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# WORLD TRADE SCANNER

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## RBI Governor Cuts Repo Rate, Takes Advantage of Strong Rupee

New RBI Urjit Patel cut repo rate by 25 basis points stated that RBI and Monetary Policy Committee with Finance Ministry officials. Another rate cut by the end of the year is on the anvil. This will rev up investments which in 2016-2017 showed a growth of 8.1% over 6% in the previous financial year. Credit off-take for the non-food sector is up to 4.9% in the fiscal 2016-17 vis-a-vis from the previous 2.3%.

Interest rates should fall by 1.5% after accounting on the backlog since December 2014. Implementation of the marginal cost of lending could cut rates at least by two percentage points for at least a third of those seeking loans in the current financial year. This is only after introducing competition in banking industry and strict control on NPAs.

Retail inflation, which rose from April till July (from 5.39% to 6.07%) before dropping to 5.05% in August, may drop to 4.5%

INR per 1 USD

6 Oct 2015 00:00 UTC - 5 Oct 2016 11:29 UTC  
USD/INR close:66.50957 low:64.70444 high:68.80000



in September-October and even lower settling around less than 5% by end of this fiscal.

This will strengthen rupee to compensate for the weakening if interest rate cuts are reflected in retail rates charged to end consumer. Weakening rupee will push exports of both goods and services.

### Two Month Extension of MIP on 66 Iron and Steel Items till 4 Dec 2016

[Ref: WIndex Issue No. 20 dated 10 - 18 Aug 2016]

**Effect of this Notification:** Effect of Notification No 20/2015-20 dated 4.8.2016 is extended till 4th December, 2016.

30-Ntn In exercise of powers conferred by Section 3  
04.10.2016 of FT (D&R) Act, 1992, read with paragraph  
(DGFT) 1.02 and 2.01 of the Foreign Trade Policy,  
2015-2020, as amended from time to time,

the Central Government hereby extends the applicability of Minimum Import Price (MIP) beyond 04/10/2016 on 66 HS Codes as specified in the Notification No 20/2015-20 dated 4.8.2016 for further two months, i.e., till 4th December, 2016.

### Prosecution in Gold Smuggling Cases to be Launched Immediately after Show Cause Notice

#### 4 Violation of Natural Justice Rules Feared

*Subject: Guidelines for launching of prosecution in relation to offences punishable under the Customs Act, 1962.*

46-CBEC Kind reference is invited to prosecution  
04.10.2016 guidelines issued vide Board's Circular No.  
(DoR) 27/2015-Customs dated 23.10.2015 on the  
above mentioned subject.

2. It has been decided to amend Para 6 of the aforesaid Circular to include Gold among items in relation to which prosecution may preferably be launched immediately after issuance of show cause notice. Accordingly, the Para 6 of the existing guidelines shall be substituted as follows:

**"Stage for launching of prosecution:** Normally, prosecution may be launched immediately on completion of adjudication proceedings. However, prosecution in respect of cases involving offences relating to items i.e. Gold, FICN, arms, ammunitions and explosives, antiques, art treasures, wild life items and endangered species of flora and fauna may preferably be launched immediately after issuance of show cause notice"

F.NO. 394/68/2013-cus (AS)

### WIndex No. 28 (05 – 11 October 2016)

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## GST Scanner

### GST Draft Rules for Registration, Invoicing and Tax Payment Released

These will be covered in our forthcoming Title

- 4 GST Act & Rules with Commentary
- 4 GST Goods HS Classification with Rates
- 4 Services Schedule in UN Classification with Rates



With its eyes firmly set on the GST goal, the Ministry of Finance on Monday released draft rules and formats on payment, registration, and invoice. The rules have been released ahead of the GST Council meet scheduled on 30 September. The Ministry has sought feedback on the draft rules by 28 September.

Here are the quick highlights of the draft rules:

#### Draft Rules on Registration

- 4 Even before applying for registration, Part A of the new form seeks to verify PAN through Income Tax Portal and mobile number and email id through OTP.
- 4 Application for registration is to be made online either directly on the GSTN Portal or through Facilitation Centres (these will be notified separately)
- 4 26 forms have been floated including forms for show-cause notice for cancellation of registration, order for amending registration, application for revocation of cancelled registration etc.
- 4 Application seeks details of estimated GST liability – IGST, CGST, SGST.
- 4 No fee is payable for filing application for registration.

#### Draft Rules on Invoice

- 4 The draft format for Electronic Reference Number of Invoice has been provided.
- 4 There's a 30-day time limit for raising invoice from the date of supply of services but no time limit provided for supply of goods.
- 4 Bill of Supply will be issued by suppliers when non-taxable goods or services are supplied or by supplies under Composition Scheme.
- 4 Certain essential details for supplementary invoice, debit note, credit note, ISD invoice are also provided.

#### Draft Rules on Payment

- 4 Electronic Tax Liability Register, E-Register for Cash Payments, E-Register for Credits.

- 4 Tax can be paid through net banking, credit or debit card, NEFT/RTGS, Over the Counter (only up to Rs. 10,000).
- 4 Generation of unique ID for every transaction—to be correlated with Tax Liability Register.

#### Income Tax Connection

Further, all the PAN details are to be verified online with the CBDT database, which is not the case currently. Integration of GST and CBDT databases would mean that GST authorities could have access to income tax filings of businesses and vice versa. This should help in minimising the leakage of tax, both income tax and GST.

There is also a provision that the transporter of goods need not carry the copy of the invoice, if an invoice reference number has been obtained by the supplier upon uploading the invoice details on the government portal. This would reduce the paper work for the transporters and help in smooth movement of goods.

The rules requires that a Bill of Supplies be provided if the supplies are non-taxable or under special schemes such as composition levy. This will not have tax implications but is probably important for statistical and internal data purposes.

#### List of Documents

- 4 Draft Return Rules
- 4 Draft Return Formats
- 4 GSTR 9B
- 4 ITC Mismatch Report
- 4 Draft Refund Rules
- 4 Draft Refund Formats
- 4 Draft Registration Rules
- 4 Draft Registration formats
- 4 Draft Payment Rules
- 4 Draft Payment formats
- 4 Draft Invoice Rules
- 4 Draft Invoice formats

[See also website [worldtradesScanner.com](http://worldtradesScanner.com)]

## India Cuts Domestic Gas Price by 18%

India has cut domestic natural gas price by 18% for the period Oct 1, 2016 to March 31, 2017, said a notification issued by the oil ministry's Petroleum Planning & Analysis Cell (PPAC) September 30. "The price of domestic natural gas for the period October 1, 2016 to March 31, 2017 is \$2.50/mn Btu on Gross Calorific Value (GCV) basis," the notification stated. This is the fourth drop in gas price in last 18 months following the formula approved by the government in October 2014.

