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WTO Giving Way as Regional Groups Hold Sway

At the WO Public forum meet in Geneva (24-26 Sept), Pascal Lamy said that current multilateral structures have not had time to adjust to the speed with which globalisation has taken root and shaped the world.

"To put it very simply, today's multilateralism was okay 20 years ago," the Director-General told the audience. Developing countries are increasingly finding their collective voice and taking a more active voice in negotiations.

Former Swiss President Calmy-Rey also pointed this shift in power in her speech, noting that the question of exceptional flexibilities for developing countries has been one of the most difficult issues to overcome in negotiations at both the WTO and the UN Framework Convention on Climate Change (UNFCCC).

A large number of disputes come to the WTO from countries that are part of regional or bilateral agreements with their own dispute settlement mechanisms.

Bilateral, regional deals proliferate

The increased prominence of plurilateral and bilateral trade talks loomed over the discussions at the forum. Some participants framed the seemingly endless list of agreements as "alternatives" to multilateral negotiations, while others felt they could be complementary. Most agreed, however, that progress on the Doha negotiations in the immediate future appears to be a nearly insurmountable task, while in the meantime trade departments are increasingly focussing their attention on other liberalising deals, such as the proposed Trans-Pacific Partnership (TPP).

Forums such as G-20 can lead to positive outcomes that could then be extended to a wider group, with Lamy noting the recent progress on liberalising environmental goods made by Asia-Pacific Economic Cooperation (APEC) members in Vladivostok, Russia.

While APEC members are part of a regional grouping, and not a region-wide trade pact - with therefore no penalties for non-compliance - the Director-General called the conclusion of an environmental goods list for liberalisation "great news," because it demonstrates that China and the US are able to find common ground on difficult trade issues, especially given that APEC members encompass a large portion of global trade.

Brazil Fears Currency War as Fed to Launch another Round of Monetary Stimulus

Warnings that the global economy is embroiled in a "currency war" were again raised by Brazilian Finance Minister Guido Mantega last week, following the US Federal Reserve's announcement earlier this month that it would be undertaking another round of monetary stimulus. Brasilia's plan to temporarily raise import tariffs on various goods has also ramped up tensions between the trading partners, as Brazilian officials - including the country's president - argue that the measures are both WTO-consistent and necessary to counter the currency effects of developed country policy, amid Washington's claims that the tariffs are protectionist.

The 13 September announcement that the US Federal Reserve would be launching a third round of "quantitative easing"- in other words, buying up assets, in this case mortgage-backed securities, to prop up the economy - has prompted harsh criticism from Mantega on various occasions over the past week, with the finance minister lambasting the Fed's decision as a "protectionist" one that would help the US little.

Instead, Mantega told the Financial Times, QE3 - as the Fed's programme is commonly known- would only cause the dollar to depreciate while increasing US exports. Japan's recent decision to expand its own quantitative easing programme was similarly criticised by the Brazilian finance minister. Mantega has argued that the US and others should instead pursue more fiscal measures, rather than relying too heavily on monetary policy.

The finance minister has lately said that, if necessary, his country could enact taxes on short-term capital inflows and other measures to prevent Brazil's currency, the real, from appreciating.

This latest round of quantitative easing is slated to continue until the US job market improves substantially, and involves the Federal Reserve's buying US$40 billion a month in mortgage debt, in addition to other existing programmes for a total of US$85 billion in asset purchases per month.

Mantega first cautioned of a "currency war" in September 2010, in a speech that made headlines worldwide and fuelled increased debate on the impact of currency valuation on export competitiveness. Concerns over what critics deem "excessively loose" monetary policy by developed economies - particularly the US and EU - has since been on the rise, with various developing countries arguing that such policies effectively "export the crisis" to emerging and developing economies.

EU Rejects US Report on Boeing Subsidy Compliance

The longstanding row between Brussels and Washington over domestic support to the airplane industry resurfaced this week, with the EU rejecting the US' claim that it had eliminated those subsidies for aerospace giant Boeing that had been deemed inconsistent with WTO rules (DS353).

Washington's compliance notification, released by the Office of the US Trade Representative (USTR) on 23 September, outlined a series of measures taken to comply with the WTO's Dispute Settlement Body ruling, after the global trade arbiter's Appellate Body largely upheld an earlier panel ruling in the EU's favour this past March.

On Tuesday, however, the EU rebuffed the claims that the US has done enough to bring its support for Boeing in line with WTO rules.

Boeing, for its part, issued a statement of its own on Sunday, praising the US government's compliance efforts, while lambasting the EU and Airbus for allegedly not doing the same.

