R. 266 (E), dated the 31st March, 2003] | In the said notification, in the Explanation I occurring after paragraph 3 ,- (a) for clause (ii), the following clause shall be substituted, namely:- "(ii) 'Foreign Trade Policy' means Foreign Trade Policy, 2009 – 2014 notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub section (ii) vide notification No. 1/2009-2014, dated the 27th August, 2009, as amended from time to time."; 2. for clause (v), the following clause shall be substituted, namely :- "(v) 'Handbook of Procedures (Volume-I)' means Handbook of Procedures (Volume-I) notified by the Government of India in the Ministry of Commerce and Industry published in the Gazette of India, Extraordinary, Part-I, Section-1 vide Public Notice No. 1/ 2009-2014, dated the 27th August, 2009, as amended from time to time,". |
|----|--|--|

[F.No: DGEP/FTP/62/2009-EOU & G&J]

Service Tax on Business Auxiliary Services in the Manufacture of Alcoholic Beverages

39-ST
23.09.2009
(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 specified in sub-clause (zzb) of clause 105 of section 65 of the Finance Act, provided by a person (hereinafter called the 'service provider') to any other person (hereinafter called the 'service receiver') during the course of manufacture or processing of alcoholic beverages by the service provider, for or on behalf of the service receiver, from so much of value which is equivalent to the value of inputs, excluding capital goods, used for providing the same service, subject to the following conditions, namely:-

a) that no Cenvat credit has been taken under the provisions of the Cenvat Credit Rules,

2004;

b) that there is documentary proof specifically indicating the value of such inputs; and

c) where the service provider also manufactures or processes alcoholic beverages, on his or her own account or in a manner or under an arrangement other than as mentioned aforesaid, he or she shall maintain separate accounts of receipt, production, inventory, despatches of goods as well as financial transactions relating thereto.

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

Explanation.- For the purposes of this notification, the words or phrase 'input', or as the case may be, 'capital goods' shall have the meaning as is assigned to them under rule 2 of the Cenvat Credit Rules, 2004.

[F. No. 332/17/2009-TRU]

Amendments in Taxation of Services Rules, 2006

37-ST
23.09.2009
(DoR)

In exercise of the powers conferred by section 93 and sub-section (1) of section 94 of the Finance Act, 1994 (32 of 1994), the Central Government on being satisfied that it is necessary in the public interest so to do, hereby makes the following rules further to amend the Taxation of Services (Provided from outside India and Received in India) Rules, 2006, namely:-

1. (1) These rules may be called the Taxation of Services (Provided from outside India and Received in India) Second Amendment Rules, 2009.

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

2. In the Taxation of Services (Provided from outside India and Received in India) Rules, 2006, in rule 3,-

1. in clause (i), for the brackets, letters and word "(zzzz) and (zzzza)", the brackets, letters and word "(zzzz), (zzzza), and (zzzzm)" shall be substituted;

2. in clause (ii), for the brackets, letters and word "(zzzzh) and (zzzzi)", the brackets, letters and word "(zzzzh), (zzzzi), (zzzzk), and (zzzzl)" shall be substituted; and

3. in clause (iii), sub-clause (b), for the brackets, letters and word "(d),(zzzc) and (zzzr)", the brackets, letters and word "(d),(zzzc),(zzzr) and (zzzzm)" shall be substituted.

[F.No.B1/1/2009-TRU]

No Service Tax on Specific Civil Works

Subject: Leviability of service tax on construction of canals by Government agencies.

116-ST
15.09.2009
(DoR)

On a reference being received by the Board, two following issues were examined for a clear understanding of facts.

The first is regarding leviability of service tax on construction of canals for Government projects.

1. As per section 65 (25b) of the Finance Act, 1994 "commercial or industrial construction service" means –

(a) construction of a new building or a civil structure or a part thereof; or

(b) construction of pipeline or conduit; or

(c) completion and finishing services such as glazing, plastering, painting, floor and wall tiling, wall covering and wall papering, wood and metal joinery and carpentry, fencing and railing, construction of swimming pools, acoustic applications or fittings and other similar services, in relation to building or civil structure; or

(d) repair, alteration, renovation or restoration of, or similar services in relation to, building or civil structure, pipeline or conduit, which is –

(i) used, or to be used, primarily for; or

(ii) occupied, or to be occupied, primarily with; or

(iii) engaged, or to be engaged, primarily in, commerce or industry, or work intended for commerce or industry, but does not include such services provided in respect of roads, airports, railways, transport terminals, bridges, tunnels and dams.

2. Thus the essence of the definition is that the "commercial or industrial construction service" is chargeable to service tax if it is used, occupied or engaged either wholly or primarily for the furtherance of commerce or industry. As the canal system built by the Government or under

Amendments in Handbook of Procedures (Vol. I)

12-PN(RE)
22.09.2009
(DGFT)

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. After the 1st sentence of Paragraph 4.46, the following sentence shall be added:

"However, in case the application is filed along with BRC, the time period for filing shall be within a period of twelve months from the date of exports or six months from the date of realisation of export proceeds or the date of up-linking of EDI shipping bill details in the DGFT website or within three months from the date of printing / release of shipping bill, whichever is later, in respect of shipments for which claim has been filed."

