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WTO Geneva Ministerial

No Doha Negotiations in Geneva, India Proposes Strengthening of WTO

The upcoming ministerial conference, which will take place in Geneva from 30 November to 2 December, will be the organisation's first such meeting in nearly four years. Lamy acknowledged that the gathering "is long overdue."

Preparations for the meeting are underway. Senior capital-based officials will arrive in Geneva for a week of intensive talks before the ministerial kicks off the following Monday. Closing his address to delegates, Lamy noted that he will inform members of the schedule of senior officials meetings at an informal meeting of the Trade Negotiations Committee - open to the entire WTO membership - on Monday afternoon. Lamy said that he hopes that the senior officials' meetings will "set the stage for a positive ministerial conference."

The WTO's upcoming ministerial meeting can "send a number of strong signals" to the world about the issues that matter most to the organisation, WTO Director-General Pascal Lamy told a meeting of the WTO's General Council on Tuesday, 17 November.

Less than two weeks remain before trade ministers arrive in Geneva for three days of speeches, working sessions and side events. But one thing that the ministers will not be doing while they are in town - at least not officially - is engaging in Doha Round negotiations.

The Doha Round trade talks - which have stumbled repeatedly since they were launched in the Qatari capital in November 2001 - have hit a particularly slow spot this

autumn. Delegates are frustrated at the sluggish pace of the negotiations, and some trade commentators have been wondering aloud as to whether the round can be resuscitated.

But speaking at a book launch on Tuesday evening, Lamy stressed that the Doha Round "is not at an impasse," and that progress is continuing, if slowly. Speaking to the General Council earlier that day, he urged delegates to throw themselves into their work.

E-Commerce and TRIPS on the ministerial agenda

Such questions about the overall function and purpose of the WTO will no doubt be debated at the upcoming ministerial meeting, but it is unlikely that ministers will arrive at any broad-based agreements on organisational reform.

Indeed, at this point, ministers will have only two items on which to make a decision: e-commerce and so-called non-violation complaints under the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Earlier this month, delegates struck a compromise on ministerial wording that would extend the existing moratoria on import tariffs on goods bought and sold online, as well as on non-violation complaints. Ministers will consider the forwarded recommendations during the three-day meeting.

A proposal entitled 'Strengthening the WTO', that was put forward by India last month will be up for discussion, but ministers will not be asked to make a decision on it.

Services Talks Slow Down

Two weeks of intense WTO negotiations to liberalise trade in services have been largely disappointing, delegates reported. "There was no progress on anything," one official said, noting that the meetings amounted to "a repetition of everything that has been said for the last two years."

While some experts had expected the talks to show some new dynamics in the light of the global financial and economic crisis, none of the three proposals on financial services that negotiators discussed at the meeting garnered consensus approval.

The first proposal submitted came from the United States and called for negotiators to increase information exchange on a select group of services, particularly non-life insurance services. But some delegates expressed

unease with the proposal, on the grounds that it gave too much weight to the concerns of developed countries.

A second proposal, this one from Pakistan, considered regulatory frameworks for e-banking and e-trade, particularly in light of the fact that some developing countries' markets and regulatory frameworks have struggled to handle increased traffic on this front. While the proposal was not opposed outright, in the end there was "no agreement that the Pakistan proposal could go ahead," one delegate said.

Concerning the financial services sector, delegates also considered proposal from Argentina, Ecuador, India and South Africa that would have the WTO secretariat help

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the negotiators examine the links between trade in financial services and the ongoing economic and financial crisis.

The proposal, as presented, would have two phases. In the first, the secretariat would compile a list of provisions in the General Agreement on Trade in Services that are relevant to financial services and government stimulus measures, conduct a literature review of recent studies on the matter, and organise a dedicated session at the WTO to update members on new findings. Then, in phase two, the secretariat would provide a subjective analysis of how national stimulus measures have impacted trade in financial services. That analysis, however, would be conducted on a 'non-attributable basis', the proposal stressed, meaning that countries would not be called out for specific measures that their governments had adopted.

Most delegates reportedly welcomed the first part of the proposal, but some expressed unease over 'Phase Two'. The United States opposed it outright, much to the consternation of some other delegates. "It's unfortunate that something that is so dominant in every newspaper you open these days isn't thought to be worthy of being discussed," one delegate com-

mented.

Controversies also remain in the market access negotiations. These talks are mandated to cover four broad topics, or 'modes' in WTO parlance: the cross-border supply of services (Mode 1); consumers or firms making use of a service in another country, as in the tourism industry (Mode 2); the 'commercial presence' of branches of services companies in other countries (Mode 3); and the movement of skilled workers across borders (Mode 4).

Developing countries have a strong interest in Mode 4 commitments by developed countries, i.e., the possibility that their skilled workers might be able to move more easily across borders to supply various services. But developed countries largely oppose deeper commitments on this mode, and developing countries "continue to be disappointed on mode 4 signals from developed countries," one delegate said.

Delegates also considered a new proposal on the controversial negotiations on domestic regulation disciplines. The proposal, which was put forward by a group of countries led by Switzerland, reportedly condenses some of the existing chair's draft text on procedures and was submitted as a confidential 'room document'.

New European Member in Appellate Body

Mr Peter Van den Bossche (EC) was sworn-in on 19 November 2009 as a Member of the Appellate Body at a ceremony at the WTO.

Mr David Unterhalter (South Africa), Chairman of the Appellate Body, administered the declaration undertaken by Mr Van den Bossche.

The Chairman of the Dispute Settlement Body, Ambassador John Gero of Canada, and WTO Director-General Pascal Lamy both congratulated Mr Van den Bossche and welcomed him as a new Appellate Body Member. They also thanked the out-going Member, Mr Giorgio Sacerdoti, who is retiring after eight years of dedicated service to the WTO.