As per the new gas pricing formula approved by the current Indian government in October 2014, gas prices are to be revised every six months. The reduction in natural gas prices would mean lower raw material cost for compressed natural gas (CNG) and natural gas piped to households (PNG) and would translate

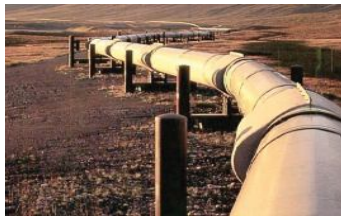
into reduction in retail prices.

*(The cut in Indian prices seem to reflect a lag. World gas prices fell by 50% in the first half the year to reach \$4.1 for Europe and \$6.1 for Japan on per mmbtu basis. In the later period of June-August, the price has risen by 10%. We have hardly seen the reflection in the prices at the retail level*

*which have remained steady as the gas distributors in the public sector seem to have pocketed the margin – Ed).*

#### Producers Lose

Earnings of gas producers such as Oil and Natural Gas Corp. Ltd (ONGC) and Oil India Ltd (OIL) will be adversely impacted. This comes at a time when ONGC and OIL's crude oil price realizations are already under pressure due to the lower crude oil price environment.



## WTO MC11 in Dec 2017 will be in Buenos Aires, Argentina



WTO members agreed at a meeting of the WTO's General Council on 3 October to accept Argentina's offer to host the organization's Eleventh

Ministerial Conference (MC11) next year in Buenos Aires. Argentina will be the first South American country to host the biennial event.

Director-General Roberto Azevêdo thanked both Argentina and Uruguay for offering to host the meeting, saying it demonstrated members' belief in the multilateral trading system. Uruguay withdrew its offer to host the meeting in advance of the General Council meeting.

WTO's earlier successful ministerial conferences were in Bali in 2013 (MC9) and Nairobi (MC10).

According to Nomura Financial Advisory and Securities (India) Pvt. Ltd, for ONGC, the impact on revenue will be nearly Rs2,500 crore. For OIL, the impact on revenue would be nearly Rs350 crore. The impact on Reliance will be marginal since very low production from KG-D6 (D6 field in the Krishna-Godavari basin) will leave it unaffected.

On the other hand, GAIL (India) Ltd is expected to benefit from low gas prices. The company uses domestic gas for its LPG (liquefied petroleum gas) production. After a 20% domestic gas price cut on 1 April, GAIL's operating costs fell sharply, 25% quarter-on-quarter in the June quarter for both LPG and gas transmission segments.

City gas distributors-Indraprastha Gas Ltd, Mahanagar Gas Ltd and Gujarat Gas Ltd-are expected to benefit too. The quantum of benefit, though, will depend on the extent of gain they decide to pass on to consumers in the form of retail price cuts. Meanwhile, the government has also reduced the ceiling price for gas produced from new difficult fields by 20% to \$5.3 per mmBtu. This hampers the investment outlook for domestic gas output.

## Government Approves further Import of 80,000 Masur and 90,000 Tur

The Government has approved further import of 80,000 MT Masur and 90,000 MT Tur for buffer stock of pulses. The decision to this effect was taken in a meeting of Price Stabilization Fund chaired by Union Consumer Affairs Secretary, Hem Pande on 29 September 2016. The meeting reviewed the procurement and distribution of pulses from buffer stock.

So far, the Government agencies have contracted about 1, 81,000 MT pulses for import, out of this 36,000 MT pulses have arrived. Besides this Government agencies have procured more than 1, 20,000 MT pulses from the domestic market and farmers.

The Department of Consumer Affairs has asked NCCF and NAFED to sell the pulses, Tur and Urad through their outlets in other cities also other than Delhi. These agencies are selling Tur at Rs 105/ and Urad Rs. 120/kg.

The meeting was informed that to ensure procurement of pulses directly from farmers during current Kharif season, number of procurement centres has been increased to 417 so far, more will be opened if required.

## O-Acid from China under Anti-dumping Investigation on Aarti Drugs Ltd Mumbai Complaint

[Anti-dumping Initiation Notification No. 14/31/2016-DGAD dated 21st September 2016]

Subject: Anti Dumping investigation concerning imports of O-Acid originating in or exported from China PR.

M/s Aarti Drugs Ltd. has filed an application before the Designated Authority for initiation of anti-dumping investigation and imposition of anti dumping duty concerning imports of O- Acid, originating in or exported from China.

And whereas, the Authority prima facie finds that sufficient evidence of dumping of the subject goods, originating in or exported from the subject country, 'injury' to the domestic industry and causal link between the alleged dumping and 'injury' exist to justify initiation of an anti-dumping investigation; the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Rule 5 of the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of anti dumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

### Domestic Industry & Standing

The petition has been filed by M/s. Aarti Drugs Ltd., Mumbai as a domestic producer of the product under consideration. There is no other known producer of product under consideration in India. Petitioner is the new producer of the product under consideration in India with no past history of production in India.

The petitioner has stated that they were importing O-Acid before they commenced production of O-Acid for consumption in production of the final product namely ofloxacin. After commencement of their own production of O-Acid, petitioner had stopped importing O-Acid completely. However, the exporters from China reduced the prices very significantly. The decline in the prices by the Chinese producers was so significant that the landed prices of the imported O-Acid was below normatted cost of production of the petitioner and hence domestic industry was forced to import O-Acid from China to continue the production of the final product Ofloxacin.

As per the evidence available on record, the production of the applicant accounts for a major proportion in the gross domestic production of the like article. The Authority, therefore, determines that the applicant constitutes eligible domestic industry within the meaning of Rule 2 (b) of the Anti Dumping Rules and the application satisfies the criteria of standing in terms of Rule 5 (3) of the Rules supra.

### Product under consideration

The product under consideration in the present petition is Ofloxacin acid or Oacid. It is an off-white to white crystalline powder and is used as an intermediate for the manufacture of Ofloxacin, which is a synthetic chemotherapeutic antibiotic of the fluoroquinolone drug class considered to be a second-generation fluoroquinolone. Ofloxacin is a racemic mixture, which consists of 50% levofloxacin (the biologically active component) and 50% of its "mirror image" or enantiomer dextroflaxacin. Ofloxacin Acid is used in production of Ofloxacin, which is used to treat certain infections including bronchitis, pneumonia, and infections of the skin, bladder, urinary tract, reproductive organs, and

prostate. Ofloxacin is sold under a wide variety of brand names as well as generic drug equivalents, for oral and intravenous administration. Ofloxacin is also available for topical use, as eye drops and ear drops. It is on the WHO Model List of Essential Medicines, the most important medications needed in a basic health system. The PUC can be manufactured as per IP/BP/EP/USP pharmacopeia standards.