2. Paragraph 4.54 stands **deleted**.

[The deleted paragraph is -

Export Obligation period EOP) and its extension

4.54 Export obligation fulfillment period and its extension shall be governed as per paragraph 4.22 above. However, any extension in EOP beyond 36 months from the date of issue of the authorisation shall not be allowed.]

3. At the end of first sub-paragraph of paragraph 4.7.5, the following sentence shall be **added**:

"For project supplies, the time limit for filing representations, if any, against the decision of Norms Committee shall be one year from the date of communication of decision of the Norms Committee."

This issues in public interest.

Government projects, is not falling under commercial activity, the canal system built by the Government will not be chargeable to service tax. However, if the canal system is built by private agencies and is developed as a revenue generating measure, then such construction should be charged to service tax.

3. The second issue is about Government taking up construction activity of dams, irrigation projects buildings or infrastructure construction etc. through turnkey or EPC (Engineering Procurement & Construction) mode. The said service is covered under section 65 (105) (zzzza) of Finance Act, 1994. The said section itself excludes works contract in respect of dams, tunnels, canals of irrigation projects, road, airports, railways, transport terminals & bridges executed through such turn-key or EPC mode. Hence works contract in respect of above works even if done through turn-key or EPC mode are exempt from payment of service tax

[F. NO. 137/40/2009 – CX. 4]

Export of Services Rules, 2005 Amended

38-ST
23.09.2009 (DoR)

In exercise of the powers conferred by section 93 and sub-section (1) of section 94 of the Finance Act, 1994 (32 of 1994), the Central Government on being satisfied that it is necessary in the public interest so to do, hereby makes the following rules further to amend the Export of Services Rules, 2005, namely:-

- 1) These rules may be called the Export of Services (Second Amendment) Rules, 2009.
(2) They shall come into force on the date of their publication in the Gazette of India.
2. In the Export of Services Rules, 2005, in rule

3, in sub-rule (1),-

1. in clause (i), for the brackets, letters and word "(zzzz) and (zzzza)", the brackets, letters and word "(zzzzz), (zzzza), and (zzzzm)" shall be substituted;

2. in clause (ii), for the brackets, letters and word "(zzzzh) and (zzzzi)", the brackets, letters and word "(zzzzzh), (zzzzi), (zzzzk), and (zzzzl)" shall be substituted; and

3. in clause (iii), sub-clause (b), for the brackets, letters and word "(d),(zzzc) and (zzzr)", the brackets, letters and word "(d),(zzzc),(zzzr) and (zzzzm)" shall be substituted.

[F. No. B1/1/2009-TRU]

SEZ News

No State Agency Inside SEZ without DC Approval

[SEZ Instruction No. 34 dated 31st August 2009]

Subject: Implementation of the Provisions of the SEZ Act, 2005 & SEZ Rules, 2006.

34-SEZ Cir
31.08.2009

I am directed to refer to this department's letter No. F-5/1 2006-SEZ dated 3rd August, 2006 (Instruction No. 6) on the subject mentioned above. An issue has arisen as to whether different agencies of Government of India and State Government can carry out search, inspections, seizure and investigation in a SEZ in view of para 4(i) of the said Instructions.

2. Section 22 of SEZ Act, 2005 clearly mentions that unless an agency is authorized under sections 20 (or 21) of the SEZ Act, it need to

have prior approval of the DC before undertaking any of the above mentioned activities. Para 4(i) of the said instruction only clarifies that different agencies under relevant Acts of Central Government and State Governments will have powers to take action as per the provisions of relevant Acts till an agency is notified u/s 20 or 21 of SEZ Act. However, it is clarified that no such agencies can carry out inspection, search, seizure or investigation without approval of the DC of the Zone concerned.

[No. C.1/1/2009-SEZ]

Ministry of Commerce/SEZ Administration is the Sole Authority for SEZ Issues

[SEZ Instruction No. 39 dated 11 September 2009]

Subject: Procedure for consideration of operational issues regarding SEZs.

39-SEZ Cir
11.09.2009

The undersigned is directed to reiterate that the establishment and functioning of SEZ is governed by the provisions of SEZ Act, 2005 and Rules framed thereunder. The existing framework already provides for the Board of Approval at the Centre and Unit Approval Committee(s) at the SEZs. These two institutions with members from concerned Departments/Ministries tend to serve as a Single Window Mechanism to deal with various types of

approvals and other operational issues. Thus, there may not be any need for addressing SEZ related issues by individual departments of Government of India. Instead, all issues be brought before the Unit Approval Committees and in case of still any unresolved issue, the same be referred to the Department of Commerce, being the nodal agency for SEZs, for a decision by Board of Approval as per the extant provisions on the matter.

[No. C.6/10/2009 SEZ]

Import of Jewellery and its Remaking is an Authorised Manufacturing Activity by SEZ Units

[SEZ Instruction No. 37 dated 7th September 2009]

Sub: Clarification on whether import, re-melt, re-make and export of imported finished jewellery is an authorized activity in SEZ.

