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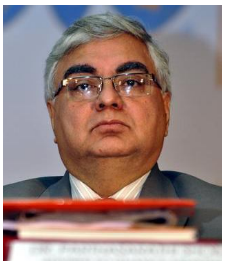
FM Sets Up Shome Commission for Reform of Tax Admin with Two Retired CBDT and CBEC Officers as Full Members

- More Controls on Tax Payers in the Offing
- Commission Term of 18 months to overlap with New Govt at Centre Due in Six Months
- No Representation to Professionals, Lawyers and Small Size Users



Parthasarathi Shome is a reputed economist currently Advisor to P Chidambaram.

The Tax Administration Reform Commission (TARC), set up by the Finance Ministry to suggest measures to prevent economic offences among other things, is expected to submit its first report in six months, TARC Chairman and Advisor to Finance Minister Parthasarathi Shome said here on 21 October. Reports will follow after every three months.

The term of the 7-member TARC is 18 months, and it will work as an advisory body to the Ministry of Finance.

The statement said the Commission will be supported by a Secretariat and have its headquarters in Delhi. It will be provided information and quantitative data of CBDT and CBEC to do statistical analysis for making recommendations.

"An emerging economy must have a tax system that reflects best global practises. I propose to set up a TARC to review the application of tax policies and tax laws and submit periodic reports that can be implemented to strengthen the capacity of our tax system," Finance Minister P Chidambaram had said in his budget speech.

[Press Release dated August 26, 2013]

In his Budget Speech 2013-14 in the Parliament on 28.02.2013, the Finance Minister had announced as under:

"An emerging economy must have a tax system that reflects best global practices. I propose to set-up a Tax Administration Reform Commission to review the application of tax policies and tax laws and submit periodic reports that can be implemented to strengthen the capacity of our tax system."

Accordingly, the government has set-up a Tax Administration Reform Commission (TARC). The term of the Commission will be 18 months. The Chairman of the Commission is Dr. Parthasarathy Shome and will be in the rank of Minister of State.

The Members of the Commission are as follows:

Full- Time Members: 2

Shri Y.G. Parande; Ms. Sunita Kaila

Part-time Members: 4

Shri M.K. Zutshi; Shri S.S. N. Moorthy; Shri M.R. Diwakar
Shri S. Mahalingam

The **Terms of Reference** of the Commission will be as follows:-

- To review the existing mechanism and recommend appropriate organizational structure for tax governance with special reference to deployment of workforce commensurate with functional requirements, capacity building, vigilance administration, responsibility and accountability of human resources, key performance indicators, assessment, grading and promotion systems, and structures to promote quality decision making at the highest policy levels.
- To review the existing business processes of tax governance including the use of information and communication technology and recommend measures for tax governance best suited to Indian context.
- To review the existing mechanism of dispute resolution covering time and compliance cost and recommend measures for strengthening the same. This includes domestic and international taxation.
- To review the existing mechanism and recommend capacity building measures for preparing impact assessment statements on taxpayers compliance cost of new policy and administrative measures of the tax Departments.
- To review the existing mechanism and recommend measures for deepening and widening of tax base and taxpayer base.
- To review the existing mechanism and recommend a system to enforce better tax compliance - by size, segment and nature of taxes and taxpayers, that should cover methods to encourage voluntary tax compliance.
- To review the existing mechanism and recommend measures for improved taxpayer services and taxpayers education programme. This includes mechanism for grievance redressal, simplified and timely disbursal of duty drawback, export incentives, rectification procedures, tax refunds etc.
- To review the existing mechanism and recommend measures for "Capacity building" in emerging areas of Customs administration relating to Border Control, National Security, International Data Exchange and securing of supply chains.
- To review the existing mechanism and recommend measures for strengthening of Database and Inter-agency information sharing, not only between Central Board of

Direct Taxes (CBDT) and Central Board of Excise and Customs(CBEC) but also with the banking and financial sector, Central Economic Intelligence Bureau (CEIB), Financial Intelligence Unit (FIU), Enforcement Directorate etc. and use of tools for utilization of such information to ensure compliance.

- To review the existing mechanism and recommend appropriate means including staff resources for forecasting, analysis and monitoring of revenue targets.
- To review the existing policy and recommend measures for research inputs to tax governance.
- To review the existing mechanism and recommend measures to enhance predictive analysis to detect and prevent tax/economic offences.
- Any other issue which the government may specify during the tenure of the Commission.

Indian Rupee Falls Another 25 paise to 61.52 against US Dollar

₹ The Indian rupee fell for the second day amid volatility in the stock markets, dropping 25 paise to 61.52 against the US dollar on 21 October on persistent demand from importers and banks as the US currency strengthened overseas.

The Indian rupee opened at 61.35 per dollar as against the previous close of 61.27 at the interbank foreign exchange market. It dropped further to 61.58 before ending at 61.52, a loss of 25 paise or 0.41 per cent.

The US stimulus programme has been credited with fuelling a global equities rally for most of the year. The US central bank said in September that it would not wind down the programme if there was no broad improvement in the US economy.

ITA, GPA Negotiations for Bali to Resume on 24 Oct

Members working to expand the coverage of the WTO's plurilateral deal on trade in information and communication technology products are set to resume their negotiations next week, following a three-month suspension. Meanwhile, efforts to ratify the global trade body's revised agreement on government procurement - another plurilateral - in time for the WTO's December ministerial conference continue underway, sources say.

The group working to expand the product coverage of the WTO's Information Technology Agreement (ITA) is set to resume talks at the bilateral level next week. The talks to update the plurilateral pact's coverage had been suspended in July, due to a disagreement between China and some of the initiative's participants over which products to exclude from the new list.