Product under consideration is classified under Chapter 29 of the Customs Tariff Act. The PUC has a specific HS code 2941 9030, however, the imports also take place under various other HS codes namely 2915 2990, 2916 3990, 2918 3090, 2918 9900, 2934 9900, 2941 1090, 2941 9090, 2942 0090. Customs classification in any case is indicative and not binding on the scope of the product under consideration in the present investigation.

### Normal Value

Applicant has claimed that China should be treated as a non-market economy and normal value in case of China should be determined in accordance with para-7 and 8 of Annexure I of the Rules. The applicant has claimed normal value for China PR on the basis of cost of production in India, duly adjusted. In terms of Para 8 in Annexure 1 to the Rules it is presumed that the producers of the subject goods in China PR are operating under non market economy conditions.

### Export Price

The applicant has determined export price on the basis of data procured from transaction wise IBIS import data. Price adjustments have been claimed on account of ocean freight, marine insurance, commission, port expenses, inland freight, bank charges, and adjustment for VAT to arrive at the net export price.

### Dumping Margin

The normal value has been compared with the export price at ex-factory level. There is sufficient prima facie evidence that the normal value of the subject goods in the subject country are higher than the ex-factory export price, indicating, that the subject goods are being dumped into the Indian market by the exporters from the subject country. The dumping margin is estimated to be above de minimis.

### Injury and Causal Link

The applicant has set up a new facility for production of the product under consideration and commenced commercial production within the investigation period. The applicant has claimed that dumping of the product under consideration in India is materially retarding the establishment of the domestic industry. The applicant has furnished information on various parameters relating to injury for the period for which it has commercial production. The domestic industry is forced to sell the product at prices materially below the fair prices envisaged by the domestic industry before commencement of production. The applicant has thus claimed that even when its commercial production has begun, the domestic industry is

## Protection Duty of 40% on Butter, Ghee and Butter Oil Extended by Six Months to 31 March 2017

[Ref: Customs Notification No. 53 dated 29th September 2016]

Amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), **No.12/2012-Customs, dated the 17th March, 2012**, namely:- In the said notification, **after the Table**, in the proviso,-

(i) in clause (k) for the figures, letters and words "30th September, 2016", the figures, letters and words "**31st day of March, 2017**" shall be substituted.

[F. No. 354/197/2015-TRU]

yet to find its place in the market.

The applicant has claimed that domestic industry has suffered material injury from dumped imports exemplified by various parameters such as significant increase in imports in absolute terms as also relative to the production and consumption in India, significant price undercutting, capacity utilization market share, continued financial losses, return on investments, cash flow, inventories, etc. The demand for the product under consideration has increased over the injury period and subject imports have increased in absolute terms. The imports are undercutting the domestic prices. The imports have suppressed/depressed the domestic prices over the injury period. With regard to consequent impact of the imports on the domestic industry, it is noted that performance of the domestic industry has deteriorated in respect of parameters such as profits; return on capital employed and cash profits. The domestic industry is suffering significant financial losses, cash losses and negative return on investments.

And whereas, the Authority prima facie finds that sufficient evidence of dumping of the subject goods, originating in or exported from the subject countries; injury to the domestic industry and causal link between the alleged dumping and injury exist to justify initiation of an anti-dumping investigation, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Para 5 of the Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry.

### Initiation of anti-dumping investigations

The Designated Authority, in view of the foregoing paragraphs, initiates antidumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject country.

Period of Investigation (POI)

Petitioner has submitted that they started their trial production in June 2015 and full scale production from October 2015. The Petitioner has submitted petition with analysis of the data for the period July 2015 to June 2016. The Authority considers it appropriate to determine July 2015 - June 2016 (12 months) as the proposed POI. In any case, as far as injury analysis is concerned the same is proposed to be carried out on month to month basis.

[Full text available at [worldtradesScanner.com](http://worldtradesScanner.com)]

## Excise Adjudication Power Revised

- 4 Superintendent – Rs. 10 lakhs
- 4 AC/DC – Rs. 10-Rs. 50 Lakhs
- 4 Additional/Jt. Commissioner – Rs. 50-Rs. 2 crores
- 4 Commissioner – Above Rs. 2 Crores
- 4 Audit Commissioners given Power to Adjudication Service Tax Cases
- 4 All Pending cases to be Disposed by March End 2017



Sub: Revised Monetary Limits for adjudication of Show Cause Notice in Central Excise and Service Tax.

1049-CBEC Kind attention is invited to the following circulars issued by the Board regarding adjudication of cases in Central Excise and

Service Tax. In supersession of these circulars and any other circular issued on the above subject, instructions from paragraph 2 onwards are hereby issued to revise the existing monetary limits for adjudication and to allow greater flexibility in allocation of cases amongst adjudicating authorities.

- i) Circular No. 752/68/2003-CX dated 01.10.2003
- ii) Circular No. 806/3/2005-CX dated 12.01.2005
- iii) Circular No. 865/3/2008-CX dated 19.02.2008
- iv) Circular No. 922/12/2010-CX dated 18.05.2010
- v) Circular No. 957/18/2011-CX dated 25.10.2011
- vi) Circular No. 80/1/2005-ST dated 10.08.2005

SNo.	Central Excise Officer	Monetary Limits of duty/ tax/ credit demand for Central Excise and Service Tax
1.	Superintendent	Not exceeding rupees ten lakh
2.	Deputy/ Assistant Commissioner	Above ten lakh but not exceeding rupees fifty lakh
3.	Additional/ Joint Commissioner	Above fifty lakh but not exceeding rupees two crore
4.	Commissioner	Without limit i.e. cases exceeding rupees two crores

i) Cases involving taxability, classification, valuation and extended period of limitation shall be kept out of the purview of adjudication by Superintendents. Such cases, upto rupees 10 lakhs, shall also be adjudicated by the Deputy Commissioner/ Assistant Commissioner in addition to the cases exceeding rupees 10 lakhs but not exceeding rupees 50 lakh.

ii) The above monetary limits are hereby prescribed for all categories of cases, except the following:

a) cases of refund (including rebate) under Section 11B of the Central Excise Act, 1944, as made applicable to Service Tax cases also under Section 83 of the Finance Act, 1994, shall be adjudicated by the Deputy Commissioner/ Assistant Commissioner without any monetary limit.

b) cases related to issues mentioned at Sl. No. (a) and (d) under the first proviso to Section 35B(1) of the Central Excise Act, 1944 shall be adjudicated in the following manner:

SNo.	Central Excise Officer	Monetary Limits for Central Excise
1.	Additional/ Joint Commissioner	Exceeding Rs. 50 lakh
2.	Deputy/ Assistant Commissioner	Above Rs. 10 lakh but not exceeding Rs. 50 lakh
3.	Superintendent	Not exceeding Rs. 10 lakh

iii) In case different show cause notices have been issued on the same issue answerable to different adjudicating authorities, Show Cause Notices involving the same issue shall be adjudicated by the adjudicating authority competent to decide the case involving the highest amount

vii) Circular No. 99/2/2008-ST dated 11.03.2008  
viii) Circular No. 130/12/2010-ST dated 20.09.2010

2. Adjudication of confiscation and penalty by the Central Excise Officers is provided in Section 33 of the Central Excise Act, 1944. Central Excise Officers have the power under Section 11A to adjudicate show cause notices demanding duty short paid or not paid and erroneously refunded. Similar powers exist in Service Tax under Section 73 and Section 83A of the Finance Act, 1994 (Notification No. 44/2016-Service Tax dated 28.09.2016 refers). It is hereby directed that henceforth powers of adjudication both in Central Excise and Service Tax shall be exercised, based on the monetary limit of the duty/ tax/ credit involved in a case, as under:-

of duty.

iv) Every adjudicating authority of Central Excise and Service Tax in the field shall endeavour to adjudicate 100 cases in a year.

