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## Surcharge Cess of 33% and 25% Forced Deposits (for PM Gharib Kalyan) to Launder Black Money

- 4 Government Enters into 50:50 Deal with "Black Money" SBNs Holders to Compete with Money Launderers (They Launder for 80:20)
- 4 85% Cost if Money Found by ITO
- 4 75% Cost if Money Declared to ITO only

### Taxation Laws (Second Amendment) Bill, 2016 introduced in Lok Sabha

Bank notes of existing series of denomination of the value of Rs. 500 and Rs. 1000 [Specified Bank Notes (SBN)] have been recently withdrawn the Reserve Bank of India to "curb black money".

Concerns have been raised that some of the existing provisions of the Income-tax Act, 1961 (the Act) can possibly be used for concealing black money. The Taxation Laws (Second Amendment) Bill, 2016 ('the Bill') has been introduced in the Parliament to amend the provisions of the Act to ensure that defaulting assesseees are subjected to tax at a higher rate and stringent penalty provision.

### Legal way of painting black to white with PM Participating

The Ministry of Finance in a Press Note said that in the wake of declaring specified bank notes "as not legal tender", there have been suggestions from experts that instead of allowing people to find illegal ways of converting their black money into black again, the Government should give them an opportunity to pay taxes with heavy penalty and allow them to come clean so that not only the Government gets additional revenue for undertaking activities for the welfare of the poor but also the remaining part of the declared income legitimately comes into the formal economy.

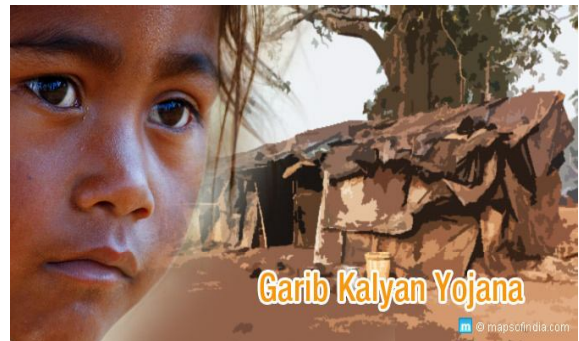
*Water is without colour. It is neither black nor white. You add colour of your choice to it. It becomes colourful. But filter it through evaporation and condensation, it is without colour again.*

*Water does not have taste also. It is also transparent in liquid form, and in-  
Yet the colourless and form is the medium and makes up the water. It has no colour  
visible when vapourised. tasteless and invisible which permeates nature seas. Thus money is like but is everywhere. Even He, the Modi is derived from Money. (Tailpiece: the market still accepts, and gives, the 1000 rupee Raghu note. The light red issue is still money, even though coloured blackest among the black by Modi).*

*Its money, mate. Liquid water, without colour.*

### Pradhan Mantri Garib Kalyan Yojana

In this backdrop, an alternative Scheme namely, 'Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana, 2016' (PMGKY) has been proposed in the Bill. The declarant under this regime shall be required to pay tax @ 30% of the undisclosed income, and penalty @ 10% of the undisclosed income. Further, a surcharge to be called 'Pradhan Mantri Garib Kalyan Cess' @ 33% of tax is also proposed to be levied. In addition to tax, surcharge



and penalty (totaling to approximately 50%), the declarant shall have to deposit 25% of undisclosed income in a Deposit Scheme to be notified by the RBI under the 'Pradhan Mantri Garib Kalyan Deposit Scheme, 2016'. This amount is proposed to be utilised for the schemes of irrigation, housing, toilets, infrastructure, primary education, primary health, livelihood, etc., so that there is justice and equality.