GPA: Ratifications Awaited

Parties to the WTO's Government Procurement Agreement (GPA) said last week that they hope to reach a "critical mass" that would allow them to bring the revised version of the plurilateral pact into force by December.

The agreement commits members to certain core disciplines regarding transparency, competition, and good governance, covering the procurement of goods, services, and capital infrastructure by public authorities.

The GPA's 42 parties finished negotiating a series of revisions to the pact just minutes before the global trade body began its last ministerial conference, which was held in Geneva in December 2011.

However, for the new GPA to enter into force, a critical mass - in this case, two-thirds of the current membership - must ratify the revised agreement. To date, Liechtenstein is the only GPA member to have done so.

At last week's meeting of the committee tasked with administering the agreement, five of the committee's fifteen members - Canada, the EU, Hong Kong, Norway, and the US - have said that they can complete the ratification process in time for the December conference.

Two others - Japan and Switzerland - have said that they cannot complete their domestic processes in time for Bali, sources familiar with the meeting confirmed. Others, meanwhile, were reportedly unable to commit to a date at that time.

Parties to the GPA are also hoping to add new members to their ranks, with Beijing slated to submit a new offer for joining the GPA - its fourth- by the end of the year. Ukraine is also expected to submit a revised version of its offer in December, though whether either joins the pact will depend on the approval of current members.

New Zealand recently submitted its first revision to its original offer, though parties have asked for additional improvements. Wellington has said that acceding to the GPA by Bali is a "demanding" deadline, sources say.

Putin-MMS Ink Energy Pact

The Prime Minister of the Republic of India, Dr. Manmohan Singh, paid an official visit to the Russian Federation on 20-22 October 2013, at the invitation of the President of the Russian Federation Mr. Vladimir V. Putin. President of the Russian Federation.

The sides reaffirmed their commitment to implement the Agreement between the Government of the Russian Federation and the Government of the Republic of India on the Enhancement of Cooperation in Oil and Gas Sector concluded on December 21, 2010.

The sides noted the importance of cooperation in order to organize long-term supplies of hydrocarbons to India from Russia, conducive to strengthening India's energy security and diversification of energy exports from Russia through LNG supplies to India. The sides expressed satisfaction with the dynamic development of cooperation between JSC Gazprom and Indian companies to organize long term supplies of LNG to India from the Gazprom Group portfolio.

Both sides also agreed to explore the possibilities of direct transportation of hydrocarbons from Russia to India through the land route. The sides agreed to set up a Joint Study Group in this regard.

The Indian side expressed OVL's interest in participating along with Russian companies in exploration for hydrocarbons in the Arctic region.

The sides welcomed the signing of the Memorandum of Understanding on Energy Efficiency between FSBO Russian Energy Agency of the Ministry of Energy of Russia and the Bureau of Energy Efficiency of India.

The sides noted with satisfaction the progress in regard to the commissioning of Unit-1 of the Kudankulam Nuclear Power Plant and agreed to take necessary steps to expedite the completion of Unit-2. The sides also agreed to expeditiously finalise the General Framework Agreement and the Techno-Commercial Offer for Units- 3 & 4 of the Kudankulam Nuclear Power Plant. The sides reaffirmed their commitment to the Agreement between the Government of the Republic of India and the Government of the Russian Federation on cooperation in the construction of additional nuclear power plant units at Kudankulam site as well as in the construction of Russian designed Nuclear Power Plants at new sites in the Republic of India, concluded on December 5, 2008; the Agreement between the Government of the Republic of India and the Government of the Russian Federation on Cooperation in the use of Atomic Energy for Peaceful Purposes and the Road Map for the Serial Construction of the Russian designed Nuclear Power Plants in the Republic of India, concluded on March 12, 2010.

The sides emphasized the need to facilitate cooperation among power sector companies of both the countries for modernization of existing power plants and construction of new power plants in India.

The sides expressed satisfaction with the signing of the Vladivostok Ministerial Declaration and Plan of Action on Regional Cooperation for Enhanced Energy Security and the Sustainable Use of Energy in Asia and the Pacific, 2014-18.

Defence Co-Operation

The sides welcomed the delivery of the Russian-built frigate Trikand to India in 2013, licensed production of Su-30MKI aircraft and T-90S tanks in India, as well as successful completion of the trials of the aircraft carrier Vikramaditya. The sides took note of the progress made in the field of joint design, development and production of high-technology military equipment and implementation of projects such as the construction of the fifth-generation fighter aircraft, multi-role transport aircraft and BrahMos supersonic missile. The sides agreed to enhance cooperation in the fields of rocket, missile and naval technologies and weapon systems.

WEEKLY INDEX OF CHANGES

CVD of Excise Exemption will Apply on FTA Concessional Duty – Case of Steam Coal from Indonesia

Subject: Applicable CVD on Steam Coal imported from Indonesia under FTA notification No. 46/2011-Customs.

41-CBEC 21.10.2013 (DoR) — I am directed to invite your attention to the above mentioned subject.

2. Under notification No. 12/2012-Customs, dated 17-03-2012 (S. No. 123 of the Table), Steam Coal falling under sub-heading 27011920 attracts basic customs duty (BCD) at 2% and countervailing duty (CVD) at 2%. Steam Coal imported from Indonesia enjoys preferential BCD @ 0% under S. No. 207 of notification No. 46/2011-Customs, dated 1st June 2011 (India-ASEAN FTA). In this connection, a doubt has been raised whether an importer, while availing of the BCD exemption @ 0% under FTA (notification No. 46/2011-Customs), can simultaneously avail of the concessional CVD @ 2% as per notification No.12/2012-Customs, or he has to pay the CVD at 6%, which is the rate of excise duty applicable on Steam Coal when Cenvat facility has not been availed of.