"Boeing fully supports the actions the US government announced today that it has taken to address the relatively small amounts of subsidy that the World Trade Organization identified as inconsistent with its rules," the civil manufacturer's statement said, claiming that Washington has indeed complied with the DSB ruling. "Unfortunately, the same cannot be said of Airbus and its government sponsors, which have thumbed their noses at the WTO."

The parallel disputes together form the world's largest trade row, with the markets involved having a combined worth of US$2 trillion.

EU Calls on Russia to Live up to WTO Commitments

Recent tensions between Brussels and Moscow have taken on a trade dimension, with EU Trade Commissioner Karel De Gucht urging Russia to amend what the EU views as a series of restrictive trade practices. De Gucht reminded the recently-acceded country that it was now a part of the WTO and, as such, is required to operate under the established multilateral trade rules.

Russia's long-awaited entrance into the WTO owed much to the support of a European Union eager to avoid the barriers that resulted from trading with a non-member country. However, the two sides have been at odds over several issues since Russia's formal accession last month.

According to EU Trade Commissioner Karel De Gucht, Russia has been finding ways to close its markets to competitors, in violation of WTO rules. According to De Gucht, these and other measures have stood in the way of "significant market opening … due to take place under Russia's WTO commitments."

Moscow had also provoked Brussels by announcing in March a ban on the import of live animals from the EU. The EU trade chief called the situation a "clear case of a regulatory measure acting as a tool of trade protection."

De Gucht says the livestock issue and additional conflicts involving cases of anti-dumping and other trade defence measures are not starting Russia off on the right foot with the global trade body. De Gucht has expressed his willingness to use the WTO's dispute settlement mechanisms if Russia does not begin to follow multilateral trade rules.

Pork Supply Shrinks to Lowest Since 1975 on Drought: Commodities

U.S. hog farmers are slaughtering animals at the fastest pace since 2009 as a surge in feed costs spurs the biggest losses in 14 years, signaling smaller herds next year and a rebound in pork prices.

The 73.3 million hogs processed in eight months through August were the most in three years, U.S. Department of Agriculture data show. Pork supply will drop to the lowest per- capita since 1975 next year, the USDA estimates. Hog futures that fell more than any other commodity since June 30 may surge 39 percent within 12 months to as high as $1.055 a pound.

Crop damage from the worst U.S. drought since 1956 sent corn-feed prices surging to a record last month and may mean losses of about $44 a head for hog farmers in the fourth quarter, the most since 1998, Purdue University estimates. Two producers in Canada filed bankruptcy petitions this month. While the acceleration in slaughtering is boosting supply now, buyers including CKE Inc., the owner of Hardee's and Carl's Jr. fast- food chains, expect higher prices in 2013 as herds shrink and U.S. exports rise.

A pig eats 10 bushels of corn to reach a slaughter weight of about 270 pounds (122 kilograms), the University of Missouri at Columbia estimates. Corn futures rose 47 percent since mid- June after the USDA predicted the drought will cut domestic output by 13 percent. Prices reached a record $8.49 a bushel in Chicago on Aug. 10.

Producers may receive about $56 per hundredweight for hogs in the fourth quarter, and the cost of production is estimated at about $72.29 per hundredweight, said Chris Hurt, an agricultural economist at Purdue University in West Lafayette, Indiana. That means farmers may earn about $151.20 for a 270- pound hog that cost about $195.18 to produce.

Agri Subsidies Share of Farm Income Falling Due to Rising Commodity Prices, IECD Says

Newly released figures from the Organisation for Economic Co-operation and Development (OECD) show that farmers are deriving a smaller share - 19 percent in 2011 - of their income from government coffers. High prices for farm goods are largely behind the trend, the Paris-based organisation said, since policies remain largely unchanged.

The OECD's monitoring efforts track shifts in agricultural policies for its member countries and offer a standardised means of comparing changes in farm spending. The annual figures show that while government spending is relatively stable at US$252 billion, record commodity prices in key countries have left many farmers less dependent on government payments for their income.

Some countries, however, continue to provide their farmers with a large share of their income, with levels reaching 51 and 60 percent in the case of Japan and Iceland, respectively. The OECD member average was 20 percent over the 2009-11 period.

News Flash

Global Services Weaken as Europe Slides Into Recession: Economy: Services industries from Asia to Europe cooled last month after the euro-area debt crisis pulled economies including Spain and Italy into recession and damped global growth prospects.

Oil Falls to Four-Day Low as U.S. Supply Increases, China Slows: Oil fell to its lowest in four days after U.S. crude stockpiles climbed for a fourth week and a measure of China's economy declined, signaling fuel demand may be faltering in the world's biggest users of the commodity.