China Rejects Call for WTO Panel on Export Limits

China on Thursday, 19 November rejected requests made by the United States, the European Union and Mexico to establish a WTO expert panel to investigate and rule on so-called Chinese restrictions of raw materials exportation.

At a meeting of the WTO's dispute settlement body, the Chinese delegation reiterated that "its measures related to exportation are consistent with the principles and rules of the WTO," and the country "consistently respects and abides by the WTO rules and its own commitments."

"China is disappointed that the three complainants choose to move forward with requests for panel establishment at this meeting ... and is not in a position to agree to the establishment of a panel at this time," the delegation said.

The United States has accused China of restricting exports of "numerous raw materials critical to U.S. manufactures and workers," thus violating WTO rules. The materials at issue include coke, bauxite, fluorspar, magnesium, silicon metal and zinc.

The EU joined the United States in filing WTO complaints on the matter in June, and they were later joined by Mexico.

Two rounds of consultations were held in July and September between China and the three complainants, but they failed to resolve the problem.

Requesting a panel is the next step in the WTO dispute settlement process after consultations fail. According to procedures, a panel request can only be blocked once, and if the three complainants choose to make a second request at a later date, a panel would be set up automatically.

Trade Facilitation Consolidated Text Expected Soon

A new, consolidated text for the WTO negotiations on trade facilitation should be released to delegates later this month, trade sources said last week.

The new rules under negotiation aim to simplify customs procedures, cut red tape, reduce corruption, and enhance developing countries' capacity to engage in international trade. The talks could have a significant impact: the World Bank estimates that increased efficiency in ports and airports could cut the costs of conducting trade by 50 percent and boost global trade in manufacturing by up to US\$ 377 billion each year.

Over the course of last week's meetings, delegates in the WTO's negotiating group on trade facilitation finished their review of Article VIII of the General Agreement on Tariffs and Trade (GATT), which covers trade-related fees and formalities. During meetings in October, members reached agreement on draft language for GATT Article V (the freedom of transit for goods from other member states) and Article X (transparency in the regulation and administration of trade regulations).

But sources stressed that the new document will not be a 'chair's text' - delegates' term for a document that presents a single, unified view of how members should find consensus in the negotiations. Instead, the new draft will contain

- in brackets to indicate lack of consensus - all of the positions that members have put forward, even those that are contradictory. The new consolidated text will serve as the basis for negotiations when the talks on trade facilitation pick back up during the second week of February 2010.

The forthcoming draft is a spot of good news at WTO headquarters, where most negotiating groups have been spinning their wheels in recent weeks, producing few concrete results. But not so for the trade facilitation talks, which "always have a different momentum," one delegate said.

Despite the progress, sources say there is still plenty of room for disagreement. Many developing countries want to see guarantees of significant levels of technical assistance and capacity building (TACB in delegate-speak) and special and differential treatment (S&DT) before they offer up their own commitments in the negotiations. But some rich countries insist that they will only begin negotiating such 'flexibilities' for developing-country members once they see what those countries can put on the table in other areas of the talks. The discussions on goods in transit could also prove difficult for negotiators to navigate, largely due to disagreement over how oil and gas pipelines should be treated.

Dollar-Rupee rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
24-Nov-09	46.6500	46.6600	46.3750	46.4000	46.4000	279704	1359287632905	46.6000	
23-Nov-09	46.5875	46.5950	46.4250	46.5275	46.5275	336406	1152073535650.8	46.4900	
20-Nov-09	46.7850	46.7850	46.5125	46.6725	46.6725	370250	1718667800994.2	46.5800	
19-Nov-09	46.3525	46.7050	46.3525	46.6700	46.6700	418435	1421610661586.8	46.4100	
18-Nov-09	46.2600	46.3100	46.1850	46.2375	46.2375	441461	1291087597108.2	46.2600	

[Source: NSE and RBI Website]

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Radiation Check Must for Both Shredded and Unshredded Metal Scrap

[Portions underlined was inserted on 13th November 2009]

17-PN(RE) In exercise of powers conferred
13.11.2009 under Paragraph 2.4 of the
(DGFT) Foreign Trade Policy 2009
2014, the Director General of
Foreign Trade hereby makes the following
amendments in Handbook of Procedures,
(Vol.1), 2009-14.

1. After amendment, paragraph 2.32.2 shall be read as under:

“2.32 Import of Metallic Waste and Scrap.

2.32.1 Import of any form of metallic waste, scrap will be subject to the condition that it will not contain hazardous, toxic waste, radioactive contaminated waste / scrap containing radioactive material, any type of arms, ammunition, mines, shells, live or used cartridge or any other explosive material in any form either used or otherwise.

2.32.2 Import of following types of metallic waste and scrap will be free subject to conditions detailed below:

SNo.	ITC Code	Item description
1.	72041000	Waste and scrap of cast iron
2.	72042190	Other
3.	72042920	Of High speed steel
4.	72042990	Other
5.	72043000	Waste and scrap of tinned iron or steel
6.	72044100	Turnings, shavings, chips, milling waste, saw dust, fillings, trimmings and stampings, whether or not in bundles.
7.	72044900	Other
8.	72045000	Remelting scrap ingots
9.	74040010	Copper scrap
10.	74040022	Brass scrap
11	75030010	Nickel scrap
12.	76020010	Aluminium scrap
13.	79020010	Zinc scrap
14.	80020010	Tin scrap
15.	81042010	Magnesium scrap

Shredded Form

Import of metallic waste and scrap listed above in shredded form shall be permitted through all ports of India subject to following conditions:

a. Importer shall furnish following documents to customs at the time of clearance of goods:

1) Pre-shipment inspection certificate as per the format in Annexure-I to Appendix 5, from any of the Inspection & Certification agencies given in Appendix-5, to the effect that the consignment was checked for radiation level and scrap does not contain radiation level (gamma and neutron) in excess of natural background. The certificate shall give the value of background radiation level at that place as also the maximum radiation

level on the scrap; and

II) Copy of the contract between the importer and the exporter stipulating that the consignment does not contain any radioactive contaminated material in any form.