3. The matter has been examined by the Ministry. Under the Free Trade Agreement (FTA), the preference / concession is extended only in respect of BCD. All other duties, including CVD are charged as applicable to similar imports from other countries. The CVD on an imported article is levied at a rate equal to the excise duty leviable on a like article, if produced or manufactured in India. However, at times, under a notification issued under section 25(1) of the Customs Act, 1962, CVD is levied at a rate which is lower than the rate of excise duty leviable on the like domestic article.

4. In the present case, the excise duty applicable on Steam Coal is 6%, if CENVAT benefit is availed of and 1% if the CENVAT benefit is not availed of. Normally, Steam Coal will suffer 6% CVD, as the condition of non-availment of cenvat benefit cannot be satisfied in respect of imported goods. However, in the Budget 2013-14, as a conscious policy decision, it was decided to levy 2% CVD both on steam coal and bituminous coal. This is the general applied rate of CVD on all imports of steam coal and bituminous coal regardless of the excise duty leviable on like domestic coal. No such condition has been laid down that an importer cannot avail of this concessional CVD of 2% if he has availed of the concessional BCD on steam coal under another notification.

5. It is therefore clarified that an importer while availing of BCD exemption on steam coal under FTA notification No. 46/2011-Cus can simultaneously avail of concessional CVD at 2% under notification No. 12/2012-Cus.

6. Difficulties, if any, faced in the implementation of above instructions may be brought to the notice of the Ministry at an early date.

F.No.354/58/2013-TRU

ACU Scope Restricted to Trade, Payments on Investments and Capital Account between ACU Members only in USD

Sub: Memorandum of Procedure for channeling transactions through Asian Clearing Union (ACU)

AP(DIR Srs) Cir.63 18.10.2013 (RBI) — Attention of Authorised Dealer Category-I banks is invited to Para 7 and Para 8 of Annex to the A.P.(DIR Series) Circular No.35 dated February 17, 2010.

2. The ACU Board of Directors in their meeting held on June 19, 2013 have decided to include only transactions involving export/import of goods and services among ACU countries as eligible for payment under the ACU Mechanism. Accordingly, Para 7 and sub-paragraph (b) of Para 8 of the Annex to the A.P.(DIR Series) Circular No.35 dated February 17, 2010 have been updated and given in Annex. All other instructions contained in the A.P. (DIR Series) Circular No.35 dated February 17, 2010 shall remain unchanged.

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

[Annex to the A.P.(DIR Series) Circular No.63 of 18.10.2013]

Extant Para 7 and Para 8(b) to the Annex of A.P.(DIR Series) Circular No.35 dated February 17, 2010	Revised Para 7 and Para 8 (b) to the Annex of A.P.(DIR Series) Circular No.35 dated February 17, 2010
7. Eligible Payments	**7. Eligible Payments**
Transactions that are eligible to be made through ACU are payments – (a) from a resident in the territory of one participant to a resident in the territory of another participant; (b) for current international transactions as defined by the Articles of Agreement of the International Monetary Fund; (c) permitted by the country in which the payer resides; (d) not declared ineligible under paragraph 8 of this Memorandum; and (e) for export/import transactions between ACU member countries on deferred payment terms. **Note:- Trade transactions with Myanmar may be settled in any freely convertible currency, in addition to the ACU mechanism.**	Transactions that are eligible to be made through ACU are payments – (a) for export/import transactions between ACU member countries including export and import on deferred payment terms; and (b) not declared ineligible under paragraph 8 of this Memorandum **Note:- Trade transactions with Myanmar may be settled in any freely convertible currency, in addition to the ACU mechanism.**
8. Ineligible Payments	**8. Ineligible Payments**
(b) payments which are not on account of current international transactions as defined by the International Monetary Fund, except to the extent mutually agreed upon between Reserve Bank and the other participants; and	(b) payments that are not on account of export / import transactions between ACU members countries except to the extent mutually agreed upon between the Reserve Bank and the other participants; and

Fix Duty Drawback Brand Rates in Time, Enjoins DBK JS

[CBEC Instruction dated 11th October 2013]

Subject: Audit Report No. 15/2011-12, Section 2 – Duty Drawback Scheme.

Reference is drawn to Board's Circular No.46/2011-Cus dated 20.10.2011, Instruction dated 31.7.2013 and Circular No. 35/2013-Cus dated 5.9.2013 related to the above subject. The outcomes reported by field formation on the Audit observations were reviewed further.

2. The Audit Report highlighted aspects on the compliance side which Internal Audit did not notice. A better performance by Internal Audit would have enabled remedial actions to be taken earlier. Board directs that Commissioners should appropriately strengthen their Internal Audit wings to achieve desired diligence levels and a significantly improved performance in areas such as payment of re-export drawback, cases of manual processing of drawback and the determination/fixation of brand rates.

3. Special cells were created for reconciliation of sales proceeds of exports under duty drawback scheme vide the Circular No. 5/2009-Cus. Instruction No. 609/119/2010-DBK dated 18.1.2011 emphasized methodical and time bound feeding of details in the BRC module and Instruction No. 609/35/2013-DBK dated 4.4.2013 directed that exporters should not be asked to submit BRC/negative statement more than once. This direction has a systemic aspect that there will be management of BRC submissions through a proper receipt and acknowledgement procedure and subsequent monitoring that details were fed in the BRC module. Board directs all Commissioners to ensure this. A similar receipt and acknowledgment procedure should also be ensured for exporters who file brand rate letters issued by Central Excise formations.