3. Further, in view of huge pendency of adjudication of Service Tax cases at the level of Commissioner, the Service Tax cases shall be earmarked to Commissioners of Central Excise and Commissioners (Audit) of Central Excise also, depending upon the pendency level in the Zone, in the following manner:

### a) Central Excise Zones with no exclusive Service Tax Commissionerate

In such Zones, the Chief Commissioners shall review the position of Service Tax cases pending for adjudication at the level of Commissioner, and in exercise of powers conferred under Section 37A of the CEA, 1944 as made applicable to Service Tax by Section 83 of the Finance Act, 1994, read with notification no. 6/2009-ST dated 30.01.2009, earmark these cases to Commissioners of Central Excise and Commissioners (Audit) also within their respective Zones. Orders allocating cases for adjudication would be required to be issued. Similar exercise can be done on the Central Excise side also by exercising powers under Section 37A of the CEA, 1944 read with notification no. 11/2007-CE(NT) dated 01.03.2007.

### b) Central Excise Zones having exclusive Service Tax Commissionerates (namely Ahmedabad, Bangalore, Hyderabad, Meerut and Pune Zone)

In case of Central Excise Zones having exclusive Service Tax Commissionerates, the cases may be transferred within the same Zone from Service Tax Commissionerates to Central Excise / Audit

Commissionerates. The Chief Commissioner shall exercise powers conferred under Section 37A of the CEA, 1944 as made applicable to Service Tax by Section 83 of the Finance Act, 1994, read with notification no. 6/2009-ST dated 30.01.2009, and earmark these cases to the Commissioners of Central Excise and Commissioner (Audit) also within their respective Zones. Orders allocating cases for adjudication would be required to be issued.

### c) Service Tax Zones

In case of exclusive Service Tax Zones, the cases would have to be transferred across the Zones. The Zonal Member in-charge of the Zone concerned shall take stock of pending cases at the Commissioner level, and in exercise of powers conferred to the Board, earmark these cases to Commissioner (Audit) and Commissioners of Central Excise across Zones if there is a need to do so. Orders allocating cases would need to be issued in these cases also. While issuing such order, powers under Rule 3 of Central Excise Rules, 2002 would also be required to be exercised and specified in the order.

d) It may be noted that the Commissioner (Audit) had been invested with powers of Central Excise Officer for the purposes of Audit and issue of Show Cause Notice, vide Notification No. 30/2014-CE (NT) dated 14.10.2014. The said notification has now been amended vide Notification no 47/2016-Central Excise (N.T.) dated 28th September, 2016 to invest the Commissioner (Audit) with powers of adjudication.

4. The above directions shall apply only to adjudication of cases where the personal hearing is yet to be commenced. In all cases where the personal hearing has been completed, orders will be passed by the adjudicating authority before which the hearing has been held. Such orders should normally be issued within a month of the date of completion of the personal hearing.

5. Notwithstanding the above directions, cases which have been remanded back for de novo adjudication shall be decided by an authority of the rank which passed the said remanded order.

6. After issue of this circular, an immediate exercise may be undertaken by the field formations to, take stock of the present pendency, redistribute them for adjudication and transfer the relevant files and records to respective adjudicating authorities. The exercise of transfer of case records should be completed within a month from the date of issue of this circular and the recast figures should be reflected in the subsequent Monthly Performance Report.

7. It may also be noted that the age-wise pendency of cases as shown in monthly report should be reflected based on the date of issuance of Show Cause Notice and not on the basis of transfer of cases to the new adjudicating authority.

8. The Chief Commissioners concerned are directed to ensure that once the Show Cause Notices pending for adjudication are re-distributed and re-assigned, the pending cases are to be disposed by 31.03.2017. The Zonal Members, in-charge of respective Zones, may also monitor the progress of adjudication and ensure that these cases are disposed of within the prescribed timeline. It may be emphasised that the performance exhibited by the zones in this area shall form an important criteria at the time of performance appraisal of the officer concerned.

F. NO. 267/40/2016-CX.8



## Transitional Arrangements for Plastic and PET Scrap Ban in Hazardous Waste Rules 2016

[CBEC Instruction dated 30th September 2016]

Subject: Implementation of the Hazardous and Other Wastes (Management and Transboundary movement) Rules, 2016.

Please refer to Notification No. GSR 395(E), dated 4th April, 2016 (copy enclosed) issued by the Ministry of Environment, Forests and Climate Change (MoEF & CC) on the above mentioned subject.

2. In this regard, it is stated that the Ministry of Environment, Forests and Climate Change (MoEF & CC) vide its O.M. F.NO. 23-4/2009-HSMD, dated 30.08.2016 has conveyed its decision taken at the 55th meeting of Technical Review Committee held on 27th & 28th June, 2016 regarding validity of licenses of import of plastic and PET scrap issued under previous Hazardous Waste (management, Handling and Transboundary Movement) Rules, 2008. MoEF & CC has decided that licenses of import of plastic and PET scrap issued under previous Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 will

be treated as legal documents. However, the import will be limited to the following four categories as on date of issue of their office memorandum:

- (i) Those consignments which have arrived under the valid licenses on Indian ports.
- (ii) Those consignments under valid licenses which are in transit from the country of origin.
- (iii) The quantity of import for which Letter of Credit (LC) has already been opened by valid license.
- (iv) The quantity of import for which advance has already been paid with documentary evidences. However, in this category the quantity permissible for import will not be the entire quantity for contract against which the advance is paid but the quantity would be limited to the value of advance paid.