Import from Hodaideh, Yemen and Bandar Abbas, Iran will be in shredded form only.

Unshredded compressed and loose form

Import of metallic waste, scrap listed in para 2.32.2 above in unshredded compressed and loose form shall be subject to the following conditions:-

a. Importer shall furnish the following documents to the Customs at the time of clearance of goods.

1) Pre-shipment inspection certificate as per the format in Annexure-I to Appendix 5 from any of the

Inspection & Certification agencies given in Appendix-5 to the effect that:

(i) the consignment does not contain any type of arms, ammunition, mines, shells, cartridges or any other explosive material in any form either used or otherwise, and that the consignment was checked for radiation level and it does not contain radiation level (gamma and neutron) in excess of natural background. The certificate shall give the value of background radiation level at that place as also the maximum radiation level on the scrap.

(ii) The imported item is actually a metallic waste/scrap/seconds/defective as per the internationally accepted parameters for such a classification.

II Copy of the contract between the importer and the exporter stipulating that the consignment does not contain any type of arms, ammunition, mines, shells, cartridges radioactive contaminated, or any other explosive material in any form either used or otherwise.

b. Import of scrap would take place only through following designated ports and no exceptions would be allowed even in case of EOUs, SEZs :-

1. Chennai,
2. Cochin,
3. Ennore,
4. JNPT,
5. Kandla
6. Mormugao,
7. Mumbai,
8. New Mangalore,
9. Paradip,
10. Tuticorin,
11. Vishakhapatnam,
12. ICD Loni, Ghaziabad,
13. Pipava,
14. Mundra,
15. Kolkata,
16. ICD Ludhiana,
17. ICD Dadri (Greater Noida),
18. ICD, Nagpur,
19. ICD, Jodhpur,
20. ICD Jaipur,
21. ICD Udaipur,
22. CFS Mulund,
23. ICD Kanpur,
24. ICD Ahmedabad,
25. ICD Pitampur and
26. ICD Malanpur.

2.32.2.A In case any agency wishes to be enlisted under Appendix-5, they may furnish an application to the office of Director General of Foreign Trade with the following documents in the format in Appendix-5-A, which will be considered by an Inter-Ministerial Committee.

(a) A brief on the activities of the agency, its history, membership, organisational structure, manpower, etc.

(b) Infrastructural setup, logistics, testing labs etc. for carrying out the inspection of metallic scrap.

(c) List of companies / agencies for which testing has been carried out.

2.32.3. However, import of other kinds of metallic waste and scrap will be allowed in terms of conditions of ITC(HS).

2.32.4. Import policy for second and defective , rags, PET bottles/ waste, and ships is given in ITC(HS)".

2. Accordingly, Annexure-I to Appendix-5 in Handbook of Procedures, Vol. I is modified and attached to this Public Notice.

3. This issues in public interest.

Finished Leather from Hide of Cow/Buffalo SION Amended – Spelling Mistake of Import Item Corrected

Subject: Amendment of SION G-7 in the import item S.No.20.

18-PN(RE) In exercise of the powers
17.11.2009 conferred under Paragraph
(DoR) 2.4 of the Foreign Trade
Policy, 2009-14 and Paragraph 1.1 of the Handbook of Procedures (Vol.1), the Director General of Foreign Trade hereby makes the following amendments/corrections in the Handbook of Procedures, Vol.II, 2009-2014, as amended from time to time.

2. In the statement of Standard Input Output Norms (SION) as contained in the Handbook of Procedures (Vol.II), 2009-2014, as amended from time to time, amendments/corrections are made against SION entry at G-7 in the import item S.No.20 as mentioned in Annexure "A" to this Public Notice. This issues in public interest.

Annexure “A” to Public Notice No. 18/2009-2014 dated 17.11.2009

S.No.	Export item	Quantity	Import item Description	At S.No.	Quantity allowed
G-7	Finished Leather from Hide of Cow/Buffalo	1000 Sq ft.	Sodium Dithionite (Hydrose)	20	2.50 Kgs

Edible Oils in 5 Kg Packs Exports Banned, Exports Reach Quota Limit of 10,000 MTS

[Ref: F.No.528/5/2007-Cus.(TU) dated 19th November 2009]

Subject: Export of Edible Oil in branded packs of upto 5 Kg.

In continuation of Board's instructions of even number dated 3.2.2009, please find enclosed herewith a copy of DGFT's O.M.F.No.01/91/171/27/AM10/Export Cell dated 18.11.2009 on the above mentioned subject.

2. The DGFT has cited its Notification No.60 dated 20.11.2008 on the above mentioned subject allowing export of edible oils in branded consumer packs of 5 Kgs. subject to a quantitative limit of 10,000 MTs till 31.10.2009. Such exporters were allowed from Customs EDI ports only.

3. Now, the DGFT has stated that export of 9365.76 MTs of edible oil has already been made till 31.10.2009 and as such, export of edible oils exempted as above need to be stopped forthwith from all Ports and no further exports should be permitted beyond the limit of 10,000 MTs. The DGFT has requested the Board to ensure that the quantitative limit of 10,000 MT is not breached.