4. From amongst the sample verifications of declarations (submitted and accepted with respect to settled AIR claims) requested by Audit, instances of recovery were reported by field formations. The field formations reported that they too are conducting random/sample post-facto checks as directed by Board and in certain instances these too led to recoveries/detection of cases. This suggests the importance of regular sample checking of the veracity of declarations accepted for disbursing AIR drawback claims. These are to be regarded as a form of audit checks. Accordingly, the Board directs that a proper record of such checks should be maintained. Detections that indicate lower FOB/realization should also be intimated to RA/DGFT for necessary action when any benefit under FTP is involved. Further, the Commissionerates may collate data on the performance of these and similar checks w.r.t. AIR drawback payments in the enclosed **format.** This may be refined by field formations. The Chief Commissioners may monitor the sufficiency of such checks on monthly basis. The Board shall request this information at a future date.

5A. The time taken in fixation of brand rates by Central Excise field formations was examined by Audit. The Board has noted that after the decentralization of brand rate fixation work the normal procedure (in terms of Circular No. 14/2003-Cus dated 6.3.2003) of brand rate fixation was available in which verification is to be done in 15 days and brand rate is fixed in 10 days after receipt of verification report. Subsequently, the Member (Customs) D.O. letter No. 609/110/2005-DBK dated 26.8.2005 conveyed decision of the Board on two measures of trade facilitation. Briefly, the first measure was to make re-available the revised simplified procedure to five categories of exporters in which the Central Excise would, subject to certain conditions, grant provisional brand rate letters within maximum 15 days and do the post verification within 2 months. The details may be seen in the letter dated 26.8.2005. The second facilitation measure was that the other exporters (i.e. other than the said five categories) may be granted All Industry Rate (AIR) in respect of applications filed under **Rule 7** of Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (Drawback Rules, 1995) pending verification and fixation of brand rates under the normal procedure. For granting this second facilitation a specific time line is not prescribed.

5B. In this regard the Board directs that once a complete application for fixation of brand rate under/in terms of Rule 7 of the Drawback Rules, 1995 has been filed with the jurisdictional Central Excise w.r.t. exports made under claim of brand rate of drawback in the shipping bills and request made, on or alongside the said application, for grant of drawback on relevant AIR provisionally, the Central Excise officer who is to fix the brand rate should, ensuring that the exporter is eligible for the relevant AIR, authorize provisional brand rate letter **within 7 days** to claim the drawback. Apart from other pertinent details, the said letter should show the shipping bill No. and date/item wise relevant drawback tariff item No.(including whether 'A' or 'B' column) of the AIR Schedule, rate and cap of drawback being granted, and the amount of drawback (equivalent to the relevant AIR with cap) bifurcated into Customs and/ or Central Excise/Service Tax components. The bifurcation should be based on claim in the application for fixation of brand rate filed in terms of said Rule 7. This is so that the components remain aligned with claimed 'actual' incidence. The final brand rate letter should adjust the provisionally granted amount. Even if brand rate request is denied, the rejection letter should be endorsed to the Customs formation with request to treat the provisional brand rate letter as final and update the record.

5C. Reports collated from the field formations on time taken to finalize brand rates show that there are reasons attributable to both exporters and the Department. Insofar as time attributable to the Central Excise formations is concerned, the Board is of the view that the respective Commissioners have a primary executive responsibility to ensure concerted and sustained action for disposing brand rate work in prescribed time frame. Daily monitoring by Commissioner, of the applications and of brand rate work by Divisions/Ranges and headquarter Unit, should be institutionalized and positive results achieved over next 3 months and maintained in future. The Chief Commissioners are requested to guide their Commissioners where the time attributable to the department exceeds prescribed time frame.

F.No. 603/01/2011-DBK

Format

(it can be refined or expanded by Commissioner)

Month ____ Year _____

Part A

Summary of sample verifications conducted on post facto basis on specific declarations made in AIR drawback cases

Jurisdiction:

Non-availing of CENVAT credit on inputs and input services

Total No. verified:

No. in which recovery reqd.:

Amt. (in Rs. lakh) to be recovered:

Goods declared by merchant exporters or manufacturer exporters as not having been manufactured or exported in terms of rule 19(2), CER or by availing rebate on material used in manufacture or processing in terms of rule 18, CER

Total No. verified:

No. in which recovery reqd.:

Amt. (in Rs. lakh) to be recovered:

Actual freight in cases where price declared on CIF or C&F basis (This is to cover cases of export incentives as well)

Total No. verified:

No. in which recovery reqd.:

Amt. (in Rs. lakh) to be recovered:

Others (specify nature of check such as for correctness of negative statement, genuineness of positive statement, debit notes raised by foreign buyers after initial realization by exporter, reduction in invoice value after proceeds are negotiated or realized, etc)

Total No. verified:

No. in which recovery reqd.:

Amt. (in Rs. lakh) to be recovered:

Total

Total No. verified:

No. in which recovery reqd.:

Amt. (in Rs. lakh) to be recovered:

Part B

Summary of PMV enquiries conducted in deserving cases, if any

No. of enquiries conducted:

No. of enquiries in which wrong PMV detected:

Amount of drawback to be recovered (in Rs. Lakh):

Nature of goods and exporters involved in mis-declaration:

Mono Cartons Containing Stripes/Vials/Bottles Treated as Primary Level Packaging of Pharma Products Exports

Sub: Mono cartons to be treated as primary level packaging of export consignment of pharmaceuticals and drugs.