37-SEZ Cir
07.09.2009

Reference has been received in this department seeking clarification on whether re-melt, re-make and export of imported finished jewellery is an authorized activity in SEZ.

2. In view of the provisions contained in Section 2(r) of SEZ Act, 2005 read with Rule 27(1) of SEZ Rules, it is clarified that import of jewellery and its remaking is an authorised manufacturing activity by an SEZ unit holding letter of approval for manufacturing of jewellery. Further import would include re-import of exported jewellery.

[F.No.C/6/2009-SEZ]

List of Authorised Operations in SEZs Considered as Automatically Approved

[SEZ Instruction No. 35 dated 4th September 2009]

Sub: Consolidated list of default authorized operations which can be undertaken by the developer/approved co-developer by default from the date of notification.

35-SEZ Cir
04.09.2009

In continuation of this Department's communication No F. 1/153/2007-SEZ dated 22nd August 2008, it has been decided to further expand the list of default authorized operations. The BoA in its meeting held on 11th August 2009 added a few items and Government has decided to add more items. Accordingly a consolidated list of authorized operations is enclosed as **Annexure**.

The DC's/UAC's may allow Developer/approved co-developers duty free material for these default authorized operations from the date of notification of the SEZ. These authorized operations will, however, continue to be subject to the various guidelines issued by Government from time to time.

2. For other authorized activities, not contained in the enclosed list, Developer/co-developer will have to obtain prior approval of Board of Approval.

Annexure

Authorized Activities which can be undertaken by the Developer/Approved Co-Developer by Default from the Date of Notification

(A) For All Types of SEZs

1. Roads with Street lighting, Signals and Signage
2. Water treatment plant, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity.
3. Sewage and garbage disposal plant, pipelines and other necessary infrastructure for sewage and garbage disposal, Sewage treatment plants
4. Electrical, Gas and Petroleum Natural Gas Distribution Network including necessary sub-stations of appropriate capacity, pipeline network etc.
5. Telecom and other communications facilities including internet connectivity
6. Rain water harvesting plant
7. Fire protection system with sprinklers, fire and smoke detectors
8. Landscaping and water bodies
9. Boundary wall
10. Office space for Customs and Security staff not exceeding 500 sq.m.
11. Office space for staff deployed for DC's office, customs and Security staff
12. Security offices, police posts, etc, at entry, exit and other points within and along the periphery of the site.

13. Effluent treatment plant and pipelines and other Infrastructure for Effluent treatment
14. Common Data centre with inter-connectivity
15. Play ground
16. Bus bays
17. Wi Fi/Wi Max Services
18. Drip and Micro irrigation systems
19. Parking including Multi-level car parking (automated / manual)
20. Recreational facilities such as Indoor/Outdoor games, gymnasium
21. Employee welfare facilities like Crèche, Medical center and other such facilities

(B) IT/ITES/EH&SW, Biotechnology/Gems and Jewellery SEZ/Handicrafts/Non-conventional Energy including solar energy equipments [in addition to those listed at (A)]

1. Air conditioning of processing area
2. Built up processing area not less than minimum prescribed 1 lakh sq. m.
3. One First-Aid post or 10-bedded Clinic/Poly clinic/Pharmacy/ Medical Center
4. Power (including power back up facilities) for captive use only

(C) Sector Specific Special Economic Zones or one or more Services or in a port or airport [in addition to those listed at (A)]

1. Fire Station Buildings
2. Fire protection system with sprinklers, fire and smoke detectors
3. Access control and Monitoring system
4. First-Aid post or 20-bedded Clinic/Poly clinic/ Pharmacy/ Medical Center, one hospital (up to 50 bed) (in the non-processing area only)

5. One Primary School (in the non-processing area only).
6. Power (including power back up facilities) for captive use only

(D) Special Economic Zones for Free Trade and Warehousing [in addition to those listed at (A)]

1. Air conditioning of processing area
2. Built up processing area not less than minimum prescribed 1 lakh sq. m.
3. One First-Aid post or 10-bedded Clinic/Poly clinic/Pharmacy/ Medical Center
4. Power (including power back up facilities) for captive use only

(E) Multi Product Special Economic Zones [in addition to those listed at (A)]

1. Factory sheds
2. Fire Station Buildings
3. Access control and Monitoring system
4. Space for Banks
5. First-Aid post(s) and/or 20-bedded Clinic(s)/ Poly clinic(s)/Pharmacy(s)/ Medical Center(s), one hospital (up to 50 bed) (in the non-processing area only).
6. One Primary School (in the non-processing area only).
7. Power (including power back up facilities) subject to power guidelines.

Note: "For IT/ITES/EHS, Bio-technology, Gems & Jewellery, Handicrafts sector, Non-Conventional Energy including solar energy equipments/ cell and Stand alone FTWZs SEZs of 100 Hectares or more also, the above guidelines shall be applicable".