An overview of the amendments proposed in the Bill (passed by Lok Sabha) are placed below:

**Cont'd... p276**

### Rs. 8.45 Lakh Crores in SBNs Deposited with Banks

#### 4 Withdrawals only Rs. 2.16 Lakh Cores

*Sub: Withdrawal of Legal Tender status of banknotes of Rs. 500 and Rs. 1000: Activity at Banks during November 10-27, 2016*

Consequent to the announcement of withdrawal of legal tender status of banknotes of Rs. 500 and Rs. 1000 denominations from the midnight of November 8, 2016, the Reserve Bank of India made arrangements for exchange and/or deposit of such notes at the counters of the Reserve Bank and commercial banks, Regional Rural banks and Urban Cooperative Banks.

Banks have since reported that such exchange/deposits effected from November 10, 2016 upto November 27, 2016 amounted to Rs. 8,44,982 crore (exchange amounted to Rs. 33,948 crore and deposits amounted to Rs. 8,11,033 crore).

They have also reported that the public have withdrawn, during this period, Rs. 2,16,617 crore from their accounts either over the counter or through ATMs.

**[RBI Press Release dated 28th November 2016]**

# Demonetisation

## Former PM and FM Manmohan Singh Hits Out at Demonetisation

### 4 Challenges Jaitley to Name Any Country which Disallows Depositors from Withdrawing their Own Money

#### Discussion on Situation Arising Out of Demonetisation of Rs. 500 and Rs. 1000 Currency Notes

[Source: Rajya Sabha Debate on 24.11.2016]



**DR. MANMOHANSINGH (ASSAM):** Mr. Chairman, I rise to highlight some of the problems that have arisen after the decision to demonetize 500 rupee and 1,000 rupee currency

notes. The Prime Minister has been arguing that this is the way to curb black money, to prevent growth of forfeited currency notes and also to help in control of terrorist finance activities. I do not disagree with these objectives, but what I do want to point out is that in the process of demonetisation, monumental mismanagement has been undertaken upon which today, there are no two opinions in the country as a whole. Even those who say that this measure will do harm or will cause distress in the short run, but is in the interest of the country in the long run, I am reminded of John Keynes, who once said, "In the long run, we are all dead". And therefore, it is important to take note of the grievances of the people, the ordinary people, who have suffered as a result of this imposition on the country overnight by the Prime Minister, and I say so with all responsibility that the outcome which we do not know what the final outcome

will be, the Prime Minister has said that we should wait for 50 days. Well, 50 days is a short period, but for those who are poor and deprived sections of the community, even 50 days torture can bring about disastrous effect, and that is why, about 60 to 65 people have lost their lives, may be even more. And what is more, what has been done can weaken and erode our peoples' confidence in the currency system and in the banking system. I want to know from the Prime Minister the name of any country he may think of where people have deposited their money in the bank but they are not allowed to withdraw their money. This alone, I think, is enough to condemn what has been done in the name of greater good of the people.

And, Sir, I would further like to point out that, in my opinion, this scheme of demonetization, the way it is being implemented, will hurt agricultural growth in our country; will hurt small industry; will hurt all those people who are in the informal sectors of the economy. My own feeling is that the national income, that is, the GDP of the country, can decline by about two percentage point as a result of what has been done. This is an underestimate and not an over estimate.



Therefore, I feel that the Prime Minister must come with some constructive proposals as to how we can implement the scheme and, at the same time, prevent the distress that has been caused to the common people. It is no good that every day the banking system comes with modification of the rules, the conditions under which people can withdraw money. That reflects very poorly on the Prime Minister's Office, on the Finance Minister's Office and on the Reserve Bank of India. I am very sorry that the Reserve Bank of India has been exposed to this sort of criticism, which, I think, is fully justified. I, therefore, would not like to say much more than this.

I urge upon the Prime Minister to find practical, pragmatic ways and means to relieve the distress of the people, who happen to be a great majority of our people. After all, 90 per cent of our people are in the informal sector. Fifty-five per cent of our workers in agricultural sector are reeling under distress. The cooperative banking system, which serves a large number of people in the rural areas, is non-functional and has been prevented from handling cash. So, all these measures convince me that the way the scheme has been implemented, it is a monumental management failure and, in fact, it is a case of organized loot and legalized plunder of the common people.