4. In view of the above, you are requested to take further necessary action in the matter at the earliest, accordingly.

Immediate

F.No. 01/91/171/27/AM10/Export Cell
Government of India, Ministry of Commerce and Industry
Department of Commerce, Directorate General of Foreign Trade
Udyog Bhawan, New Delhi, dated 18th November, 2009

Office Memorandum

Subject: Ban on export of edible oils – exemption for export in branded consumer packs upto 5 kgs.

The undersigned is directed to refer to the Notification No. 60 dated 20.11.2008 on the subject mentioned above allowing export of edible oils in branded consumer packs of 5 kgs subject to a quantitative limit of 10,000 MTs. Vide letter No. 01/91/180/1846/AM08/Export Cell Vol.II dated 27.05.2009 of this Directorate time limit of 30.09.2009 had been conveyed to CBEC for allowing export of edible oil in terms of exemption granted vide Notification No. 60 dated 20.11.2008.

DGCIS, Ministry of Commerce and Industry vide their letter No. FTS (Export)/edible oil-2008-09 dated 11.11.2009 (copy enclosed for ready reference) have reported export of 9365.76 MTs of edible oil till 31.10.2009. As such export of edible oils exempted as above need to be stopped forthwith from all Ports and no further exports should be permitted beyond the limit of 10,000 MTs. This may kindly be brought to the notice of all concerned, immediately, to ensure that the quantitative limit of 10,000 MT is not breached. A final report in this regard may also be sent to this Directorate immediately.

This issues with the approval of DGFT.

Send Suspicious Transactions Report to FIU Exhorts RBI, Non Profit Organisations Covered in Rule Amendment

AP(DIR Srs) Know Your Customer (KYC) norms/ Anti-Money Laundering (AML) standards/Combating of Financing of Terrorism (CFT)/ Obligation of Authorised

Persons under Prevention of Money-Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009- Money changing activities–Suspicious Transaction Reporting Format.

Attention of Authorized persons is invited to the Anti-Money Laundering Guidelines for Authorised Money Changers (AMCs) governing money changing transactions, issued vide A.P. (DIR Series) Circular No. 18 [A.P. (FL Series) Circular No. 01] dated December 02, 2005.

2. Government of India vide the Prevention of Money Laundering (Amendment) Act, 2009 (21 of 2009) has amended the PMLA and the amendment has come into force with effect from June 1, 2009. The amendment, inter alia, has brought authorized persons within the definition of "Financial Institutions" under Section 2(l) of the Act. Accordingly, in terms of Section 12 of the Act and the rules made there under, authorized persons are required to furnish information to

Financial Intelligence Unit-India (FIU-IND) in the prescribed format. Government of India vide its Notification No.13/2009/F.No.6/8/2009-ES dated November 12, 2009, has also amended Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005. A copy of the amendment Notification is annexed (Annex-I).

3. Accordingly, all authorized persons are advised to furnish Suspicious Transaction Report (STR) to FIU-IND in respect of their money changing activities within 7 days of arriving at a conclusion that a transaction, including attempted transaction, whether or not made in cash, or a series of transaction integrally connected are of suspicious nature. The formats of STR, both manual and electronic, have been made available by FIU-IND in their website <http://fiuindia.gov.in>.

4. The STR formats prescribed would also be applicable to all franchisees of authorised per-

sons and it will be the sole responsibility of the franchisers to ensure that their franchisees also adhere to the said reporting requirements.

5. 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), Prevention of Money-Laundering Act, (PMLA), 2002 (as amended from time to time), and Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, as amended from time to time. Non-compliance with the guidelines would attract penal provisions of the Acts concerned.

Annex - I

Government of India
Ministry of Finance
(Department of Revenue)
Notification

New Delhi, the 12th November, 2009

In exercise of the powers conferred by clauses (a), (b) and (c) of sub-section (1) of section 12 and section 15 read with clauses (h), (i), (j) and (k) of sub-section (2) of section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government, in consultation with the Reserve Bank of India, hereby makes the following rules further to amend the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, namely:-

1. (1) These rules may be called the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Amendment Rules, 2009.

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

2. In the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 (hereinafter referred to as the principal rules),-

In rule 2, in sub-rule(1), -

(a) after clause (c), the following clause shall be inserted, namely:-

'(ca) "non profit organisation" means any entity or organisation that is registered as a trust or a society under the Societies Registration Act,

1860 (21 of 1860) or any similar State legislation or a company registered under section 25 of the Companies Act, 1956 (1 of 1956);

(b) after clause (f), the following clause shall be inserted, namely:-

“(fa) “Regulator” means a person or an authority or a Government which is vested with the power to license, authorise, register, regulate or supervise the activity of banking companies, financial institutions or intermediaries, as the case may be;”

(c) for clause (g), the following clause shall be substituted, namely:-

“(g) “Suspicious transaction” means a transaction referred to in clause (h), including an attempted transaction, whether or not made in cash, which to a person acting in good faith -

(a) gives rise to a reasonable ground of suspicion that it may involve proceeds of an offence specified in the Schedule to the Act, regardless of the value involved; or

(b) appears to be made in circumstances of unusual or unjustified complexity; or

(c) appears to have no economic rationale or bonafide purpose; or

(d) gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism;”

3. In the principal rules, in rule 3, in sub-rule (1), after clause (B), the following clause shall be inserted, namely:-

“(BA) all transactions involving receipts by non-profit organisations of value more than rupees ten lakh, or its equivalent in foreign currency;”

4. In the principal rules, in rule 5, for the words “the Reserve Bank of India or the Securities and Exchange Board of India, or the Insurance Regulatory Development Authority, as the case may be,” where ever they occur, the words, “its Regulator,” shall be substituted.

5. In the principal rules, for rule 6, the following rule shall be substituted, namely:-

“6. Retention of records of transactions— The records referred to in rule 3 shall be maintained for a period of ten years from the date of transactions between the client and the banking company, financial institution or intermediary, as the case may be.”