[No. C.8/4/2009-SEZ]

NSDL to Develop Online Project for SEZ

[SEZ Instruction No. 38 dated 11th September 2009]

Sub: SEZ Online Project

38-SEZ Cir 11.09.2009 I am directed to inform you that this department has executed an agreement

with NSDL Database Management Ltd. (NDML) for an SEZ Online project. The SEZ Online project intends to establish a nationwide integrated e-governance solution for the administration of SEZ and to facilitate speedy processing of transactions of SEZ Developers, units etc with the Administration.

2. The project would be made operational shortly. Once the project is operational, all applications, transactions etc. has to be made through the system online. The developers and units have to register with NDML for this purpose. Further details in this regard would be provided shortly.

[F.No.J.16/3/2007-SEZ]

Development Commissioner to Comment on SEZ Project Applications in Parallel Mode

[SEZ Instruction No. 36 dated 3rd September 2009]

Subject: Instructions regarding proposals to be considered by BoA.

36-SEZ Cir 03.09.2009 It has been decided that, henceforth, a developer shall invariably endorse a

copy of the proposal sent by him, for consideration of the Board of Approval (BoA), to the concerned Development Commissioner who will quickly analyse the same and send the comments to the Ministry for the next meeting of the BoA.

2. All DCs are, therefore, requested to ensure strict compliance of these instructions.

[No. C.6/11/2009-SEZ]

10 Mandatory Documents for Import General Manifest

The following Public Notice was issued by Commissioner of Customs (Import) Jawaharlal Nehru Custom House on 14th September 2009

F.No.S/ 3 – GEN – 696/2007 IMPORT NOTING

Sub: Delayed, incomplete or incorrect filing of Import Manifest of Import Report – Amendment of Import General Manifest .

67-PN 14.09.2009 Attention of Shipping Lines, Shipping Agents, Consol Agents, Carriers, Multi Modal Operators, Break Bulk Carriers / Agents, Consolidators, Freight Forwarders, Freight Forwarders, Importers, CHAs and members of trade are invited to Public Notices No. 14/2008 dated 04.02.2008 and No. 69/2008 dated 26.09.2008 regarding amendment / supplementation of Import General Manifest (IGM).

2. It has been observed that the members of the trade and Shipping fraternity are not submitting the required documents which are utmost necessary to verify the genuineness of the request for amendment in the IGM. In order to strengthen the system of amendments in Import Noting Section and to verify the genuineness of the documents and veracity of change by Shipping Lines, who have applied for amendment in IGM for Major Amendments, it has been decided that the following documents are necessary to

be submitted to the Import Noting Section :-

- (a) Explanation letter from Shipping Line / Agent
- (b) Bill of Lading (Original / Attested)
- (c) Invoice & Packing List (signed)
- (d) Manifest Corrector and Load Port Message issued by the Shipping Lines's counterpart abroad
- (e) Report from Group for ascertaining Revenue implication (for amendment in Commodity description)
- (f) IEC code copy of 1st Consignee & 2nd Consignee (for amendment in importers'/ Consignee's Name & Address)
- (g) NOC from Group in the cases of Bill of Entry already filed
- (h) CHA's letter in case authorization given by the Shipping Line and Bill of Entry filed by the CHA to ascertain the status of the Bill of Entry.

(i) IGM Printout indicating Bill of Entry filed or not

(j) If there is change in Bill of Lading Number, Master Bill of Lading should be stamped with surrendered but Original Consignee's name should appear in the HBL

3. Except for the modification mentioned above, all other provisions of the Public Notices No. 14/2008 dated 04.02.2008 and No. 69/2008 dated 26.09.2008 shall remain unchanged.

4. It is once again reiterated that the responsibility of amendment in IGM rests solely with the Shipping Line filing the IGM.

5. The procedure may be followed scrupulously by all for uniformity and any difficulties in implementation / compliance of the Public Notice may be brought to the notice of the Additional Commissioner of Customs, Import Noting.

Implementation of Risk Management System (RMS) in Imports

The following Public Notice was issued by Commissioner of Customs (Import) Jawaharlal Nehru Custom House on 16th September 2009

F.No.S/6-Gen-27/2009 LTP Docks JNCH (I)

70-PN Attention of all Importers,
16.09.2009 Custom House Agents (CHA) and members of the Trade is invited to the Board's Circulars 43/2005 and 42/2005 – Cus. both dated 24/11/2005, issued from F.No.450/66/2005 Cus IV on the Risk Management System (RMS) and the Accredited Clients Program (ACP), respectively. Further attention is invited to Public Notice No.12/2006 dated 17/02/2006 issued from F.No.S/22-Gen-92/05 A (M) (I) JNCH.

2. In partial modification to the procedure laid down therein, in case of system appraised Bills

of Entry with instructions "no assessment, no examination" and the goods cleared under Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996, the following procedure would be followed in Shed :-

"The importer/CHA, before out-of-charge, should get the certificate issued by the AC/DC of Central Excise debited by the Group".

3. In case of any difficulties faced in the implementation of these instructions, the same may be brought to the notice of undersigned.