WEEKLY INDEX OF CHANGES

Marble Import under ISFTA from All EDI Ports Allowed

16-Ntfn(RE) 26.09.2012 (DGFT)

In exercise of powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with paragraph 2.1 of the Foreign Trade Policy-2009-14, the Central Government hereby amends Schedule – I (Imports) of the ITC (HS) Classifications of Export and Import Items, 2009-14 as under:

2. Import Licensing Note (4) at the end of **Chapter 25** and Import Licensing Note at serial no. (2) of **Chapter 68** of ITC (HS) Classifications of Export and Import Items reads as under:

"Import of items under ITC (HS) Codes 25151100, 25151210, 25151220, 25151290, 68021000, 68022110, 68022120, 68022190, 68022200, 68029100, 68029200 from Sri Lanka under the India-Sri Lanka Free Trade Agreement (ISFTA) only through the Port of Kolkata".

This Import Licensing Note stands deleted with immediate effect.

3. Import of these items shall, however, be subject to all the conditions applicable on imports under ISFTA and the imports can be made through any EDI Port.

Effect: Importer (s) shall be able to import the items under aforementioned ITC (HS) codes under the India-Sri Lanka Free Trade Agreement (ISFTA) from all EDI Ports.

Anti-dumping Duty on Phosphoric Acid, Food Grade from China Extended upto 12 September 2013

Ntfn 45-ADD 25.09.2012 (DoR)

Whereas, the designated authority vide notification F.No. 15/1010/2012-DGAD, dated the 10th September, 2012, published in the Gazette of India, Extraordinary, Part I, Section 1 dated the 10th September, 2012, has initiated review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of 'phosphoric acid, technical or food grade (including industrial grade)', falling under sub heading 280920 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, the People's Republic of China imposed *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue),No. 17/2008-Customs, dated the 19th February, 2008, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R.97(E), dated the 19th February, 2008, and has requested for extension of anti-dumping duty for a period of one more year, in terms of sub-section (5) of section 9A of the said Customs Tariff Act pending completion of the review;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the said Act and in pursuance of rule 23 of the said rules, the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 17/2008-Customs, dated the 19th February, 2008, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R.97(E), dated the 19th February, 2008, namely: -

In the said notification, after paragraph 2, and before the Explanation, the following shall be inserted, namely: -

"3. Notwithstanding anything contained herein above, this notification shall remain in force up to and inclusive of the12th September, 2013, unless revoked earlier".

[F.No.354/87/2007-TRU (Pt-I)]

Anti-dumping Duty on PS Plates for Printing from China Extended upto 23 September 2013 in Review

Bulgaria, Malaysia, Singapore and South Korea out of PS Plates for Printing anti-dumping Net after Review

Ntfn 44-ADD 25.09.2012 (DoR)

Whereas, the designated authority vide notification No. 15/11/2012-DGAD, dated the 18th September, 2012, published in Part I, Section 1 of the Gazette of India, Extraordinary, dated the 18th September, 2012, have initiated review, in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of Pre-sensitized Positive Offset Aluminum Plates/PS Plates, originating in, or exported from, China PR imposed *vide* notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 108/2007-Customs, dated the 25th September,2007, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 627 (E), dated the 25th September, 2007, and have requested for extension of anti-dumping duty for a further period of one year, in terms of sub-section (5) of Section 9A of the said Customs Tariff Act;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of Section 9A of the said Act and in pursuance of rule 23 of the said rules, the Central Government hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. **108/2007-Customs, dated the 25th September , 2007**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide*

Zero Duty on All Goods other than Negative List for LDCs under WTO Special Window

Ntfn 56 01.10.2012 (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. 96/2008-Customs, dated the 13th August, 2008**, published in the Gazette of India, Extraordinary, vide number G.S.R. 590 (E), dated the 13th August, 2008, namely:-

In the said notification,-

(a) in the opening paragraph, in clause (i) for the figures and words "from so much of the duty of customs as is in excess of 20 per cent of the applied rate of duty", the figures and words "from whole of the duty of customs as specified in the first schedule to the Customs Tariff Act, 1975" shall be substituted;

(b) in Appendix I, in the Table, in column (4),-

(i) for the entry "8%", wherever it occurs, the entry "10%" shall be substituted;

(ii) for the entry "12%", wherever it occurs, the entry "15%" shall be substituted;

(iii) for the entry "16%", wherever it occurs, the entry "20%" shall be substituted;

(iv) for the entry "20%", wherever it occurs, the entry "25%" shall be substituted;

(v) for the entry "24%", wherever it occurs, the entry "30%" shall be substituted;

(vi) for the entry "36%", wherever it occurs, the entry "45%" shall be substituted;

(vii) for the entry "40%", wherever it occurs, the entry "50%" shall be substituted;

(viii) for the entry "48%", wherever it occurs, the entry "60%" shall be substituted;

(ix) for the entry "60%", wherever it occurs, the entry "75%" shall be substituted;

(x) for the entry "72%", wherever it occurs, the entry "90%" shall be substituted;

(xi) for the entry "80%", wherever it occurs, the entry "100%" shall be substituted.