6. In the principal rules, in rule 7, for the words “the Reserve Bank of India or the Securities and Exchange Board of India, or the Insurance Regulatory Development Authority, as the case may be,” where ever they occur, the words, “its Regulator,” shall be substituted;

7. In the principal rules, in rule 8,-

(a) in sub-rule (1), for the word, brackets and letters, “clauses (A) and (B)”, the word, brackets and letters “clauses (A), (B) and (BA)” shall be substituted;

(b) after sub-rule (3), the following proviso shall be inserted at the end, namely:-

“Provided that a banking company, financial institution or intermediary, as the case may be, and its employees shall keep the fact of furnishing information in respect of transactions referred to in clause (D) of sub-rule (1) of rule 3

strictly confidential.”.

8. In the principal rules, in rule 9,-

(a) for sub-rules (1) and (2), the following sub-rules shall be substituted, namely:-

“(1) Every banking company, financial institution and intermediary, as the case may be, shall -

(a) at the time of commencement of an account-based relationship, identify its clients, verify their identity and obtain information on the purpose and intended nature of the business relationship, and

(b) in all other cases, verify identity while carrying out:

(i) transaction of an amount equal to or exceeding rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected, or

(ii) any international money transfer operations.

(1 A) Every banking company, financial institution and intermediary, as the case may be, shall identify the beneficial owner and take all reasonable steps to verify his identity.

(1 B) Every banking company, financial institution and intermediary, as the case may be, shall exercise ongoing due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the customer, his business and risk profile.

(1 C) No banking company, financial institution or intermediary, as the case may be, shall keep any anonymous account or account in fictitious names.

(2) Where the client is an individual, he shall for the purpose of sub-rule (1), submit to the banking company, financial institution and intermediary, as the case may be, one certified copy of an ‘officially valid document’ containing details of his identity and address, one recent photograph and such other documents including in respect of the nature of business and financial status of the client as may be required by the banking company or the financial institution or the intermediary, as the case may be:

Provided that photograph need not be submitted by a client falling under clause (b) of sub-rule (1).”;

(b) after sub-rule (6), the following sub-rule

Filing of Annual Installed Capacity Statement by Biris, Matches and RCC Pipes Manufacturers Exempted

26-CE(NT) 18.11.2009 (DoR) In exercise of the powers conferred under clause (b) of sub rule (2A) of Rule 12 of the Central Excise Rules, 2002, the Central Government being satisfied that it is necessary and expedient in the public interest so to do, hereby exempts the assessee, from the submission of the Annual Installed Capacity Statement, who manufacture the following goods, namely,-

(i) biris, manufactured without the aid of machines falling under tariff item 2403 10 31

(ii) matches manufactured without the aid of power falling under heading 3605

(iii) reinforced cement concrete pipes falling under heading 6810

F. No. 201/29/2008-CX.6

shall be inserted, namely:-

“(6 A) Where the client is a juridical person, the banking company, financial institution and intermediary, as the case may be, shall verify that any person purporting to act on behalf of such client is so authorised and verify the identity of that person.”;

(c) for sub-rule (7), the following sub-rule shall be substituted, namely:-

“(7) (i) The regulator shall issue guidelines incorporating the requirements of sub-rules (1) to (6A) above and may prescribe enhanced measures to verify the client’s identity taking into consideration type of client, business relationship or nature and value of transactions.

(ii) Every banking company, financial institution and intermediary as the case may be, shall formulate and implement a Client Identification Programme to determine the true identity of its clients, incorporating requirements of sub-rules (1) to (6A) and guidelines issued under clause (i) above.

9. In the principal rules, in rule 10, for the words “the Reserve Bank of India or the Securities and Exchange Board of India, or the Insurance Regulatory Development Authority, as the case may be,” wherever they occur, the words, “its regulator;”, shall be substituted;

[Notification No.13/2009/F.No. 6/8/2009- ES]

Factory Stuffed Export Containers Clearance through CFS Punjab Conware Only

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Custom House on 12th November 2009.

83-PN 12.11.2009 Attention of all Exporters, Importers, Customs House Agents. Members of Trade and

all the concerned is invited to the Public Notice No. 52/2001 dated 23.07.2001, wherein a Buffer Yard Zone was created under control of CFS Punjab Conware for handling of factory stuffed containers.

2. It was informed vide Facility Notice No. 65/2008 dated 08.09.2008 that all CFSs would

allow factory stuffed containers in their buffer yards within the Customs notified area duly demarcated for the purpose.

3. A new procedure for handling of factory stuffed (including self sealed) export containers has been laid down in Public Notice No. 52/2009 dated 06.08.2009, wherein, all the factory stuffed (including self sealed) export containers except of the exempted category are to be routed through the CFSs designated for handling of such con-

ainers and same is being implemented from 01.10.2009.

4. Therefore, in view of above, the Public Notice No. 52/2001 dated 23.07.2001 stands rescinded, henceforth, all the factory stuffed (including self sealed) export containers seeking clearance from CFS Punjab Conware have to be routed through CFS Punjab Conware as specified vide Public Notice no. 52/2009 dated 06.08.2009 and not through the Buffer Yard Zone under control of CFS Punjab Conware.

Further, no import/export related operations will take place in the said area identified as Buffer Yard Zone created under control of Punjab Conware vide Public Notice No. 52/2001 dated 23.07.2001.

5. All the Trade, Industry and concerned Associations are requested to bring the contents of the Public Notice to the knowledge of their members.

F.No. S/5-Gen-81/2009-10 P & E JNCHJ

Post Verification Report

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Custom House on 9th November 2009.