F. No. 401/26/2014-Cus.-III(Pt.)

## Gold and Silver Jewellery and Articles Export against Supply by Nominated Agencies – Production Time Cut to 90 days from 120 days

[Ref: Customs Notification No. 56 dated 3rd October 2016]

Amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 57/2000-Customs, dated the 8th May, 2000, namely:-

2. In the said notification, in the **opening paragraph**, for the **second proviso**, the following proviso shall be **substituted**, namely:-

“Provided further that in the case of import of gold / silver / platinum under the scheme for 'Export Against Supply by Nominated Agencies', the importer executes a bond in such form and for such sum as may be specified by the Assistant Commissioner of Customs or Deputy Commis-

sioner of Customs, undertaking to export, either by itself or through other exporters, gold / silver/ platinum jewellery or articles, as the case may be, including studded articles having gold / silver / platinum content equivalent to the imported gold/ silver / platinum within a period of ninety days from the date of issue of gold / silver / platinum to the exporters, and binding himself to pay on demand duty on quantity of gold / silver / platinum representing the difference between the quantity issued and that contained in the exported jewellery or articles.”.

[F. No. DGEP/FTP/23/2014]

## Manual Debits on Physical Copy of Advance Authorisations (AA) Registered at EDI Ports Discontinued – Advice Letter for AA will substitutes Manual Debit for Domestic Sourcing

[CBEC Instruction dated 28th September 2016]

Subject: Discontinuation of practice of making manual debits on physical copy of Advance Authorisations registered at EDI Customs port.

It was brought to Board's notice that even for Advance Authorizations registered electronically at EDI Customs location i.e. where electronic ledger gets maintained, the physical authorizations, that are simultaneously issued and presented, are endorsed by Customs with manual debits of usage and this practice is not uniformly followed at all EDI ports of registration. It was informed that such manual endorsements replicate work, cause delay, and at times also lead to errors, all of which impose transaction costs on trade.

2. The matter was reviewed by the Board by obtaining inputs from field formations and the DGFT. Taking the overall picture into account that normally only few advance authorization holders registered for imports want to simultaneously avail domestic sourcing on the same authorisation, the Board, as a measure of enhancing the ease of doing business for exporters has decided that the practice of evidencing debits manually on physical copy of Advance Authorization shall be

discontinued with respect to future authorizations electronically registered at Customs EDI locations. Henceforth, the officer examining the imported goods and/ or giving Out-of-Charge order shall also re-check that the proper debit of the authorisation in the EDI system has been made.

3. Once the manual debits on physical copy are discontinued as mentioned in para 2 above, if a holder of Advance Authorisation is desirous of obtaining ARO/Invalidation letter etc. for domestic sourcing from the Regional Authority (which issued the authorisation of DGFT), it is required to request the Group DC/AC to issue an Advice Letter for the intended quantity and value (which AC shall update in the record) in favour of the concerned Regional Authority and thereafter, the holder of Advance Authorization may apply (based on the Advice Letter) to the Regional Authority to issue ARO etc. The DC/AC should ensure that requests for such Advice Letter are processed immediately and the Advice issued on the same day. A copy

## Technitium-99m Moved to Radioactive Chemical Elements (2844) from Life Saving Drugs List [Ref: Customs Notification No. 55 dated 3rd October 2016]

Amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) **No.12/2012-Customs, dated the 17th March, 2012**, namely:- In the said notification,

(a) in the Table, **after serial number 163A** and the entries relating thereto, the following serial number and the entries shall be **inserted**, namely :-

(1)	(2)	(3)	(4)	(5)	(6)
“163B	2844	Technitium-99m	Nil	-	”;

(b) in **List 4**, the goods specified against item number **(111)** shall be **omitted**.

[F.No.332/24/2010-TRU (Pt.-I)]

of the Advice Letter issued shall be replicated to the official email of the RA concerned from the official email of the Group DC/AC and record thereof placed with the office copy of the Advice Letter. This is to obviate need for verification of Advice Letter by the RA concerned which causes delay and to prevent fraud. The Commissioner shall designate the Addl/Joint Commissioner in-charge of the advance authorization group for monitoring such cases and to coordinate with Regional Authorities where necessary.

4. In the light of this change, in case the Commissioner of Customs at port of EDI registration of advance authorization decides to permit clearance manually at the time of an EDI breakdown it may take suitable safeguard and also ensure subsequent entry of debits on EDI for proper accounting.

5. It may be noted that the change does not effect the use of TRA facility at non-EDI port w.r.t. advance authorisation registered at EDI Customs location, since the authorisation gets debited in EDI System at the EDI port of registration and only the advice for release moves to the non-EDI port.

6. The physical advance authorizations which DGFT is issuing, concurrently with electronic transmission of certain types of authorizations, shall continue to be presented for the time being, till DGFT's electronic transmission to Customs server includes certain details being specified by licensing authorities such as the higher bank guarantee or cash security than normally due (including no bank guarantee) or the additional conditions imposed such as restricted export obligation periods or absence of facility of extension of EO period in case of certain products, details of invalidation for domestic procurement prior to EDI registration at port of import, etc. This aspect would be separately reviewed with DGFT.

7. These instructions shall be brought to the notice of all stake holders through issuance of Public Notice by Commissioners. The Public Notice should be forwarded to all Regional Authorities/Zonal Officers of the DGFT. Suitable Standing Orders for guidance of officers should also be issued. Difficulty, if any, may be brought to notice of the Board.

F.No.605/30/2015-DBK

## No Clubbing of Gems and Jewellery Exports from SEZ/EOU with DTA Export

**Effect of this Public Notice:** With this amendment, the export performance of Gems and Jewellery items from SEZ/EOU units shall not be clubbed with export performance from DTA units of any IEC holder for grant of Nominated Agency Certificate and accordingly changes in Para 4.94(a)(i), 4.94(a)(ii) and ANF-4I are also carried out.

Sub: Amendment in Para 4.94(a)(i), 4.94(a)(ii) and ANF-4I of Hand Book of Procedures 2015-20.

37-PN In exercise of powers conferred 04.10.2016 under Paragraph 1.03 of the (DGFT) Foreign Trade Policy 2015-2020, as amended from time to time, the Director General of Foreign Trade makes the following amendments in Hand Book of Procedures 2015-2020:

2. The existing Para 4.94(a) (i) is amended to read as under:

Four Star Export House (status on the basis of exports made only of Gems & Jewellery Sector items excluding export performance from SEZ/EOU units, if any) and Five Star Export House (excluding export performance of Gems and Jewellery items from SEZ/EOU units, if any) may apply to the concerned Regional Authority online in ANF 4-I for issue of Nominated Agency Certificate. Applicant shall upload a self-attested copy of the valid Status Holder Certificate issued under FTP 2015-2020.

3. The existing Para 4.94(a)(ii) is amended to read as under:

On the date of application for renewal of Nominated Agency Certificate, the Status Certificate must be valid for next financial year also. Secondly, applicant should also be eligible to qualify to be recognized as Four Star Export House (based on the export of gems and jewellery sector items excluding export performance from SEZ/EOU units, if any) / Five Star Export House (excluding export performance of Gems and Jewellery items from SEZ/EOU units, if any) on the date of application. In other words, Regional Authority shall reassess the eligibility of status holder based on export performance before issuing / renewing the Nominated Agency Certificate.