[F. No. 354/189/2005-TRU (Vol II)]

number G.S.R. 627(E), dated the 25th September, 2007, namely: -

In the said notification,-

(I) In the preamble for the words "Bulgaria, People's Republic of China, Malaysia, Singapore and South Korea" the words "People's Republic of China" shall be **substituted**;

(II) in the **Table**,-

S. No. **4 to S. No. 17** and the entries relating thereto shall be **omitted**;

(III) **after para 2**, the following shall be **added**, namely:-

"3. Notwithstanding anything contained in para 2 above, the antidumping duty imposed under this notification shall remain in force up to and inclusive of 23rd September, 2013 unless the notification is revoked earlier".

F.No.354/136/2007-TRU (Pt-I)

Revised Application Form ANF 2D for Restricted Items Export Licence

Application Fee Waived

18-PN(RE)
28.09.2012
(DGFT)

In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following corrections / amendments in HBPv1 (including Appendices and ANFs) with immediate effect:

(i) Serial Number 4 (Application Fee Details) in the existing ANF 2 D (Application Form for Export Licence for Restricted Items) is deleted.

(ii) Guidelines for applicants in the existing ANF 2 D are amended.

2. The existing ANF-2D as appearing in the HBP Vol.I shall be replaced as per specimen of revised ANF-2D annexed with this Public Notice.

3. Effect of this Public Notice

(i) Serial Number 4 (Application Fee Details) in the ANF 2 D has been deleted as no fee is prescribed for export licence.

(ii) Guidelines for applicants in the ANF 2 D have been amended to make it more user friendly.

ANF 2 D

Application Form for Export Licence for Restricted Items

[Please see guidelines (at the end) before filling the application]

1. **IEC Number:**
2. **Applicant Details:**

i. Name:

ii. Address:

3. **Application Submission Details (in case of electronically submitted applications)**

i. ECOM Reference Number:

ii. Date of Submission on Server:

iii. Submitted to which Regional Authority:

iv. File Number:

v. Date of Issue:

4. **Total FOB value applied for**

i. In Rupees:

ii. In Foreign Currency:

5. **Details of items applied for export**

SNo.:

Description:

ITC(HS) Code:

Quantity:

FOB Value (Rs):

6. **Details of exports made of the item applied for in the preceding 3 licensing years**

S No:

Year:

Export Licence Details

No:

Date:

Qty:

Value (US $):

Quantity Exported:

FOB Value of Exports (US $):

Export Destination:

7. **Purpose of Export (Please tick)**

i. Trade:

ii. Personal:

iii. Sample:

8. **Foreign Buyer Details**

i. Name:

ii. Address:

9. **Shipment Details**

i. Port of Loading:

ii. Port of Discharge:

iii. Country of Export:

10. **In case of export of samples/ exhibits/ gifts/, please furnish**

i. Ceiling Limit:

ii. How much in excess of Ceiling Limit:

iii. Justification for Excess:

11. **In case of export by post, please furnish details of postal authorities where the parcel will be placed**
12. **In case of export of seeds, please furnish**

i. Details of seed/planting material proposed for export:

ii. Whether seed/planting material proposed to be exported is of notified variety: Yes/No

iii. Whether seed/planting material proposed to be exported has been produced under custom production arrangement? if yes, enclose details/agreement entered into with buyer:

iv. Whether variety of Seed/planting material proposed to be exported is used in India: Yes/ No.

v. Places where the variety proposed to be exported is grown:

13. **Any other relevant information**

All Central and State PSUs Exempt from Furnishing BG for Storing Sensitive Goods in the Duty Free Shops Operated by Pvt Companies

Subject: Grant of exemption from furnishing Security/Bank guarantee by Central/State Government Undertakings for storing sensitive goods in private bonded warehouses – regarding.

26-CBEC
10.09.2012
(DoR)

Reference is invited to Circular No. 99/95-Customs dated September 20, 1995 (issued from file F. No. 473/61/94-LC) laying down the procedure for licensing of Private Bonded Warehouses under Section 58 of the Customs Act, 1962. Paragraph 3 (viii) of the Circular stipulates *inter alia*, that **"In respect of individual consignments to be warehoused, the licencees are to give a double duty bond as required under the law. In respect of sensitive goods we may take a cash deposit or bank guarantee equal to 25% of the duty liability (effective duty foregone) for each consignments"**. In this connection, a reference has been received from M/s. India Tourism Development Corporation Limited, a Government of India Undertaking, seeking exemption from furnishing Bank guarantee for storing sensitive goods in duty free shops operated by them.