31-PN(RE) 17.10.2013 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, Director General of Foreign Trade amends the Public Notice No. 21 dated 10.01.2011 as under.

2. Sub-para (a) of Para 3 of Public Notice No. 21 dated 10.01.2011 is amended by adding a new sentence at the end of the existing para. The amended para would read as under:

"3 a. Incorporation of 2D (GS 1 Data Matrix) barcodes on medicines at strip/vials/bottle level encoding unique product identification code (GTIN), Batch Number, Expiry Date and Serial Number of the Primary pack. Mono cartons containing stripes/vials/bottle shall be treated as part of primary level packaging"

3. Effect of this Public Notice

Mono cartons containing strips/vials/bottles shall be treated as Primary level packaging.

RBI Issues Format for Submitting of EO Data

Sub: Closing of Old Outstanding Bills: Export-Follow-up –XOS Statements

AP(DIR Srs) Cir.62 14.10.2013 (RBI) Attention of Authorized Dealer Category – I (AD Category – I) banks is invited to A. P. (DIR Series) Circular No. 12 dated September 9, 2000 in terms of which AD Category – I banks are required to furnish to the Regional Office concerned of the Reserve Bank, a consolidated statement in Form XOS giving details of all export bills outstanding beyond six months from the date of export on a half yearly basis as at the end of June and December every year.

2. On a review, it has been decided that an old export bill may be closed by AD banks as a one time measure, provided that the case is not subject matter of any pending civil suit /criminal suit ; the exporter has not come to the adverse notice of the Directorate of Enforcement (DoE) / Central Bureau of Investigation (CBI)/Directorate of Revenue Intelligence (DRI) /any such other law enforcement agency; has no externalisation problems with the export receipient countries and the export bill falls under following categories:

i. With ceiling of USD 1, 00,000 and outstanding beyond 15 years as on December 31,2012

ii. With ceiling of USD 50,000 and outstanding for more than 5 years as on December 31, 2012, where customers not traceable subject to proof of non traceability from competent authority and under bank's internal boards approved policy.

3. Report of closed cases should be submitted to concerned Regional Offices of Reserve Bank of India by AD banks in an excel sheet as per the format given in Annex.

4. After closing of cases, there will be no further follow up by ADs and these outstanding bills will not be reported in future Export Outstanding Statements (XOS).

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

Annex

Format for submitting of Export Outstanding data

*M-Mandatory, O-Optional

S.No.	Field	Type	Width	M/O*	Remarks
1	AD code of the bank	Varchar	7	M	
2	Imp/Exp code No.	Varchar	10	M	
3	Name of the Exporter	Varchar	40	M	
4	Exporter's address Line 1	Varchar	50	O	
5	Exporter's address Line 2	Varchar	50	O	
6	City	Varchar	30	O	
7	Pin code	Varchar	6	O	
8	**Export under GR/SDF**	**Varchar**	**6**	**M**	**Values: GR/SDF/SOFTEX**
9	**Export bill no**	**Varchar**	**20**	**M**	
10	Export bill date	Date	10	M	
11	**Port code**	**Varchar**	**15**	**M**	
12	Shipping bill no	Varchar	10	M	
13	Shipping bill date	Date	10	M	
14	**GR/PP/SDF no.**	**Varchar**	**15**	**M**	
15	Date of Export	Date	10	M	
16	Due date of realization	Date	10	M	
17	Extension Granted	Varchar	1	M	
18	Extn. granting authority	Varchar	4	O	Is extension granted: Yes/No
19	Extn granted up to	Date	10	O	Mandatory, if extension granted is yes
20	Country of Export	Varchar	2	M	
21	Commodity	Varchar	3	M	
22	Invoice Currency	Varchar	3	M	
23	Invoice Amount (FC)	Numeric	15	M	
24	Invoice Amount (INR)	Numeric	15	M	
25	Realized currency	Varchar	3	M	
26	Realized Amount (INR)	Numeric	15	M	
27	Out-standing Amt. (INR)	Numeric	15	M	
28	Overseas Buyer Name	Varchar	40	M	
29	Overseas Buyer address1	Varchar	35	O	
30	Overseas Buyer address2	Varchar	35	O	
31	Overseas Buyer Country	Varchar	20	O	
32	Overseas Buyer Pin code	Varchar	10	O	
33	Bill Realized? (Y/N)	Varchar	1	O	
34	Realization date	Date	10	O	
35	Remark if any	Varchar	35	O	

WTO Farm Talks – In Final Lap of Mini Marathon?

Trade officials have entered the last stretch of talks before the WTO's ninth ministerial meeting in Bali, Indonesia, with an outline deal for a "small package" of measures now due to be wrapped up by the first week of November - a month before the conference.

Negotiators are aiming to develop a three-pronged package for the Bali ministerial, drawn from the overall Doha Round - a series of trade talks that were launched in 2001, but which ministers later declared at an 'impasse' when they met in Geneva two years ago. This December's package would, if achieved, ideally include an agreement on trade facilitation, select agriculture issues, and some components related to developing countries.

The chair of the agriculture negotiations, New Zealand ambassador John Adank, was this week expected to prepare draft negotiating text that trade officials could consider, following an informal meeting open to all WTO members which he convened last Friday.

The chair reported on consultations he has held on three topics: food purchases at administered prices in developing countries, as part of public stockholding programmes; disciplines on export subsidies and similar measures; and new rules on the administration of tariff rate quotas for imports.