Sub: Non submission of post verification report of jurisdictional Central Excise in the cases of Factory/Warehouse Stuffing Permission as per Public Notice No. 52/2008 dated 01.07.08.

82-PN Attention of all the Exporters,
09.11.2009 CHA and all concerned is invited to Public Notice No. 52/2008 dated 01.07.08 by which the Factory / Warehouse Stuffing Permissions are granted on post – verification basis.

2. On grant of the Factory Stuffing Permission, simultaneously a reference is forwarded to jurisdictional Central Excise Authorities seeking verification report regarding the genuineness of the exporter and the place of stuffing in terms of Public Notice No. 52/2008 dated 01.07.08.

3. As the verification reports were not received in many cases within the stipulated period, this office issued the reminders to jurisdictional Central Excise Authorities under intimation to the exporters to take up the matter with the concerned Central Excise Authorities. It was also reiterated in the reminder that if the verification

report was not received within a period of one month from the receipt of the letter, the factory / warehouse stuffing permission granted to the exporter would be revoked. However, a large number of the verification reports are still awaited. (A list of such exporters in annexure – I is enclosed)

4. It may be noted that if the verification reports are not received, in respect of exporters in the above list, on or before 10th December, 2009, one time Factory / warehouse Stuffing Permission will be withdrawn.

5. In view of the above all Exporters, CHA and all concerned, are requested to take up the matter with the jurisdictional Central Excise Authorities and get the verification report issued, to avoid withdrawal of Factory / warehouse Stuffing Permission.

World Food Summit Falls Short of Expectations

The World Summit on Food Security in Rome brought together 60 heads of state and scores of representatives from intergovernmental organisations to address the needs of the nearly 1 billion people around the world who suffer from undernourishment. The summit aimed to revitalise the United Nations Committee on Food Security and confront the global challenges of feeding the world's hungry, but the official declaration that emerged from the meeting was widely criticised as unsubstantial.

The meeting, which lasted from 16 to 18 November, was hosted by the UN Food and Agricultural Organization (FAO), which is based in Rome.

At the close of the three-day summit, FAO Director-General Jacques Diouf, who had kicked off the summit with a fast to demonstrate solidarity with the hungry, voiced regret that the officials

had failed to agree to "targets or deadlines that would permit better monitoring and implementation."

Early drafts of the summit declaration aimed to eliminate hunger completely by 2025, an acknowledgement of the challenges facing Millennium Development Goal (MDG) to halve hunger by 2015. But the final summit declaration, issued shortly after the meeting began on Monday, simply reinforced commitments to the MDG on food security.

The question of how to revitalise the UN Committee on Food Security (CFS) took centre stage. The summit declaration made the CFS a 'central component' of a 'Global Partnership for Agriculture, Food Security and Nutrition' to coordinate international governance on food security. However, questions about funding, monitoring and implementation remain unresolved.

U.S. Duties on Chinese Imports Not Protectionist, Locke Says

U.S. decisions to impose duties on steel, tires and other imports from China are examples of enforcing trade rules, not protectionism, Commerce Secretary Gary Locke said.

Locke is attending the Asia-Pacific Economic Cooperation summit in Singapore this week with officials from countries such as China, Japan and South Korea that have trade surpluses with the U.S. Those countries, especially China, complain that U.S. antidumping and other trade restrictions discriminate against their products.

Locke said all the members of the WTO agreed not to "dump" their exports at a discount, including the U.S.

These trade cases affect a small percentage of the \$409 billion in two-way trade between the U.S. and China, Locke said.

NAMA Talks Move to NTBs

Tariffs are far from the only obstacle keeping goods out of potential export markets. A country's various technical regulations, health and safety standards, and certification and labelling requirements, can all make it harder for companies elsewhere to get their wares into its market.

Although these policies are often intended to promote legitimate objectives like consumer protection, they can be more trade-restricting than strictly necessary. The way governments introduce new measures can also make life difficult for would-be exporters. Existing WTO agreements - on sanitary and phytosanitary measures, technical barriers to trade, and import licensing procedures, to name a few - set out some rules for such regulations, to ensure that they do not become a vehicle for disguised protectionism. And the mandate for the negotiations on non-agricultural market access (NAMA) in the Doha Round trade talks calls for the reduction of 'non-tariff barriers' (NTBs, in negotiators' parlance), particularly on products of export interest to developing countries.

For much of the NAMA negotiations, NTBs have taken a low profile, with centre stage occupied by deep divisions on the parameters determining tariff cuts by developed and developing countries, and the extent to which the latter would be able to shield some products from liberalisation.

But with little movement in the past year on what is now the main difference in the NAMA talks - whether large developing markets like China, Brazil, and India choose to participate in voluntary initiatives to cut deeply or even eliminate tariffs across entire industrial sectors - officials have been turning their attention to NTBs.

The bulk of discussions during a week of NAMA talks from 2-6 November focused on some of the proposals for how to deal with problems arising from NTBs. Officials met in a range of formats, from bilateral and in groups to the multilateral plenary.

One of the newer submissions discussed was a paper from India and the EU that outlined a framework for addressing industry-specific NTB proposals. The document remains classified, but sources told that it works from the premise that many NTB proposals are similar, whether they deal with toys, automobiles, or electronics. For example, several proposals call for members, when adopting a new regulation for a product, to consider the costs of compliance to would-be exporters, discuss prospective regulations with trading partners, and respect international standards when possible.

The EU-India proposal suggests that rules for transparency regarding different non-tariff measures could be identical for different sectors, and accompanied by sector-specific disciplines.