2. The matter has been examined in the Board. As a measure of relaxation to the Central/State Government Undertakings, as has been done in case of relaxation of requirement of Bank guarantee/security for Custodians of Sea Ports and Air Cargo Complexes/ICDs/CFSs (Circular No. 34/02-Customs dated June 26, 2002 and Circular No. 13/02-Customs dated February 22, 2002 refers), it is clarified that all Central and State Public Sector Undertakings shall be exempt from furnishing Bank guarantee or other form of security for storing sensitive goods in the duty free shops operated by them. The execution of a double duty bond and other requirements stipulated under Circular No. 99/95-Customs dated September 20, 1995 would, however, remain.

3. Publicity to this Circular may be given by way of issuance of public notice and standing order.

4. Difficulties, if any, faced in the implementation of this circular, may be immediately brought to the notice of the Board.

F.No.473/16/2012-LC

Declaration/Undertaking

1. I / We hereby declare that the particulars and the statements made in this application are true and correct to the best of my/ our knowledge and belief and nothing has been concealed or held there from.

2. I / We fully understand that any information furnished in the application if found incorrect or false will render me / us liable for any penal

action or other consequences as may be prescribed in law or otherwise warranted.

3. I / We undertake to abide by the provisions of the FT (D & R) Act, 1992, the Rules and Orders framed there under, FTP, HBP v 1 and HBP v2 and ITC (HS).

4a. I / We hereby certify that the firm / company for whom the application has been made has not been penalized under Customs Act, Excise Act, FT (D & R) Act 1992 and FERA / FEMA.

b. I / We hereby certify that none of the Proprietor / Partner(s) / Director(s) / Karta / Trustee of firm / company, as the case may be, is / are a Proprietor / Partner(s) / Director(s) / Karta / Trustee in any other firm / Company which has come to adverse notice of DGFT.

c. I / We hereby certify that the Proprietor / Partner(s) / Director(s) / Karta / Trustee, as the case may be, of the firm/company is / are not associated as Proprietor / Partner(s) / Director(s) / Karta / Trustee in any other firm / company which is in the caution list of RBI.

d. I / We hereby certify that neither the Registered Office / Head Office of the firm/company nor any of its Branch Office(s) / Unit(s) / Division(s) has been declared a defaulter and has otherwise been made ineligible for undertaking import / export under any of the provisions of the Policy.

5. I / We hereby declare that I / We have not obtained nor applied for such benefits (including issuance of an Importer Exporter Code Number) in the name of our Registered / Head Office or any of our Branch(s) / Unit(s) / Division(s) to any other Regional Authority.

5A. I / We hereby declare that I/we have perused the list of SCOMET items as contained in the Appendix 3 to the Schedule 2 of the ITC (HS) and that the item(s) exported / proposed to be exported does not fall within this list and that I / We agree to abide by the provisions of FTP for export of SCOMET items contained in the FTP, Schedule 2 of ITC (HS) and the HBP v1, irrespective of the scheme under which the item is exported / proposed to be exported.

6. I / We solemnly declare that I / We have applied for / obtained a RCMC to the EPC which pertains to our main line of business. In case we have applied to any other council, the application has been made within the purview of the provisions of Para 2.63 of the HBP v1.

7. I hereby certify that I am authorised to verify and sign this declaration as per Paragraph 9.9 of the Policy.

Signature of the Applicant: Place:

Name: Date:

Designation:

Official Address:

Telephone:

Residential Address:

Email Address:

Guidelines for Applicants

Please see paragraph 2.49 of HBP v1

1. Two hard copies of the application (ANF 2 D) must be submitted.

2. In case application is submitted electronically, no hard copy of ANF1 is required to be submitted. Where applications are not submitted electronically, hard copy of ANF1 needs to be submitted along with ANF 2 D.

3. Each page of the application has to be signed by the applicant.

4. Hard copies of Applications (ANF 1 and ANF 2 D) may be submitted to Export Cell, Directorate General of Foreign Trade (HQ), H-wing, Maulana Azad Road, New Delhi-110011.