Trade officials are exploring whether countries could temporarily agree to refrain from bringing legal disputes, in exchange for various safeguards and conditions that would apply to any country wishing to make use of this flexibility.

Legal analysis at the WTO secretariat has indicated that members could consider four main options for a possible agreement in this area. These included a waiver; a different form of ministerial decision; a ministerial declaration; and a chairperson's statement.

Mercury Pollution Pact Signed in Minamata, Japan

Delegates from 140 nations and territories meeting in Minamata, Japan last Thursday adopted an international binding treaty to curb mercury pollution, marking the next step toward eventually bringing the pact into force.

The UN Minamata Convention on Mercury, named after the city whose residents suffered a devastating mercury poisoning outbreak in the mid-20th century, is the first new multilateral environmental agreement to be signed in over a decade; the text of the deal was finalised in January, after four years of negotiations.

The convention is designed to curb the global output of mercury, due to the serious health and environmental effects that result from exposure to the chemical. It seeks to curb mercury by targeting several products for phase-out by 2020. The pact also addresses some trade-related issues, specifically regarding the procedures related to consent and certification of safe handling capabilities being required for imports/ exports.

The treaty will go into effect after at least 50 countries and territories have ratified it, which is anticipated to take an additional three to four years.

Mexico, Korea and Czech Currencies Gain in Emerging Markets

Investors in these markets are becoming more discerning about where they put their money, shying away from countries such as Brazil, India (SENSEX), Indonesia, Turkey and South Africa.

Mexico, the Czech Republic and South Korea are among the still-attractive countries because they are less reliant on foreign finance or took advantage of easy money from Fed stimulus to strengthen their economies.

Fed Signals

Since the start of May - the month the Fed signaled it may consider paring its $85 billion in monthly bond purchases - the Indonesian rupiah has fallen 11 percent against the dollar and the Indian rupee declined 12 percent, with the Turkish lira dropping 9 percent and Brazilian real losing 8 percent. By contrast, the Mexican peso has lost 5 percent, the South Korean won has risen 3.8 percent and the Czech koruna climbed 3.5 percent.

The worst may not be over, if the past is any guide. The Brazilian real lost 51 percent in 2001-02, the Indonesian rupiah plunged 86 percent in 1997-98 and India's rupee fell 42 percent during 1990-92. In 2000-01, the Turkish lira declined 68 percent and the South African rand depreciated 52 percent.

Investment Opportunities

Investors are taking a closer look as the Washington-based Institute of International Finance predicts that private capital flows into emerging markets will fall $153 billion to $1.1 trillion in 2013 and slide another $33 billion next year.

Previously, China's double-digit expansion prompted investors to bet it would serve as a magnet for the products and commodities of other emerging markets, he said. In addition, a low-interest-rate environment in developed countries led capital to seek higher returns elsewhere, masking or even encouraging fault-lines such as widening current-account deficits, weak productivity, a small share of investment relative to domestic consumption and delays in infrastructure improvements.

Brazil Slump

Brazil has suffered a slump in the real after relying on credit-led consumption, which failed to boost productivity and returned the country's current account to a deficit of about 3 percent of gross domestic product.

Indonesia is hampered by inflation close to a four-year high and a record current-account shortfall. India is held back by cooling growth, elevated inflation, inadequate roads and other infrastructure, and distorted regulations. Standard & Poor's in September reiterated it may downgrade the country's credit rating to junk on risks including budget and current-account imbalances.

Turkey and South Africa now have current-account gaps bigger than 6 percent of GDP. Russia is hobbled by weaker global demand for its exports of oil, natural gas and metals and is growing at the slowest pace since a 2009 contraction.

The Czech Republic, South Korea and Mexico are among nations that look better positioned to accommodate Fed-inspired higher interest rates, according to Goldman Sachs Group Inc. economists last month. Mexico's current-account shortfall is 1 percent of GDP, and South Korea enjoys a surplus, which the Bank of Korea forecasts will reach a record this year as the country benefits from its drive toward export diversification.

It's not all bad news. The Fed's decision not to taper in September has given emerging markets more space to put their houses in order. Following Vice Chairman Janet Yellen's nomination to replace Chairman Ben S. Bernanke, officials from South Korea to India expressed hope the central bank will consider the ripple effects when it pares stimulus.

Colombia is prepared for more differentiation, Finance Minister Mauricio Cardenas said in an interview. The country is "one of the best of the class," he said, because of accelerating growth, contained inflation, a recent overhaul of payroll taxes and a current-account gap that is more than covered by foreign direct investment.

Chinese Man Jailed for Life for Oil Made From Waste

A Chinese court sentenced a man to life in prison for the sale of cooking oil produced from the waste of meat processors as authorities crack down on food-safety violations.

Wang Chengkui, the legal representative for Kangrun Co., will also be deprived of his political rights for life and have all his assets confiscated, the Lianyungang Intermediate People's Court said in a statement on its website. The oil Kangrun sold was produced using discarded materials such as skins, chicken buttocks and pig offal, the official Xinhua News Agency reported.

Premier Li Keqiang has promised to ensure food safety after incidents including tainted baby formula and chemicals in liquor sparked public outrage. That included a 2011 pledge by the State Council, China's cabinet, to "thoroughly" destroy the production and sale of so-called "gutter oil."

Kangrun sold more than 60 million yuan ($9.8 million) of its oil to 117 food makers or oil processors from January 2011 to March 2012, the court in the eastern province of Jiangsu said. Another 15 people were also given prison sentences for their roles, it said.