Sir, with these words, I conclude. It is not my intention to pick holes in what one side does or what another side does. But I sincerely hope that the Prime Minister will even, at this late hour, help us to find practical, pragmatic ways and means to provide relief to the suffering people of this country. Thank you.

**(Ends)**

### 4 Rs. 1000 Note Demonetised

### 4 500 Note Remonetised for More Transactions

[PIB (MoF) Press Release dated 24th November 2016]

After due consideration of all relevant aspects, the Central Government takes various decisions relating to certain operational aspects of the Scheme relating to cancellation of legal tender character of old Rs. 500 and Rs. 1000 notes; No over the counter exchange of old Rs. 500 and Rs. 1000 notes after midnight of 24.11.2016; Certain other exemptions continued till 15th December, 2016 with certain additions and modifications.

The Central Government has been reviewing the issues related to the cancellation of legal tender character of old Rs. 500 and Rs. 1000 notes. The Government has also been receiving various suggestions in this regard. After due consideration of all relevant aspects, the following decisions relating to certain operational aspects of the Scheme have now been taken:

(i) It has been observed that over the counter exchange of the old currency notes of Rs. 500 and Rs. 1000 denomination has shown a declining trend. It has further been felt that people may be encouraged and facilitated to deposit their old Rs. 500 and Rs. 1000 notes in their bank accounts. This will encourage people who are still unbanked, to open new bank accounts. Consequently, there will be no over the counter exchange of old Rs. 500

and Rs. 1000 notes after midnight of 24.11.2016.

(ii) Government had also permitted various exemptions for certain transactions and activities wherein payment could be made through old Rs. 500 and Rs. 1000 notes. It has been decided that all these exemptions, with the additions and modifications as detailed below, may be continued for a further period from the midnight of 24.11.2016 up to and inclusive of 15.12.2016:-

- Payments for the transactions under all the exempted categories will now be accepted only through old Rs. 500 notes;
- Payment of School fees up to Rs. 2000 per student in Central Government, State Government, Municipality and local body schools;
- Payment of fees in Central or State Government colleges;
- Payments towards pre paid mobile top-up to a limit of Rs. 500 per top-up;
- Purchase from Consumer Cooperative Stores will be limited to Rs. 5000 at a time;
- Payment of current and arrear dues to utilities will be limited to only water and electricity. This facility will continue to be available only for individuals and households;

(g) Considering that the Ministry of Road Transport and Highways have continued the toll free arrangement at the toll plazas up to 2.12.2016, it has been decided that toll payment at these toll plazas may be made through old Rs. 500 notes from 3.12.2016 to 15.12.2016.

(h) Foreign citizens will be permitted to exchange foreign currency up to Rs. 5000 per week. Necessary entry to this effect will be made in their passports. (Necessary instructions in this regard will be issued by the RBI.)

### 4 No Withdrawal Limits on Currency Deposits other than SBNs

[Ref: RBI/2016-17/163 DCM.No.1437/10.27.00/2016-17 dated 28th November 2016]

Sub: Withdrawal of cash from bank deposit accounts - Relaxation

It has been reported that certain depositors are hesitating to deposit their monies into bank accounts in view of the current limits on cash withdrawals from accounts.

2. As it is impeding active circulation of currency notes, it has been decided, on careful consideration, to allow withdrawals of deposits made in current legal tender notes on or after November 29, 2016 beyond the current limits; preferably, available higher denominations bank notes of Rs. 2000 and Rs. 500 are to be issued for such withdrawals.

#### 4 RBI Vaults can be used for Note Storage

[Ref: RBI/2016-17/153 DCM (Plg) No.1383/10.27.00/2016-17 dated 24th November 2016]

Sub: Specified Bank Notes (SBNs) - Deposit under Guarantee Scheme to decongest the storage facilities at banks

As you are aware there is a massive accumulation of SBNs at branches of banks and currency chests putting strain on processing capacities and storage facilities. This is slowing down the deposit of accumulated SBNs into chests.