Brass Scrap Tariff Value Up by US\$ 17/MT

144-Cus(NT) In exercise of the powers conferred by sub-section (2) of section 14 of the
15.09.2009 Customs Act, 1962 (52 of 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Cus (N. T.), dated, the 3rd August 2001, namely: -

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

Table

| SNo. | Chapter/ heading/ sub-heading/tariff item | Description of goods | Tariff value US \$ (Per Metric Tonne) |
|------|---|--------------------------|---------------------------------------|
| (1) | (2) | (3) | (4) |
| 1 | 1511 10 00 | Crude Palm Oil | 447 (i.e. no change) |
| 2 | 1511 90 10 | RBD Palm Oil | 476 (i.e. no change) |
| 3 | 1511 90 90 | Others – Palm Oil | 462 (i.e. no change) |
| 4 | 1511 10 00 | Crude Palmolein | 481 (i.e. no change) |
| 5 | 1511 90 20 | RBD Palmolein | 484 (i.e. no change) |
| 6 | 1511 90 90 | Others – Palmolein | 483 (i.e. no change) |
| 7 | 1507 10 00 | Crude Soyabean Oil | 580 (i.e. no change) |
| 8 | 7404 00 22 | Brass Scrap (all grades) | 3252 |
| 9 | 1207 91 00 | Poppy seeds | 3008" |

[F. No. 467/14/2009-Cus.V]

RBI Permits Diplomatic Missions to Credit Visa Fees in FC Account which are Collected in India in Indian Rupees by Way of Transfer

Sub: Foreign Currency Account by diplomatic missions - Credit of Visa Fees.

AP(DIR Srs) Attention of Authorised Dealer
Cir.08 Category - I (AD Category – I)
14.09.2009 banks is invited to clause (a) of (RBI) sub-regulation 3 of Regulation 4 of the Notification No. FEMA 5/2000-RB dated May 3, 2000 viz. Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time, in terms of which proceeds of inward remittances received from outside India through normal banking channels are allowed to be credited to the accounts maintained in foreign currency by diplomatic missions.

2. In consultation with the Government of India, it has been decided to permit diplomatic missions to credit the visa fees collected in India in Indian rupees by way of transfer from the rupee account to the accounts maintained in foreign currency by the diplomatic missions, in addition to proceeds of inward remittances re-

ceived from outside India through normal banking channels.

3. Necessary amendment to the Foreign Exchange Management (Deposit) Regulations, 2000 dated May 3, 2000 has been notified vide Notification No. 193/2009-RB dated June 2, 2009 (G.S.R. No. 442(E) published in the Official Gazette of Government of India dated June 23, 2009) (copy enclosed).

4. Accordingly, AD Category –I banks may allow the diplomatic missions to credit the visa fees collected in India in Indian rupees, by way of transfer from the rupee account, to the account maintained in foreign currency by the diplomatic missions.

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

6. The directions contained in this circular have

No Correlation of Technical Characteristics of the Inputs with the Export Product under DFIA Scheme Required

The following Public Notice was issued by Commissioner of Customs (Export) Jawaharlal Nehru Custom House on 18th September 2009.

F.No. S/12-Gen- 86 /09-10.A(M)(X)

Subject: Correlation of Technical Characteristics, Quality and specifications of the Inputs with the Export Product under the DFIA Scheme.

69-PN Attention of all importers,
18.09.2009 Exporters, CHAs and members of Trade is invited towards circular No. 46/2007 Cus. Dated 20.12.2007 issued from F.NO.605/95/2007-DBK by the Central Board of Excise and Customs, Ministry of Finance (Department of Revenue), New Delhi, copy of which is enclosed herewith for ready reference. The directions contained in the said circular are in force and applicable for import and export of materials permitted in the DFIA Scheme.

2. The contents of this Circular may be brought to the notice of all the members of your trade association.

3. Difficulties if any, in implementation of above circular may be brought to the notice of Additional /Joint Commissioner of Customs (Export) JNCH, Nhava Sheva, Uran, Raigad.

been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions / approvals, if any, required under any other law.

ANNEX to A.P.(DIR Series) Circular
No.08 of 14.09.09
Reserve Bank of India
Foreign Exchange Department
Central Office
Mumbai 400 001

Notification No.FEMA. 193 /2009-RB Date: June 2, 2009

Foreign Exchange management (Deposit) (Amendment) Regulations, 2009

In exercise of the powers conferred by clause (f) of sub section (3) of section 6 and sub section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Deposit) Regulations, 2000 (Notification No.FEMA.5/2000-RB dated May 3, 2000) namely: -

1. Short title and commencement

(i) These regulations may be called the Foreign Exchange Management (Deposit) (Amendment) Regulations, 2009.

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

2. Amendment of the Regulations

In the Foreign Exchange Management (Deposit) Regulations, 2000 (Notification No. FEMA.5/2000-RB dated May 3, 2000), Regulation 4, in sub-regulation (3), for clause (a), the following shall be substituted, namely:-
“(a) credits to the account shall be only by way of:-

- (i) proceeds of inward remittances received from outside India through normal banking channels; and
- (ii) transfer of funds, from the rupee account of the diplomatic mission in India, which are collected in India as visa fees and credited to such account.”