US Fiscal Woes Cast Shadow Over IMF Annual Meeting

The US Congress reached an eleventh-hour deal preventing Washington from defaulting on its debts on Wednesday, within hours of an impending deadline. The prospect of a US default - and the likely ramifications abroad - had dominated last week's Annual Meeting of the International Monetary Fund, which had aimed to focus primarily on the state of the global economy.

The prolonged fiscal impasse in Washington figured prominently during the three-day meetings of the IMF and World Bank Group, which were held concurrently in the US capital from 11-13 October. The next steps for developed country monetary policy, as well as the upcoming WTO ministerial conference in Bali, were among the other topics that were featured during the high-profile gathering.

Had a congressional deal not been reached by today, the US government would likely have run out of funds to meet its debt obligations in a timely manner, and would have instead been forced to rely solely on the daily balance between Treasury cash inflows and outflows. Under the terms of the agreement announced on Wednesday, Washington's borrowing authority has now been raised through 7 February, momentarily averting a crisis that many warned would have widespread consequences on the international stage.

Were the US Treasury be forced to default on its debt, this would risk a "massive disruption the world over," IMF Managing Director Christine Lagarde told NBC News in an interview late last week. Such fears were reiterated from private sector leaders, central bank governors, and finance chiefs alike over the three-day meetings.

Even coming this close to a default could be dangerous, officials said last week. The US' "near miss" in 2011, World Bank President Jim Yong Kim noted, had "major impacts lasting for months."

In light of these worrisome prospects, the IMF's International Monetary and Financial Committee (IMFC) - which is made up of the organisation's governors, specifically finance ministers and central bank governors of member countries - had urged Washington to take "urgent action to address short-term fiscal uncertainties."

Multilateral institutions make trade facilitation pledge

This year's IMF-World Bank meetings come just weeks before another multilateral institution - the WTO - holds its biennial ministerial conference in the Indonesian island province of Bali. The global trade body's 159 members are working furiously toward clinching a deal from the 12-year Doha Round negotiations, mainly in the area of trade facilitation, along with some agriculture and development-related components.

However, the trade facilitation talks at the Geneva-based WTO continue to face hurdles, as developed and developing countries work to bridge their differences on topics ranging from customs cooperation to flexibilities with regards to implementing new commitments. Sources say over 400 brackets remain scattered throughout the current trade facilitation draft text, with the negotiating group tasked with the talks set to meet in Geneva again this week.

In this context, the IMF and World Bank, together with five regional banks - the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, and the Inter-American Development

Tariff Value Down as Palmolein (US$17/MT), Palm Oil ($26/MT), Gold ($18 per 10 gms) and Areca Nuts (US$163/MT)

Brass Scrap Up US$73/MT

104-Cus(NT) 15.10.2013 (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, TABLE-2, and TABLE-3 the following Tables shall be substituted namely:-

"Table-1

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value US $ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	811
2	1511 90 10	RBD Palm Oil	862
3	1511 90 90	Others – Palm Oil	837
4	1511 10 00	Crude Palmolein	866
5	1511 90 20	RBD Palmolein	869
6	1511 90 90	Others – Palmolein	868
7	1507 10 00	Crude Soyabean Oil	952
8	7404 00 22	Brass Scrap (all grades)	3933
9	1207 91 00	Poppy seeds	2556

Table-2

SNo.	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	418 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	699 per Kilogram

Table-3

SNo.	Chapter/heading/sub-heading/tariff item	Description of goods	Tariff value (US $ Per Metric Tons)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	1707

[F. No. 467/01/2013-Cus.V Pt-I]

Exchange Rates for Customs Valuation

Rupee Gains to 62.20 for Customs Valuation on Imports w.e.f. 18 Oct 2013

105-Cus(NT) 17.10.2013 (DoR) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 103/2013-CUSTOMS (N.T.), dated the 3rd October, 2013 *vide* number S.O. 2997(E), dated the 3rd October, 2013, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa* shall, **with effect from 18th October, 2013** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

		Imprted Goods		**Exported Goods**	
SNo.	Currency	Current	Previous	Current	Previous
***Schedule I** – Rate of exchange of one unit of foreign currency equivalent to Indian rupees*					
1.	Australian Dollar	59.55	58.95	58.10	57.55
2.	Bahrain Dinar	168.30	169.25	159.10	160.00
3.	Canadian Dollar	60.50	60.85	58.95	59.30
4.	Danish Kroner	11.40	11.50	11.00	11.15
5.	EURO	84.55	85.35	82.60	83.35
6.	Hong Kong Dollar	8.00	8.05	7.90	7.95
7.	Kuwait Dinar	224.75	226.35	212.15	213.65
8.	Newzeland Dollar	52.70	52.20	51.25	50.90
9.	Norwegian Kroner	10.45	10.50	10.15	10.20
10.	Pound Sterling	99.65	101.90	97.45	99.70
11.	Singapore Dollar	50.15	50.20	49.05	49.15
12.	South African Rand	6.45	6.35	6.05	6.00
13.	Saudi Arabian Riyal	16.90	17.00	16.00	16.10
14.	Swedish Kroner	9.65	9.90	9.40	9.60
15.	Swiss Franc	68.50	69.65	66.70	68.00
16.	UAE Dirham	17.25	17.35	16.35	16.40
17.	US Dollar	62.20	62.55	61.20	61.55
***Schedule II** – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees*					
1.	Japanese Yen	63.30	64.30	61.75	62.75
2.	Kenya Shilling	74.90	73.45	70.40	69.40

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

Bank- offered a pledge last week to help assuage developing country fears on this subject, should a trade facilitation pact be agreed at Bali.