4. The existing ANF-4I is amended and revised ANF-4I is annexed with this Public Notice.

**[Revised ANF- 4I is available on worldtrades scanner.com]**

## 10,000 MTs Sugar Export to EU under CXL Quota for Oct 2016 to Sept 2017 Notified

**Effect of this Public Notice:** The quantity of sugar to be exported to EU under CXL Quota upto 30.09.2017 has been notified.

Subject:- Allocation of quantity for export of preferential quota sugar to EU under CXL quota.

34-PN In exercise of the powers 28.09.2016 conferred under Paragraphs (DGFT) 2.04 of the Foreign Trade Policy, 2015-2020, the Director General of Foreign Trade hereby allocates a quantity of 10,000 tons (Ten thousand tons) of white sugar under CXL concessions to European Union (EU) for the period October, 2016 to September, 2017.

2. As per Notification No. 3/2015-20 dated 20.04.2015, export of sugar (HS Code 17010000) to EU under CXL Quota and export of sugar to USA under TRQ is 'Free' subject to the conditions notified in the 'Nature of Restrictions' in the above notification and 20% Export duty applicable on export of raw sugar, white or refined sugar w.e.f. 16.06.2016 as per the Department of Revenue's Notification no. 37/2016-Customs dated 16.06.2016.

3. As per Article 10 of European Union Regulation (EC) No. 891/2009 of 25.9.2009 "release for

free circulation for the quotas of CXL concession sugar with Order No. 09.4321 shall be subject to the presentation of a Certificate of Origin issued by the competent authority of the third country concerned in accordance with Articles 55 to 65 of Regulation (EEC) No. 2454/93". Accordingly, the entries to be made in the export authorization document EUR and GSP are as follows:-

(i) CXL Concessions Sugar

"[Application of Regulation (EC) No. 891/2009 under Schedule CXL (European Communities), CXL Concessions Sugar Serial No. 09.4321]"

4. Certificate of Origin as per details given in para (3) above shall be issued by the Additional Director General of Foreign Trade, Mumbai and EUR Form is to be endorsed by Customs at the Port of Shipment.

5. The reporting requirement as notified vide Notification No. 3/2015-2020 dated 20.04.2015 would be required to be followed.

## Bhutan Trade – Re-importation into India should Take Place within Seven Years of Exports

**[Ref: Customs Notification No. 57 dated 3rd October 2016]**

Amendments in the Notification **No.94/96-Customs, dated the 16th December, 1996**, namely: In the said notification, in first proviso for clause (a) the following clauses shall be substituted namely,-  
“(a) in the case of Bhutan, the machinery and equipment [other than those exported under the Duty Exemption Scheme (DEEC) or Export Promotion Capital Goods Scheme (EPCG) or Duty Entitlement Passbook Scheme (DEPB)] are re-imported from Bhutan within seven years after their exportation or within such extended period, not exceeding three years, as may be allowed

by the Principal Commissioner of Customs or Commissioner of Customs as the case may be, on sufficient cause being shown;

(aa) in all other cases, the goods [other than the goods exported under the Duty Exemption Scheme (DEEC) or the Export Promotion Capital Goods Scheme (EPCG) or Duty Entitlement Passbook Scheme (DEPB)] are re-imported within three years after their exportation or within such extended period, not exceeding two years, as the Commissioner of Customs may on sufficient cause being shown for the delay, allow;

### Tariff Value

**[Ref: 123-Cus(NT) dated 30.09.2016]**

Description of goods	Tariff value (USD PMT)
Crude Palm Oil	767
RBD Palm Oil	776
Others – Palm Oil	772
Crude Palmolein	811
RBD Palmolein	814
Others – Palmolein	813
Crude Soya bean Oil	827
Brass Scrap (all grades)	3055
Poppy seeds	2533
Areca nuts	2623
Gold	\$428 per 10 gms
Silver	\$619 per kg

(ab) in the case of goods exported under the Duty Exemption Scheme (DEEC) or the Export Promotion Capital Goods Scheme (EPCG), or Duty Entitlement Passbook Scheme (DEPB), re-importation of such goods takes place within one year of exportation or such extended period not exceeding one more year as may be allowed by the Commissioner of Customs on sufficient cause being shown.”.

**[F.No.554/05/2015-LC]**

## Export Credit of US\$87mn to Zimbabwe for Renovation of Bulawayo Thermal Power Plant

**[Ref: RBI Circular No. 03 dated 29th September 2016]**

Sub: Exim Bank's Gol supported Line of Credit of USD 87.00 million to the Government of the Republic of Zimbabwe

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated October 27, 2015 with the Government of the Republic of Zimbabwe for making available to the latter, a Government of India supported Line of Credit (LOC) of USD 87.00 million (USD Eighty Seven million) for financing renovation/up-gradation of Bulawayo Thermal Power Plant in Republic of Zimbabwe. Subsequently, Exim Bank has signed First Amendatory Dollar Credit Line Agreement with the Government of the Republic of Zimbabwe on May 31, 2016 on account of the revision of the Guidelines on Lines of Credit extended by the Government of India to various countries under its Indian Development and Economic Assistance Scheme (IDEAS) dated December 7, 2015. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75% of the contract price shall be supplied by the seller from India and the remaining 25% goods and services may be procured by the seller for the purpose of the eligible contract from outside India.

2. The credit agreement under the LOC is effective from August 19, 2016. Under the LOC, last date for opening letters of credit disbursement is 60 months after the scheduled completion date of the project.

**[Full text available at worldtrades scanner.com]**

## Export Obligation Period Extended to 18 Months from 12 Months with Retrospective Effect on Scheme for Special AA for Garment with DBK for Interlining

**Effect of this Public Notice:** With these amendments, inadvertent errors in Public Notice No. 29 dated 08.09.2016 and in Public Notice No. 27 dated 31.08.2016 are corrected.

**Subject:** Amendments in Public Notice No. 29/2015-2020 dated 08.09.2016 and in Public Notice No. 27 dated 31.08.2016.

35-PN In exercise of powers conferred under Paragraph 1.03 of the (DGFT) Foreign Trade Policy 2015-2020, as amended from time to time, the Director General of Foreign Trade makes the following amendments:

2. In the Public Notice No. 29 dated 08.09.2016, the date 14.02.2013 mentioned in first sentence

of the Effect of Public Notice is corrected to read as 14.02.2014

3. The entry at Serial No. 10 in Appendix 4J mentioned in Public Notice No. 27 dated 31.08.2016 related to 'Export Obligation Period for Special Advance Authorization Scheme for export of articles of apparel and clothing accessories' is corrected to read as under .