Gem and Jewellery Samples Limit Raised to 50 Units from 15 Units

Ntfn 109 In exercise of the powers conferred by sub-section (1) of 24.09.2009 section 25 of the Customs Act, 1962 (52 of 1962), the (DoR) Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the

following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), **No. 154/1994-Customs, dated the 13th July, 1994**, published in the Gazette of India, Extraordinary, vide number G.S.R. 583(E), dated the 13th July, 1994, namely:-

In the said notification, in the **TABLE**, against **S. No. 3**, in column (3) –

(i) in condition (iv) and the proviso relating thereto, for the figure and word “15 units”, wherever they occur, the figure and word “50 units” shall be substituted;

(ii) in condition (v), in clause (A), in sub-clause (b), for the figure and word “15 units”, the figure and word “50 units” shall be substituted.

[F. No.354/156/2009-TRU]

Exchange Rates for Customs Valuation

IMPORTS and EXPORTS

The current notification No. 146-Customs(NT) dated 25th September 2009 supersedes notification 125-Customs(NT) dated 27th August 2009.

146-Cus(NT) In exercise of the powers conferred by section 14 of the 25.09.2009 Customs Act, 1962 (52 of 1962), and in supersession of (DoR) the notification of the Government of India in the Ministry of Finance (Department of Revenue) **No.125/**

2009-CUSTOMS (N.T.), dated the 27th August, 2009 vide number S.O. 2193(E), dated the 27th August, 2009, except as respects things done or omitted to be done before such supersession, 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 1st October, 2009** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

| SNo | Currency | Imported Goods | | Exported Goods | |
|--|-------------------|----------------|----------|----------------|----------|
| | | Current | Previous | Current | Previous |
| Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees | | | | | |
| 1 | Australian Dollar | 42.55 | 41.50 | 41.40 | 40.25 |
| 2 | Canadian Dollar | 45.45 | 45.50 | 44.15 | 44.35 |
| 3 | Danish Kroner | 9.70 | 9.55 | 9.35 | 9.20 |
| 4 | EURO | 71.80 | 70.70 | 70.00 | 68.90 |
| 5 | Hong Kong Dollar | 6.25 | 6.35 | 6.15 | 6.25 |
| 6 | Norwegian Kroner | 8.45 | 8.20 | 8.15 | 7.95 |
| 7 | Pound Sterling | 79.70 | 80.70 | 77.75 | 78.85 |
| 8 | Swedish Kroner | 7.15 | 7.05 | 6.90 | 6.80 |
| 9 | Swiss Franc | 47.55 | 46.60 | 46.20 | 45.30 |
| 10 | Singapore Dollar | 34.40 | 34.25 | 33.60 | 33.40 |
| 11 | US Dollar | 48.60 | 49.25 | 47.70 | 48.35 |

Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

| | | | | | |
|---|--------------|-------|-------|-------|-------|
| 1 | Japanese Yen | 53.70 | 52.55 | 52.20 | 51.15 |
|---|--------------|-------|-------|-------|-------|

[F.No.468/14/2009-Cus.V]

Commodity Spot Prices in India – 24-26 September 2009

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day. The weekly prices of commodities from different cities of India will be given in the order of Harmonized System classification.

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 24-26 September.