Another proposal, this one from Japan, Switzerland, and the US, urged liberalising trade in 'remanufactured goods' (TN/MA/W/18/Add.16/Rev.3). Pointing to the raw materials saved when goods are refurbished and used again, the proposal called for countries to review their non-tariff measures so that re-manufactured goods are subject to the same rules as new ones. During the recent meeting, Cuba, Indonesia, and India expressed reservations about the proposal. One concern is the proposal's lack of a clear definition for exactly what constitutes a re-manufactured good. Some manufacturers from developing countries fear that opening up trade in re-manufactured products would expose them to a wave of cut-rate, second-hand goods from the industrialised world.

Two papers from the EU - one that sets out potential rules for standards, technical regulations, and conformity assessment procedures for the automotive sector (TN/MA/W/118), and another that does the same for electronics (TN/MA/W/119) - were criticised by both developed and developing countries as complicated and overly prescriptive.

Both proposals said that unnecessary duplication in national standards raised costs for industry. Both called for regulations to converge with relevant international standards and for members to adopt common conformity assessment procedures. And both said that transparency procedures - such as consulting with interested parties before introducing new regulations that differ from global benchmarks - should be required, and that regulations should be made public in a clear format.

The auto proposal provided for mutual recognition of domestic technical regulations. The electronics proposal, which was co-sponsored with Switzerland, stipulated that countries should not "prevent or unduly delay" the entry to market of products incorporating new technologies unless they could scientifically demonstrate safety or other risks.

The US has tabled proposals on the same two topics (TN/MA/W/120 and TN/MA/W/105/Rev.2). While similar to the EU proposals in terms of international standards and conformity assessment procedures, the US papers set out more detailed transparency requirements. For instance, countries proposing to adopt new technical regulations or conformity assessment procedures must give interested parties a minimum time period - "which normally shall not be less than 60 days" - to comment in writing on the potential measures, and take any comments into account.

A proposal that seems to have more widespread acceptance is one concerning labelling requirements for textiles, clothing, and footwear (TN/MA/W/93/Rev.1), sponsored by the EU, the US, Mauritius, and Sri Lanka. In addition to rules about consulting with trading partners about regulation, the proposal would forbid countries to have rules prohibiting labels in non-official languages, or for including information beyond the minimum required by domestic regulations.

Customs Valuation Exchange Rates

November 2009	Imports	Exports	
Schedule I			
1 Australian Dollar	43.65	42.45	
2 Canadian Dollar	44.45	43.25	
3 Danish Kroner	9.55	9.20	
4 EURO	70.65	68.90	
5 Hong Kong Dollar	6.10	6.00	
6 Norwegian Kroner	8.45	8.20	
7 Pound Sterling	77.50	75.55	
8 Swedish Kroner	6.95	6.75	
9 Swiss Franc	46.75	45.40	
10 Singapore Dollar	34.00	33.10	
11 U.S. Dollar	47.30	46.40	
Schedule II			
1 Japanese Yen	51.60	50.15	

Rate of exchange of one unit of foreign currency equivalent to Indian Rupees

Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 158(NT)/28.10.2009)

Commodity Spot Prices in India – 20-23 November 2009

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

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 20-23 November.

Commodity	Unit	Market	20-Nov	21-Nov	23-Nov
CER (Carbon Trading)	1 MT	Mumbai	855.5	849	849
Chana	100 KGS	Delhi	2540	2492	2451
Masur	100 KGS	Indore	4600	4560	4547
Potato	100 KGS	Agra	1117.1	1100.2	NA
Potato TKR	100 KGS	Tarkeshwar	1082	1006.3	NA
Areca nut	100 KGS	Mangalore	9058	9115	9165
Cashewkern	1 KGS	Quilon	304	303	304
Cardamom	1 KGS	Vandanmedu	754	758.75	762.5
Coffee ROB	100 KGS	Kushalnagar	61.6	61.8	61.8
Jeera	100 KGS	Unjha	13496	13476	13956
Pepper	100 KGS	Kochi	14809	14776	14982
Red Chili	100 KGS	Guntur	6551	6551	6531
Turmeric	100 KGS	Nzmbad	12650	12650	11050
Guar Gum	100 KGS	Jodhpur	5675	5730	5800
Maize	100 KGS	Nzmbad	NA	922	920
Wheat	100 KGS	Delhi	1426.3	1421.3	1415.4
Mentha Oil	1 KGS	Chandausi	601	608	612.6
Cotton Seed	100 KGS	Akola	1307	1310	1332
Castorsd RJK	100 KGS	Rajkot	2975.5	2981	3002
Guar Seed	100 KGS	Jodhpur	2693	2700	2713
Soya Bean	100 KGS	Indore	NA	NA	NA
Mustrdsd JPR	20 KGS	Jaipur	607.55	598	608.4
Sesame Seed	100 KGS	Rajkot	6725	6769	6750
Coconut Oil Cake	100 KGS	Kochi	1040	1040	1040
RCBR Oil Cake	1 MT	Raipur	5700	5800	5550
Kapaskhali	50 KGS	Akola	578	579.6	582.2
Coconut Oil	100 KGS	Kochi	4654	4654	4680
Refsoy Oil	10 KGS	Indore	465.25	488.8	498.65
CPO	10 KGS	Kandla	336	338.4	341.4
Mustard Oil	10 KGS	Jaipur	553	545.1	548.2
Gnutoilexp	10 KGS	Rajkot	696.9	690	700
Castor Oil	10 KGS	Kandla	620	620	602
Crude Oil	1 BBL	Mumbai	3595	3609	3609
Furnace Oil	1000 KGS	Mumbai	27528	27528	27846
Sourcrd Oil	1 BBL	Mumbai	3678	3678	3678
Brent Crude	1 BBL	Mumbai	3555	3575	3575
Gur	40 KGS	Muzngr	1035.9	1021.8	1023.9
Sugars	100 KGS	Kolhapur	NA	NA	3395
Sugarm	100 KGS	Delhi	3505	3540	3546
Natural Gas	1 mmBtu	Hazirabad	201.5	206.1	206.1
Rubber	100 KGS	Kochi	11306	11427	11577
Cotton Long	1 Candy	Kadi	24880	24890	25580
Cotton Med	1 Maund	Abohar	2365	2400	2440
Jute	100 KGS	Kolkata	2397.5	2467	2480.5
Gold	10 GRMS	Ahmd	17305	17405	17544
Gold Guinea	8 GRMS	Ahmd	13844	13924	14035
Silver	1 KGS	Ahmd	28450	28400	28714
Sponge Iron	1 MT	Raipur	14340	14350	14030
Steel Flat	1000 KGS	Mumbai	30050	30100	NA
Steel Long	1 MT	Bhavnagar	22100	22025	21860
Copper	1 KGS	Mumbai	315.25	319.15	319.15
Nickel	1 KGS	Mumbai	798.7	775.9	792.1
Aluminium	1 KGS	Mumbai	93.8	92.1	94.65
Lead	1 KGS	Mumbai	109	107.55	110.7
Zinc	1 KGS	Mumbai	103.9	102.3	105.65
Tin	1 KGS	Mumbai	699	698.5	700.5