Import Items	Export Obligation Period from the date of clearance of each import consignment by Customs Authority
10 Fabrics including interlining under Special Advance Authorization Scheme for export of Articles of Apparel and Clothing Accessories (Para 4.04A of FTP 2015-20)	18 months as allowed in Para 4.22(i) of FTP from the date of issue of Authorisation (not from the date of import) and further extension as allowed in Para 4.42 (a), (b), (c) and (e) of HBP.

## Yoga Service Tax between July 2012 and Oct 2015 Waived Off

42-ST Whereas, the Central Government is satisfied that in the period commencing on and from the first day of July, 2012 and ending with the 20th day of October, 2015 (hereinafter referred to as the said period) according to a practice that was generally prevalent, there was non-levy of service tax on the services by way of advancement of Yoga provided by entities registered under section 12AA of Income-tax Act, 1961 (43 of 1961) and this service was liable to service tax, in the said period, which was not being paid

according to the said practice. Now, therefore, in exercise of the powers conferred by section 11C of the Central Excise Act, 1944 (1 of 1944), read with section 83 of the Finance Act, 1994 (32 of 1994), the Central Government hereby directs that the service tax payable under section 66B of the Finance Act, 1994, on the service by way of advancement of Yoga provided by entities registered under section 12AA of Income-tax Act, 1961 (43 of 1961) in the said period, but for the said practice, shall not be required to be paid. [F. No. 137/37/2016-Service Tax]

## No Service Tax on Transportation to Students by Educational Institutions

45-ST Whereas, the Central Government is satisfied that in the period commencing on and from the first day of April, 2013 and ending with the tenth day of July, 2014 according to a practice that was generally prevalent, there was non levy of service tax, on the provision of the service of transportation, by educational institutions as defined in clause (1) of section 66 D of the Finance Act, 1994(32 of 1994) during the said period, to students, faculty and staff of such institutions and this service was liable to service tax, in the said period, which was not being paid according to the said practice.

Now, therefore, in exercise of the powers conferred by section 11C of the Central Excise Act, 1944 (1 of 1944), read with section 83 of the Finance Act, 1944 (32 of 1994), the Central Government hereby directs that the service tax payable under section 66B of the Finance Act, 1994 but for the said practice, on the service of transportation, by educational institutions as defined in clause (1) of section 66 D of the Finance Act, 1994(32 of 1994) during the said period, to students, faculty and staff of such institutions, shall not be required to be paid. [F. No. 137/73/2015- Service Tax]

## Chabahar Nowhere Near Take Off as China Finds \$45bn in Gwadar

When the leaders of India, Iran and Afghanistan gathered in Tehran in the spring for a ceremony marking India's development of a strategic Iranian port, they recited Persian poetry and said their partnership would "alter the course of history."

On a recent visit, roughly 13 years after India first agreed to develop the port of Chabahar, a single ship floated at the main jetty. Most of the cargo containers scattered in an asphalt lot bore the logo of the state-owned Islamic Republic of Iran Shipping Lines. In an adjacent harbor, a dozen wooden dhows, or traditional fishing boats, bobbed in the water.

Months after the ceremony in May and pledges by India to inject \$500 million into the project, the

much-heralded port of Chabahar remains a sleepy outpost – as well as a shadow of the Chinese-built port of Gwadar, 100 kilometers (62 miles) to the east across Iran's border with Pakistan.

Chabahar was supposed to be an easy win: India would bankroll a hub to rival the China-Pakistan partnership at Gwadar, Iran would get a major ocean port outside the Strait of Hormuz and spur growth in its poor eastern region, and Afghanistan would gain road and rail links to a deep-water port that could boost its war-waged economy. But more than a decade on, the strategic asset is languishing, even as China

sinks \$45 billion into the China Pakistan Economic Corridor that winds down to Gwadar.

Despite the project's importance, Indians and Iranians haggled for two years over who would pay \$30 million of excise duties on port equipment imported into Iran, according to Iranian diplomat Hamid Mosadeghi.

"The slowness comes from these small things," said Mosadeghi, who heads the economic section at Iran's embassy in New Delhi. "Both sides want to expedite this."

Chabahar could be a linchpin for the region's economy. It's close to the western Indian ports of Kandla, Mundra and Mumbai and could help India's farmers get cheaper access to fertilizers and other commodities from central Asia and beyond.

Chabahar is also crucial for land-locked Afghanistan. The deal includes a north-south railroad that could help the country exploit an estimated \$1 trillion of untapped mineral wealth and reduce its reliance on aid.

India will invest \$85 million in equipment and lend \$150 million for the first phase, which includes two terminals and five jetties. Transport ministers from Iran, India and Afghanistan met last week in New Delhi to assess progress.

Once developed, Chabahar will be able to handle large cargo ships and will no longer need U.A.E. ports to act as intermediaries by off-loading goods on to smaller boats.

## Customs Exchange Rates

[As on 28 Sept 2016]

Currency	Imports	Exports
<b>1 FC = IC</b>		
US Dollar	67.75	66.05
EURO	76.55	74.00
Pound Sterling	90.25	87.20
Australian Dollar	50.80	49.05
Bahrain Dinar	183.70	171.40
Canadian Dollar	51.40	49.85
Danish Kroner	10.30	9.90
Hong Kong Dollar	8.75	8.50
Kuwait Dinar	229.55	214.75
Newzeland Dollar	49.60	47.70
Norwegian Kroner	8.25	7.95
Singapore Dollar	49.80	48.20
South African Rand	5.10*	4.75*
Saudi Arabian Riyal	18.45	17.25
Swedish Kroner	8.00	7.70
Swiss Franc	70.00	67.55
UAE Dirham	18.80	17.65
Chinese Yuan	10.20	9.85

**100 FC = IC**

Japanese Yen	66.55	64.35
Kenya Shilling	68.35	63.90

[F.No.468/01/2016-Cus.V]

\*w.e.f. 23.09.2016

[Ref: 121-Cus (NT) dated 15th Sept 2016]

## Crude Rises to \$48.10

Crude Oil (Indian Basket) from 27 Sept - 03 Oct 2016

	27 Sept	28 Sept	29 Sept	30 Sept	03 Oct
(\$/bbl)	43.85	43.48	43.48	46.22	48.10
(Rs/bbl)	2914.25	2889.00	2893.52	3081.14	3200.41
(Rs/\$)	66.46	66.45	66.55	66.66	66.53

(Previous Trading Day Price)

Source: Ministry of Petroleum & Natural Gas

## Incoterms® Rules: The Mightiness of Three Capital Letters FOB CIF FOR

W e journey through 80 years of milestones for the commercial trade terms that have transformed the global trade industry.