5. Only relevant portions of Application need to be filled in.

6. Application must accompany the copy of IEC. Copy of RCMC, if any may be submitted.

Trade Credit Including Usance Period of LCs Opened for Import of Gold in Any Form Including Jewellery should not Exceed 90 Days from Date of Shipment

Sub: Foreign Exchange Management Act, 1999-Import of gold in any form including jewellery made of gold/precious metals or / and studded with diamonds / semi precious / precious stones - clarification

AP(DIR Srs) Cir.34 24.09.2012 (RBI)

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to the provisions contained in A.P.(DIR Series) Circular No.59 dated May 6, 2011, in terms of which, AD Category – I banks have been permitted to approve Suppliers' and Buyers' credit (trade credit) including the usance period of Letters of Credit for import of rough, cut and polished diamonds, for a period not exceeding 90 days, from the date of shipment .

2. It is clarified that Suppliers' and Buyers' credit (trade credit) including the usance period of Letters of Credit opened for import of gold in any form including jewellery made of gold/precious metals or/ and studded with diamonds/ semi precious / precious stones should not exceed 90 days, from the date of shipment.

3. All the instructions issued for direct import of gold, vide A.P. (DIR Series) Circular No.2 dated July 9, 2004; import of Platinum / Palladium/ Rhodium /Silver vide A.P. (DIR Series) Circular No.12 dated August 28, 2008; advance remittance for import of rough diamonds, vide A.P. (DIR Series) Circular No. 21 dated December 29, 2009 and import of rough, cut and polished diamonds, vide A.P.(DIR Series) Circular No.59 dated May 6, 2011, shall remain unchanged.

Half Yearly Service Tax Return (ST-3) to be Submitted by 25 Oct, 2012

47-ST 28.09.2012 (DoR)

In exercise of the powers conferred by sub-section(1) read with sub-section (2) of section 94 of the Finance Act 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the Service Tax Rules, 1994, namely:-

1. (1) These rules may be called the Service Tax (Fourth Amendment) Rules, 2012.

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

2. In the Service Tax Rules, 1994, in rule 7, in sub-rule (2), the following proviso shall be inserted, namely:-

"Provided that the Form 'ST-3' required to be submitted by the 25th day of October, 2012 shall cover the period between 1st April to 30th June, 2012 only."

F.No 341/21/2012-TRU

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

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

Rupee Value under Indo-USSR Deferred Payment Protocol Revised to Rs. 78.105433 w.e.f. 17 September 2012

Sub: Deferred Payment Protocols dated April 30, 1981 and December 23, 1985 between Government of India and erstwhile USSR

AP(DIR Srs) Cir.37 26.09.2012 (RBI)

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to A.P. (DIR Series) Circular No. 6 dated July 13, 2012 wherein the Rupee value of the Special Currency Basket was indicated as Rs. 75.816175 effective from July 6, 2012.

2. AD Category-I banks are advised that a further revision has taken place on September 13, 2012 and accordingly, the Rupee value of the Special Currency Basket has been fixed at Rs.78.105433 with effect from September 17, 2012.

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

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

NRI to Invest only at Face Value of Shares when Subscribing to Memorandum of Association

Sub: Foreign Direct Investment (FDI) in India - Allotment of Shares to person resident outside India under Memorandum of Association (MoA) of an Indian company - Pricing guidelines

AP(DIR Srs) Cir.36 26.09.2012 (RBI) Attention of Authorised Dealers Category-I (AD Category - I) banks is invited to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20 / 2000 -RB dated May 3, 2000 (hereinafter referred to as Notification No. FEMA 20), as amended from time to time.

2. In terms of sub-regulation (1) of Regulation 5 of the Notification ibid, a person resident outside India or an entity incorporated outside India may purchase shares or convertible debentures of an Indian company under Foreign Direct Investment Scheme, subject to compliance with the issue price specified in para 5 of Schedule 1 of the Notification ibid.

3. It has been decided that in cases, where non-residents (including NRIs) make investment in an Indian company in compliance with the provisions of the Companies Act, 1956, by way of subscription to Memorandum of Association, such investments may be made at face value subject to their eligibility to invest under the FDI scheme.

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

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.

Reporting Requirements of Foreign Project Offices in India

Sub: Establishment of Liaison Offices (LO) /Branch Offices (BO) / Project Offices (PO) in India by Foreign Entities – Reporting requirement

AP(DIR Srs) Cir.35 25.09.2012 (RBI) Attention of Authorised Dealer Category – I banks is invited to A.P. (DIR Series) Circular No. 6 dated August 9, 2010 read with paragraph 5 (i) of A.P. (DIR Series) Circular No.24 dated December 30, 2009 regarding submission of Annual Activity Report. Their attention is also drawn to reporting requirements in respect of Project Offices prescribed in A.P. (DIR Series) Circular No. 44 dated May 17, 2005 in the matter.