(Source: MCX Spot Prices)

Banana Deal Concludes with Money as Sweetener

Trade officials have been meeting intensively for the last two weeks in an ongoing effort to finalise a deal to conclude a long-running dispute over banana tariffs at the WTO. Officials say they hope to conclude the talks ahead of the WTO's ministerial conference, which is set to begin on 30 November, and an announcement outlining the framework of the potential deal is expected in the middle of next week.

EU banana import policies have been the subject of a decade-long row at the WTO, pitting Brussels against several Latin American banana producers and the US. At issue is the EU's current import regime: a •176 per tonne tariff on bananas from most-favoured nation (MFN) suppliers, alongside a 775,000 tonne duty-free import quota reserved for African, Caribbean, and Pacific (ACP) states, many of which are former European colonies.

The deal now on the horizon - nominally titled the Geneva Agreement on Trade in Bananas - is expected to resemble the package that was provisionally tabled when trade ministers met in Geneva in July 2008 in an attempt to bring the Doha Round to a close. At that point, the EU offered to reduce its MFN tariff to •114 per tonne from the current •176 per tonne over eight years if a Doha Round deal were struck. The agreement would have allowed the EU to continue to give preferential duty-free access to countries from the ACP group. As a down payment to Latin

American exporters, the EU would reduce MFN tariffs by •28 at the start of the implementation period.

The agreement now on the table would mandate that bananas receive 'stand-alone' treatment and be excluded from the Tropical Products list — a list of products that will receive the 'fullest liberalisation' —, settle all pending disputes with Latin American exporters, and provide a 'credit clause' to mark the lowered MFN tariff as the EU's final market access commitment in the Doha Round.

Officials have been tight lipped about the specifics of a deal. The EU is in a delicate position, as it must strike a balance between the competing interests of efficient Latin American exporters and ACP countries that largely rely on preferences to maintain their banana exports. According to an EU communication obtained by Bridges, the Commission will provide a substantial amount of aid, through 'Banana Accompanying Measures' (BAMs), to the ACP as part of a deal that would reduce MFN tariffs on bananas. The aid, which would be provided between 2010 and 2013, will be aimed at "improving competitiveness, economic diversification and mitigating the social consequences of adjustment." To ease the transition, the EU will provide •190 million for ACP countries beyond the support offered through the European Development Fund.

India-Columbia Signs BIPPA – Agreement to Boost Investment Flows

The Bilateral Investment Promotion & Protection Agreement (BIPPA) between India and Columbia was signed on 10 November by Anand Sharma, Minister of Commerce & Industry and Mr. Luis Guillermo Plata, Minister of Commerce, Industry & Tourism of Columbia. Both the Ministers hoped that the Agreement would serve as a catalyst in boosting investment flows between the two countries.

The Agreement aims at enhancing Bilateral Investment and Technology flows between the two countries, by creating favourable conditions for investors. These include a mutually acceptable definition of investment as also IPR, besides National Treatment and Most Favoured Nation Treatment on post-establishment basis, protection against expropriation, except for a public purpose against a fair & equitable compensation, full reparability of investment and returns.

The Agreement provides elaborate dispute resolution mechanism to settle disputes between an investor and the host Government or between the two Governments. Dispute resolution mechanism includes recourse to negotiations, conciliation, domestic dispute resolution mechanism and to international arbitration.

The Agreement shall remain in force for a period of ten years and thereafter, it shall be deemed to have been automatically extended unless either country gives to the other country a written notice of its intention to terminate the Agreement. The Agreement may be amended at any time after its entry into force by mutual consent.

[Source: MoC Press Release dated 10 November 2009]

US Wants South Korean Auto Market: USTR

Washington's top trade official insisted last week that the United States is "not standing still" on a free trade pact with South Korea that has sat unratified in the US Senate for over two years. But the White House wants Seoul to further open its market to US auto imports before lawmakers vote on the deal, the US trade representative added.

As it now stands, the deal would immediately cut South Korea's eight percent tariffs on imports of US cars, while the US would be allowed three years to gradually reduce its 2.5 percent duty on South Korean auto imports. Washington would also be required to phase out a 25 percent tariff on imports of pick-up trucks over the next ten years.

US automakers are not happy with this arrangement.

"The FTA does not allow for free trade in autos and leaves in place a complex array and culture of non-tariff measures that block our access to this important market," the Ford Motor Company said in a statement submitted to the USTR's office in September.

Kirk said that Washington is also uncertain about the sections of the FTA concerning beef exports and non-tariff barriers to trade.

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