| Commodity | Unit | Market | (Rs.) | | |
|----------------------|----------|-------------|--------|--------|--------|
| | | | 24-Sep | 25-Sep | 26-Sep |
| CER (Carbon Trading) | 1 MT | Mumbai | 868 | 840 | 848 |
| Chana | 100 KGS | Delhi | 2328 | 2311 | 2320 |
| Masur | 100 KGS | Indore | 4699 | 4619 | 4605 |
| Potato | 100 KGS | Agra | 1306.6 | 1303 | 1300.3 |
| Potato TKR | 100 KGS | Tarkeshwar | 1390.4 | 1395.3 | 1395.3 |
| Arecanut | 100 KGS | Mangalore | 8212 | 87.2 | 85.9 |
| Cashewkern | 1 KGS | Quilon | 300 | 300 | 300 |
| Cardamom | 1 KGS | Vandanmedu | 766.75 | 743.25 | 742.25 |
| Coffee ROB | 100 KGS | Kushalnagar | 70.8 | 67.3 | 67.2 |
| Jeera | 100 KGS | Unjha | 11425 | 11430 | 11422 |
| Pepper | 100 KGS | Kochi | 14410 | 14404 | 14275 |
| Red Chili | 100 KGS | Guntur | 5977 | 5921 | 5921 |
| Turmeric | 100 KGS | Nzmbad | 8119 | 8094 | 8094 |
| Guar Gum | 100 KGS | Jodhpur | 4570 | 4525 | 4510 |
| Maize | 100 KGS | Nzmbad | 890 | 889.5 | 889.5 |
| Mentha Oil | 1 KGS | Chandausi | 548.7 | 550 | 549.3 |
| Cotton Seed | 100 KGS | Akola | 1301 | 1290 | 1298 |
| Castorsd RJK | 100 KGS | Rajkot | 2688 | 2679 | 2651 |
| Guar Seed | 100 KGS | Jodhpur | 2101 | 2089 | 2096 |
| Soya Bean | 100 KGS | Indore | 1945 | 1972.5 | 2022 |
| Mustrdsd JPR | 20 KGS | Jaipur | 522 | 528 | 529.2 |
| Sesame Seed | 100 KGS | Rajkot | 5575 | 5575 | 5588 |
| Coconut Oil Cake | 100 KGS | Kochi | 1040 | 1040 | 1040 |
| RCBR Oil Cake | 1 MT | Raipur | 6440 | 6420 | NA |
| Kapaskhali | 50 KGS | Akola | 570.5 | 568.9 | 569.5 |
| Coconut Oil | 100 KGS | Kochi | 4602 | 4602 | 4602 |
| Refsoy Oil | 10 KGS | Indore | 435.75 | 437.7 | 437.3 |
| CPO | 10 KGS | Kandla | 323.7 | 326.5 | 326 |
| Mustard Oil | 10 KGS | Jaipur | 501.3 | 511.2 | 514.8 |
| Gnutoilexp | 10 KGS | Rajkot | 650.8 | 658.3 | 657 |
| Castor Oil | 10 KGS | Kandla | 560 | 557.3 | 555.7 |
| Crude Oil | 1 BBL | Mumbai | 3308 | 3169 | 3168 |
| Furnace Oil | 1000 KGS | Mumbai | 26489 | 26051 | 26051 |
| Sourcrd Oil | 1 BBL | Mumbai | 3327 | 3275.5 | 3275.5 |
| Brent Crude | 1 BBL | Mumbai | 3208 | 3093 | 3097 |
| Gur | 40 KGS | Muzngr | 1090.8 | 1085 | 1076.1 |
| Sugars | 100 KGS | Kolhapur | 2872 | 2856 | 2850 |
| Sugarm | 100 KGS | Delhi | 3005 | 2992 | 2988 |
| Natural Gas | 1 mmBtu | Hazirabad | 185.1 | 190.2 | 191.2 |
| Rubber | 100 KGS | Kochi | 10625 | 10585 | 10615 |
| Cotton Long | 1 Candy | Kadi | 22850 | 22870 | 22870 |
| Cotton Med | 1 Maund | Abohar | 2172 | 2173 | 2173 |
| Jute | 100 KGS | Kolkata | 2246.5 | 2247.5 | 2247.5 |
| Gold | 10 GRMS | Ahmd | 15834 | 15560 | 15526 |
| Gold Guinea | 8 GRMS | Ahmd | 12667 | 12448 | 12420 |
| Silver | 1 KGS | Ahmd | 26210 | 25720 | 25650 |
| Sponge Iron | 1 MT | Raipur | 15545 | 15640 | 15465 |
| Steel Flat | 1000 KGS | Mumbai | 32080 | 31770 | 31540 |
| Steel Long | 1 MT | Bhavnagar | 23550 | 23300 | 23420 |
| Copper | 1 KGS | Mumbai | 296.9 | 287.3 | 289.9 |
| Nickel | 1 KGS | Mumbai | 847.9 | 831 | 816.7 |
| Aluminium | 1 KGS | Mumbai | 88.9 | 325.5 | 325.25 |
| Lead | 1 KGS | Mumbai | 105.35 | 103.85 | 104.35 |
| Zinc | 1 KGS | Mumbai | 90.65 | 89 | 89.2 |
| Tin | 1 KGS | Mumbai | 735.5 | 728 | 715 |

(Source: MCX Spot Prices)

WORLD TRADE SCANNER

| | |
|---|-----|
| G-20 Resolves on Banking Reform – Plugs on Bonus Leaks | 321 |
| Extracts from the Prime Minister, Manmohan Singh's Remarks at the G-20 Meeting at Pittsburgh: Plenary Session | 321 |
| Civil society to discuss better global governance at WTO's Public Forum | 322 |
| China's Role | 322 |
| Bretton Woods to G-8 to G-20 | 322 |
| Commodity Spot Prices in India – 24-26 September 2009 | 331 |
| China Appeals Ruling on Imports of Books, Movies, Music | 332 |
| Russia, with US Backing, Hopes to Enter WTO Next Year | 332 |

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

| | |
|---|-----|
| 10-Ntnf(RE)/22.09.2009 Lanolin Exports Allowed Freely | 323 |
| 11-Ntnf(RE)/23.09.2009 Electrical Energy Imports from SEZ Declared Free, Other Imports Restricted – Applicable from 8 Sept. '09 | 323 |
| 12-PN(RE)/22.09.2009 Amendments in Handbook of Procedures (Vol. I) | 327 |
| 13-PN(RE)/22.09.2009 DFIs Issued During 2006-07 and 2007-08 Revalidates for a Period of Six Months | 323 |
| 34-SEZCir/31.08.2009 No State Agency Inside SEZ without DC Approval | 328 |
| 35-SEZ Cir/04.09.2009 List of Authorised Operations in SEZs Considered as Automatically Approved | 328 |
| 36-SEZ Cir/03.09.2009 Development Commissioner to Comment on SEZ Project Applications in Parallel Mode | 329 |
| 37-SEZ Cir/07.09.2009 Import of Jewellery and its Remaking is an Authorised Manufacturing Activity by SEZ Units | 328 |
| 38-SEZ Cir/11.09.2009 NSDL to Develop Online Project for SEZ | 329 |
| 39-SEZ Cir/11.09.2009 Ministry of Commerce/SEZ Administration is the Sole Authority for SEZ Issues | 328 |