2. It has now been decided that in addition to the reporting prescribed in terms of aforesaid circulars, all the new entities setting up LO/BO/PO shall also:

i) submit a report containing information as per Annex within five working days of the LO/BO/PO becoming functional to the DGP of the state concerned in which LO/BO/PO has established its office; if there are more than one office of such a foreign entity, in such cases to each of the DGP concerned of the state where it has established office in India;

ii) a copy of the report as per Annex shall also be filed with the DGP concerned on annual basis along with a copy of the Annual Activity Certificate/Annual report required to be submitted by LO/BO/PO concerned, as the case may be.

iii) A copy of report thus filed as above shall also be filed with AD by LO/BO/PO concerned.

3. The existing LO/BO/PO shall henceforth report the information as per Annex along with the copy of Annual Activity Certificate/Annual report to DGP of state concerned and also file a copy of the same with AD bank.

4. **The instructions come into force with immediate effect.** AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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 permission/approval, required under any other law.

[Annexure is available at our website www.worldtradescanner.com]

Power of Customs and Excise Officers Jurisdiction Notified

85-Cus(NT) 26.09.2012 (DoR) In exercise of the powers conferred by sub-section (1) of section 4 of the Customs Act, 1962 (52 of 1962) and in supersession of notification of the Government of India in the Ministry of Finance, Department of Revenue No.16/2002-Customs (N.T.) dated the 7th March, 2002, published in the Gazette of India, Extraordinary vide number G.S.R. 172(E), dated the 7th March, 2002, the Central Board of Excise and Customs appoints the officers mentioned in column (2) of the Table I and Table II given below who shall have the jurisdiction in relation to an order or decision of the officer, subordinate to that officer, mentioned in column (3) of the Table I and Table II, respectively, for the purposes of the Customs Act, 1962 and the provisions made thereunder-

Table I

SNo.	Designation of officer	Jurisdiction
(1)	(2)	(3)
1.	Chief Commissioner of Customs, Ahmedabad	(i) Commissioners of Customs (Appeals), Ahmedabad – I (ii) Commissioners of Customs (Appeals), Kandla (iii) Commissioners of Customs (Appeals), Jamnagar
2.	Chief Commissioner of Customs, Bangalore	Commissioners of Customs (Appeals), Bangalore
3.	Chief Commissioner of Customs, Chennai	Commissioners of Customs (Appeals), Chennai
4.	Chief Commissioner of Customs, Delhi	(i) Commissioners of Customs (Appeals), Delhi-I (ii) Commissioners of Customs (Appeals), Delhi-II
5.	Chief Commissioner of Customs, Kolkata	Commissioners of Customs (Appeals), Kolkata
6.	Chief Commissioner of Customs, Mumbai-I	Commissioners of Customs (Appeals), Mumbai - I
7.	Chief Commissioner of Customs, Mumbai-II	Commissioners of Customs (Appeals), Mumbai –II
8.	Chief Commissioner of Customs, Mumbai III	Commissioners of Customs (Appeals), Mumbai III

Table II

SNo.	Designation of officer	Jurisdiction
(1)	(2)	(3)
1.	Commissioner of Customs (Appeals), Ahmedabad	Commissioners of Customs, Ahmedabad, Kandla, Commissioner of Customs (Preventive) Jamnagar.
2.	Commissioner of Customs (Appeals), Kandla	Commissioners of Customs, Ahmedabad, Kandla, Commissioner of Customs (Preventive) Jamnagar.
3.	Commissioner of Customs (Appeals), Jamnagar	Commissioners of Customs, Ahmedabad, Kandla, Commissioner of Customs (Preventive) Jamnagar.
4.	Commissioner of Customs (Appeals), Bangalore	Commissioners of Customs, Bangalore, Mangalore.
5.	Commissioner of Customs (Appeals), Chennai	Commissioners of Customs, Port (Import) Chennai, Port (Export) Chennai, Airport and Aircargo Chennai, (Preventive) Chennai.
6.	Commissioner of Customs (Appeals), Delhi-I	Commissioners of Customs, Aircargo (Import and General) Delhi, Aircargo (Export) Delhi, Commissioners of Customs, (ICDs) Delhi, (Preventive), Delhi.
7.	Commissioner of Customs (Appeals), Delhi -II	Commissioners of Customs, Aircargo (Import and General) Delhi, Aircargo (Export) Delhi, Commissioners of Customs, (ICDs) Delhi, (Preventive), Delhi.