### 1923: ICC's first sounding of commercial trade terms

After ICC's creation in 1919, one of its first initiatives was to facilitate international trade. In the early 1920's the world business organization set out to understand the commercial trade terms used by merchants. This was done through a study that was limited to six commonly used terms in just 13 countries. The findings were published in 1923, highlighting disparities in interpretation.

### 1928: Clarity improved

To examine the discrepancies identified in the initial survey, a second study was carried out. This time, the scope was expanded to the interpretation of trade terms used in more than 30 countries.

### 1936: Global guidelines for traders

Based on the findings of the studies, the first version of the Incoterms® rules was published. The terms included FAS, FOB, C&F, CIF, Ex Ship and Ex Quay.

### 1953: Rise of transportation by rail

Due to World War II, supplementary revisions of the Incoterms® rules were suspended and did not resume again until the 1950's. The first revision of the Incoterms® rules was then issued in 1953. It debuted three new trade terms for non-maritime transport. The new rules comprised DCP (Delivered Costs Paid), FOR (Free on Rail) and FOT (Free on Truck).

### 1967: Misinterpretations corrected

ICC launched the third revision of the Incoterms® rules, which dealt with misinterpretations of the previous version. Two trade terms were added to address delivery at frontier (DAF) and delivery at destination (DDP).

### 1974: Advances in air travel

The increased use of air transportation gave cause for another version of the popular trade terms. This edition included the new term FOB Airport (Free on Board Airport). This rule aimed to allay confusion around the term FOB (Free on Board) by signifying the exact "vessel" used.

### 1980: Proliferation of container traffic

With the expansion of carriage of goods in containers and new documentation processes, came the need for another revision. This edition introduced the trade term FRC (Free Carrier...Named at Point), which provided for goods not actually received by the ship's side but at a reception point on shore, such as a container yard.

### 1990: A complete revision

The fifth revision simplified the Free Carrier term by deleting rules for specific modes of transport (i.e., FOR; Free on Rail, FOT; Free on Truck, and FOB Airport; Free on Board Airport). It was considered sufficient to use the general term FCA (Free Carrier...at Named Point) instead. Other provisions accounted for increased use of electronic messages.

### 2000: Filling a gap in United States legislation

As a result of the removal of the 1941 definitions of the trade terms from the Uniform Commercial Code, the Incoterms® rules were able to fill the gap. Additionally, changes were made to the clause DEQ (Delivered Ex Quay) so that the seller was no longer responsible for arranging import clearance.

### 2010: Reflections on the contemporary trade landscape

Incoterms® 2010 is the most current edition of the rules to date. This version consolidated the D-family of rules, removing DAF (Delivered at Frontier), DES (Delivered Ex Ship), DEQ (Delivered Ex Quay) and DDU (Delivered Duty Unpaid) and adding DAT (Delivered at Terminal) and DAP (Delivered at Place). Other modifications included an increased obligation for buyer and seller to cooperate on information sharing and changes to accommodate "string sales."

### 2020: Looking ahead

To keep pace with the ever evolving global trade landscape, the latest update to the trade terms is currently in progress and is set to be unveiled in 2020. The Incoterms® 2020 Drafting Group includes lawyers, traders and company representatives from around the world. The overall process will take two years as practical input on what works and what could possibly be improved will be collected from a range of Incoterms® rules users worldwide and studied.

## Deutsche Bank Jumps on Report of \$5.4 Billion DOJ Settlement



Deutsche Bank

Deutsche Bank AG jumped the most in almost six months after a media report that the lender is nearing a \$5.4 billion settlement with the U.S.

Department of Justice, less than half the amount initially requested.

The shares closed at 11.57 euros, up 6.4 percent, the biggest gain since April. Agence France-Presse reported that the lender is nearing a settlement with the DOJ in a probe tied to residential mortgage-backed securities, citing an unidentified person familiar. Spokesmen for the Frankfurt-based lender and the DOJ declined to comment when contacted by Bloomberg News.

Deutsche Bank's stock and debt have been under pressure after the DOJ earlier this month requested \$14 billion to settle an investigation into residential mortgage-backed securities. In a memo to staff earlier on Friday, Chief Executive Officer John Cryan said he is taking DOJ settlements with other banks "as a benchmark," echoing previous remarks that he expects U.S. authorities to scale back their initial request.

Analysts at JPMorgan Chase & Co. wrote in a note to clients earlier this month that a U.S. settlement of \$3 billion to \$3.5 billion would leave the German lender room to settle other legal issues. Any additional \$1 billion in litigation charges would erode capital by 24 basis points. The bank's common equity Tier 1 ratio stood at 10.8 percent at the end of June.

The shares had been pushed to a fresh record low earlier on Friday after Bloomberg News reported that some hedge fund clients had reduced their financial exposure to the bank. Deutsche Bank has lost about 49 percent of its market value this year.

## Dollar Holds Near Two-Week High



The dollar held near a two-week high after economic data and comments this week from Federal Reserve officials revived speculation of an interest-rate increase later this year.

The greenback jumped the most since Sept. 16 against its major peers on Tuesday. A report Monday showed U.S. manufacturing expanded in September. Fed Bank of Chicago President Charles Evans said Wednesday he expects one rate increase by the end of the year. Jobs data due later this week is forecast to show a pickup in the pace of hiring.

## Dollar Preference

There seems to be a natural preference to buy dollars in this world where it's hard to find positive yields. The dollar is safe. With uncertainties in Europe and the U.S. presidential election, money tends to flow toward the dollar.

U.S. retail sales this holiday season may grow at a faster pace than last year, fueled by rising wages and a stronger job market, the National Retail Federation said Tuesday. The probability of a Fed rate hike by December has risen to 61 percent, up from about 50 percent on Sept. 27, futures data show.

## Biggest Gold Futures Slump since 2013, Prices to Crash Soon

### 4 December Gold Falls to \$1269

The trickle of investors exiting gold in recent months has grown into a torrent.

Gold futures slumped by the most in almost three years on Tuesday amid speculation that the period of easy monetary policy is ending. The European Central Bank is said to be building an informal consensus to gradually wind down bond purchases, while Federal Reserve officials are talking up the increasing likelihood of an interest-rate rise in the U.S.

After posting the best first half in almost four decades, bullion is faltering as the prospect of higher rates and reduced stimulus curb demand

for the metal as a store of value. Gold slid below \$1,300 an ounce for the first time since June in New York trading after Fed Bank of Richmond President Jeffrey Lacker urged a rate hike to head off a pickup in inflation. As yields on 10-year Treasuries and German bunds rose, the gold sell-off gathered steam.

By the time prices settled Tuesday on the Comex, bullion futures for December delivery were down 3.3 percent to \$1,269.70, the biggest loss for a most-active contract since December 2013. Futures were up 0.4 percent in Asia Wednesday.