The seven institutions have also said that they will aim to coordinate this support with that provided for complementary infrastructure development.

WTO Director-General Roberto Azevêdo welcomed the news, particularly at this "crucial stage" in the Bali preparation process.

"This will greatly assist WTO members' efforts to conclude an agreement, because these institutions have strong expertise in this field," Azevêdo said upon news of the group's plans.

US Takes No. 1 Slot in World Oil Production with Surging Shale Output at 3.2 mbd

The U.S. is expected to overtake Saudi Arabia as the world biggest total supplier of oil this year when natural gas liquids and biofuels are added to crude.

The U.S. is forecast to pump 7.4 million barrels a day of crude and condensate, 2.5 million of natural gas liquids and 1 million of biofuels, according to PIRA. It also counted almost 1.3 million of "refinery gains," a measure of the ability of refineries to optimize output through high-conversion capabilities.

Saudi Arabia and Russia pump about 3 million barrels a day more crude oil than the U.S.

Total U.S. liquids supply is projected to climb 1 million barrels in 2013, about the same as last year's growth. This is greater than the sum of the next nine fastest-growing countries combined and has covered most global demand gain over the past two years.

U.S. liquids output will probably rise faster than that in Saudi Arabia and Russia until after 2020 and the nation should maintain the lead through 2030.

The U.S. is projected to produce an average of 12.1 million barrels a day of liquids in 2013, 300,000 barrels a day higher than Saudi Arabia and 1.6 million more than Russia, according to data presented at PIRA's Retainer Client Seminar Oct. 10 and Oct. 11 in New York.

The U.S. position has improved because of surging "shale oil" output. The combination of horizontal drilling and hydraulic fracturing, or fracking, has unlocked supplies in shale formations in the central part of the country. Shale liquids output has climbed 3.2 million barrels a day in the last four years, the biggest gain since Saudi Arabia raised production between 1970 and 1974.

New Aus PM to Ink Trade Pact with China in 12 mos

Newly-minted Australian Prime Minister Tony Abbott has pledged to complete trade talks with China - which date back to 2005 - in the next 12 months. The two sides have already held 19 rounds since the negotiations began.

Neighbouring New Zealand already has its own agricultural trade deal with China, which the Australian leader credits as added incentive to bring Canberra's talks with Beijing to a rapid close. "They managed to go from start to finish much more quickly than we have been able to manage over the last few years of the former government," Abbott told reporters.

The Australian Prime Minister took office just last month, after his party won a landslide election victory again Labor, which had been in power for the previous six years. Improved trade ties with China had also been a stated government priority under the tenures of both of Abbott's predecessors, Kevin Rudd and Julia Gillard.

Despite the push to finalise a deal, trade observers note that major hurdles - such as disagreement on how to deal with investments from state-owned enterprises, or agricultural market access - remain, and could slow down the process.

Abbott is set to visit China next year, by invitation from Chinese President Xi Jinping. However, the Australian Prime Minister has conceded that it is unlikely the trade pact could be finalised before the trip.

APEC Meet Supports Bali – Agenda for Ministerial by End Oct

Success at the WTO's upcoming ministe rial conference is of "utmost importance," leaders from 21 Asia-Pacific nations urged during their annual summit this past week, warning that a failure to clinch a deal for the December meeting could have lasting ramifications for the multilateral trading system. The political push comes as Geneva-based negotiators race to meet an end-October deadline to conclude their main negotiations.

"We are now at the eleventh hour to put the negotiating function of the WTO back on track," APEC leaders warned in Bali on Tuesday, noting that the next step will be "critical" for both the global trade body's role and the multilateral trading system as a whole.

New CESTAT Benches at Hyderabad, Chandigarh, Allahabad at Rs. 10 crs per Year

The Union Cabinet on 17 October gave its approval for setting up six additional Benches of the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), including three at the existing locations of New Delhi, Mumbai and Chennai and three new Benches at Chandigarh, Allahabad and Hyderabad.

With the creation of six additional benches of CESTAT, disposal of cases will increase and pendency will decrease benefiting Government and tax payers. The proposal would facilitate the cause of Government as well as litigants, by reducing travel time and expenditure and also the timely disposal of cases.

The creation of additional/new Benches of the CESTAT would require the creation of twelve posts of Members of the Tribunal (6 Technical and 6 Judicial Members) in the Higher Administrative Grade (HAG+) in addition to 98 posts of supporting staff including Deputy Registrar/Assistant Registrar.

The creation of additional/new Benches of the CESTAT would amount to a one time expenditure of Rs. 3.45 crore while the recurring expenditure would be Rs. 10 crore per annum.

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Russia Bans Lithuanian Dairy Products, Demands End to Flirtation with EU

Russia has announced that it will be banning some imports of dairy products from Lithuania due to alleged quality and safety concerns, with the measure taking effect this past Monday. The move is the latest salvo in a growing row between the EU and Russia over trade with Eastern European nations.

The dairy industry is responsible for about one-fifth of Lithuania's agricultural production, with the Russian market accounting for about 85 percent of the Baltic state's total dairy exports.

Lithuania, which is the current holder of the EU's rotating presidency, is hosting the bloc's Eastern Partnership Summit in Vilnius this November. Leaders hope to finalise at the meeting a series of EU association agreements with several former ex-Soviet countries, specifically Georgia, Moldova, and Ukraine.

Moscow, however, has sharply criticised its neighbours' - particularly Kiev's - plans to ink such deals, over fears that this could jeopardise Russia's own plans to bring these countries into its customs union with Belarus and Kazakhstan.

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