8.	Commissioner of Customs (Appeals), Kolkata	Commissioners of Customs, (Port) Kolkata, (Airport) Kolkata, (Preventive) West-Bengal.
9.	Commissioner of Customs (Appeals), Mumbai-I	Commissioners of Customs (General), Mumbai, (Import) Mumbai, (Export) Mumbai,
10.	Commissioner of Customs (Appeals), Mumbai-II	Commissioners of Customs, (Import) Nhava Sheva and Container Freight Station Mulund, (Export) Nhava Sheva.
11.	Commissioner of Customs (Appeals), Mumbai-III	Commissioners of Customs, (Airport) Mumbai, Aircargo (Export) Mumbai, Aircargo (Import) Mumbai, (Preventive) Mumbai:

Provided that a Chief Commissioner of Customs, within his jurisdiction, specify, the jurisdiction of a Commissioner of Customs (Appeals) and jurisdiction of such Commissioner of Customs (Appeals) shall be limited to the jurisdiction so specified."

[F.No. 450/88/2012-Cus.IV]

Tariff Value on RBD Palmolein Slashed by US$30/MT

Brass Scrap Tariff Value Up by US$107/MT and Gold Up by US$10 per 10 gms

90-Cus(NT) 28.09.2012 (DoR)

In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

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

"Table-1

S.No.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff Value US $ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	**1012**
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)	**4103**
9	1207 91 00	Poppy seeds	5346 (i.e. no change)

Table-2

S.No.	Chapter/heading/ sub-heading/ tariff item	Description of goods	Tariff value (US$)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	**573** per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	**1102.50** per kilogram"

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

BIS Registration on 15 Electronic Products Must - DeitY Issues IT Order

The Department of Electronics and IT (DeitY) has issued the Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012, bringing into force a scheme for the mandatory registration of 15 electronic products so that these products meet specified safety standards.

A press release from the Ministry on Tuesday evening said that the electronics products identified by the department include video games, laptop/notebook/tablet, plasma/LCD/LED televisions, microwave ovens, printers and scanners, telephone answering machines and electronic musical systems.

As against licensing, the scheme provides for self-registration of specified electronic goods. The scheme provides that no person shall by himself or through any person on his behalf manufacture or store for sale, import, sell or distribute specified electronic goods which do not conform to the specified standard and do not bear the words ''Self declaration – Conforming to IS (Relevant Indian Standard mentioned in column (3) of the Schedule) on such Goods after obtaining Registration from the BIS.''

Substandard or defective Goods which do not conform to the specified standard will be deformed beyond use by the manufacturer and disposed of as scrap. However, the order does not apply to electronic goods meant for export. The scheme also provides that the electronic goods having different sizes, ratings, varieties etc, such goods shall be grouped and may be granted series approval for a series of products based on testing of representative models. The DeitY will approve such series of products. This will obviate the need for every single model of the same series to be registered.

The scheme also provides for DeitY and the BIS to randomly select samples of registered electronic goods to ascertain whether these goods conform to the specified standard. The electronic goods have to be tested by a BIS approved testing laboratories. STQC has already initiated steps to get approval of its laboratories by BIS.

The order will come into effect after six months of its publication in the official Gazette. The said order has been issued under the Bureau of Indian Standards (BIS) Rules and Act.

Addl DGFT Mumbai Issues Check List for Revalidation of Advance Authorisation – *15-TN/20.09.2012*

Check List for Invalidation/ARO of Advance Authorisation – *14-TN/18.09.2012*

Check List for Bond Redemption/Export Obligation of Advance Authorisation – *13-TN/18.09.2012*

[See full text of above Trade Notices at www.worldtradescanner.com]

Customs Valuation Exchange Rates

21 September 2012		Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]			
1	Australian Dollar	57.20	55.95
2	Bahraini Dinar	148.15	140.20
3	Canadian Dollar	56.30	54.85
4	Danish Kroner	9.60	9.35
5	EURO	71.40	69.80
6	Hong Kong Dollar	7.05	6.95
7	Kenyan Shilling	65.95	62.20
8	Kuwaiti Dinar	199.10	188.20
9	New Zealand Dollar	45.45	44.35
10	Norwegian Kroner	9.65	9.35
11	Pound Sterling	88.95	87.05
12	Singapore Dollar	44.85	43.85
13	South African Rand	6.75	6.35
14	South Arabian Riyal	14.90	14.10
15	Swedish Kroner	8.45	8.20
16	Swiss Franc	59.15	57.65
17	UAE Dirham	15.20	14.40
18	U.S. Dollar	54.75	53.90
Schedule II – [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees **]**			
1	Japanese Yen	70.30	68.50

(Source: Customs Notification 84(NT)/20.09.2012)

News Brief

Iron Ore Heads for Longest Bear Market in 20 Years: Commodities: Iron ore, the commodity most leveraged to China's growth and Australia's biggest export earner, is heading for the longest bear market in 20 years.

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Email:academy.delhi@gmail.com; Website: worldtradescanner.com
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