Customs

| | |
|---|-----|
| Ntnf 106/14.09.2009 Amendments in Gem and Jewellery Notifications | 324 |
| Ntnf 109/24.09.2009 Gem and Jewellery Samples Limit Raised to 50 Units from 15 Units | 331 |
| 144-Cus(NT)/15.09.09 Brass Scrap Tariff Value Up by US\$ 17/MT | 330 |
| 145-Cus(NT)/22.09.09 Specific Safeguard Investigation Period of Soda Ash Extended upto 15 Oct. '09 | 326 |
| 146-Cus(NT)/25.09.09 Exchange Rates for Customs Valuation-IMPORTS and EXPORTS | 331 |
| 67-PN/14.09.2009 10 Mandatory Documents for Import General Manifest | 329 |
| 69-PN/18.09.2009 No Correlation of Technical Characteristics of the Inputs with the Export Product under DFIA Scheme Required | 330 |
| 70-PN/16.09.2009 Implementation of Risk Management System (RMS) in Imports | 330 |

Central Excise

| | |
|---|-----|
| 24-CE/31.08.2009 Duty Raised on Sales into DTA for Gold and Silver Jewellery | 326 |
| 25-CE/14.09.2009 Excise Exemptions under STP/EHTP Units – Notifications Amended | 326 |

CBEC Circulars

| | |
|--|-----|
| 898-CBEC/15.09.2009 Benefit of Reduced Penalty under Provisos to Sec. 11AC | 323 |
|--|-----|

Service Tax

| | |
|---|-----|
| 37-ST/23.09.2009 Amendments in Taxation of Services Rules, 2006 | 327 |
| 38-ST/23.09.2009 Export of Services Rules, 2005 Amended | 328 |
| 39-ST/23.09.2009 Service Tax on Business Auxiliary Services in the Manufacture of Alcoholic Beverages | 327 |
| 116-ST/15.09.2009 No Service Tax on Specific Civil Works | 327 |

RBI Circulars (A.P. (DIR Series))

| | |
|---|-----|
| RBI Cir. 08/14.09.09 RBI Permits Diplomatic Missions to Credit Visa Fees in FC Account which are Collected in India in Indian Rupees by Way of Transfer | 330 |
|---|-----|

China Appeals Ruling on Imports of Books, Movies, Music

In the latest chapter of an ongoing trade spat between the world's two largest economies, China on Tuesday appealed a WTO ruling that upholds a US complaint against its restrictions on foreign books, movies and music.

In August, a panel of WTO judges ruled against Beijing's requirement that copyrighted publications and audiovisual products be imported and sold domestically through state-approved or state-owned distributors.

The WTO's Appellate Body - the organisation's highest court - will now consider China's request. The seven-member body has the power to uphold, modify or reverse the findings of the lower panel.

Trade tensions between the US and China have intensified in recent weeks, as the two countries have sparred over trade in tyres, chicken and autos. Last week, Beijing initiated a separate WTO dispute with Washington over the 35 percent tariffs on imports of Chinese tyres that US President Barack Obama announced earlier this month. The duties are scheduled to take effect on Saturday, 26 September.

Russia, with US Backing, Hopes to Enter WTO Next Year

Russia hopes to finalise its membership in the WTO before the end of 2010, and the US will support Moscow's bid, senior officials from the two countries said after meeting in Washington this week.

Kirk was slightly more cautious. "Ambassador Kirk welcomed the prospect of renewed engagement with Russia on its WTO accession negotiations following a period of uncertainty regarding Russia's intentions," the Office of the USTR said in a statement. "However he again noted that progress in these multilateral negotiations has always depended, and will still depend, on Russia's dedication and work toward that end," the statement said.

Vladimir Putin, Russia's prime minister, caused a minor storm among trade observers when he announced in June that the country would abandon its unilateral bid to join the WTO and instead pursue membership as a customs union, jointly with former Soviet states Belarus and Kazakhstan. Such an approach is unheard of in the organization's nearly 15-year history.

Russia seems to be sticking by its customs-union approach, although Shugalov, when pressed by reporters, conceded that heads of state can always change their minds.

Russia, by far the largest economy outside the WTO, has been trying to negotiate its entry into the organisation for 16 years. The accession talks proceeded in fits and starts for more than a decade, and stalled in August 2008 when conflict broke out between Russia and Georgia. Angered by what it considered Russian aggression against a smaller neighbour, the US threatened to block Moscow's bid to join the global trade body. Russia hit back, vowing to drop some of the commitments it had already made in the accession talks. At the WTO, a consensus-based organisation, any single member can block another country's accession.