2. For resolution of the problem it is decided to revive the Guarantee Scheme to enable deposit of SBNs with RBI. The details of the scheme are as under:

- i. Banks may deposit SBNs directly with the offices of RBI under whose jurisdiction they are located. These SBNs will remain, in the vaults of RBI, under the lock and key of the depositing banks till taken up for examination.
- ii. For the SBNs deposited by banks, RBI will

afford credit to their current accounts maintained with RBI. Thereafter, if any shortage, counterfeit note, mutilated note, etc. is detected during detailed processing at RBI, the value of the same will be recovered from the bank concerned.

- iii. This facility will be extended to all banks and be available at all our Issue Offices.
  - iv. To avail the facility banks need to enter into an agreement (Annex) with Regional Offices of RBI concerned.
3. The scheme is effective from November 25, 2016.

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

#### 4 Incremental CRR Rises to 100% to Mop up Demonetisation Liquidity with Banks

##### 4 Review on 9 Dec or Earlier

[RBI Press Release dated 26th November 2016]

Sub: RBI Announces Measures to Manage Liquidity Conditions

With the withdrawal of the legal tender status of Rs. 500 and Rs. 1,000 denomination bank notes (hereafter referred to as Specified Bank Notes - SBNs) beginning November 9, 2016, there has been a surge in deposits relative to the expansion in bank credit, leading to large excess liquidity in the system. The magnitude of surplus liquidity available with the banking system is expected to increase further in the fortnights ahead. In view of this, it has been decided to absorb a part of this surplus liquidity by applying an incremental cash reserve ratio (CRR) as a purely temporary measure, as under:

- a. The CRR remains unchanged at 4 per cent of outstanding net demand and time liabilities (NDTL);
- b. On the increase in NDTL between September 16, 2016 and November 11, 2016, scheduled banks shall maintain an incremental CRR

of 100 per cent, effective the fortnight beginning November 26, 2016. This is intended to absorb a part of the surplus liquidity arising from the return of SBNs to the banking system, while leaving adequate liquidity with banks to meet the credit needs of the productive sectors of the economy. As the incremental CRR is intended to be a temporary measure within the Reserve Bank's liquidity management framework to drain excess liquidity in the system, it shall be reviewed on December 9, 2016 or even earlier.

c. The Reserve Bank has separately revived the Guarantee Scheme to enable deposit of SBN balances at the Reserve Bank or at currency chests and get immediate value. This measure should also facilitate banks' compliance with the incremental CRR.

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

#### 4 All Foreign Passport Holders now can Change Rs. 5000 per week till 15 Dec 2016

##### 4 Earlier Facility Limited only to Travellers

[RBI Circular No. 20 dated 25th November 2016]

Sub: Exchange facility to foreign citizens

Attention of Authorized Persons is invited to the A.P. (DIR Series) Circular No. 16 dated November 9, 2016 giving certain exemptions to foreign tourists visiting India. In supersession of instructions issued therein, it has been decided that foreign citizens (i.e. foreign passport holders) can exchange foreign exchange for Indian currency notes up to a limit of Rs. 5000/- per week till December 15, 2016 subject to the tenderer submitting a self-declaration that this facility has not been availed of during the week. The Authorized Person shall keep the passport details and the above declaration on record. Authorized Person may also ensure that the total value of such exchange

to Indian currency notes does not exceed Rs. 5000/- during the week.

2. The Instruction in respect of issue of prepaid instruments by Authorized Dealer Category I Bank shall continue.
3. Authorized Persons may follow the above instructions and bring the contents of this circular to the notice of their constituents.
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 are without prejudice to permissions / approvals, if any, required under any other law.

#### 4 No More Note Exchange at Bank Counters

[Ref: RBI/2016-17/155 DCM (Plg) No.1391/10.27.00/2016-17 dated 24th November 2016]

Sub: Discontinuation of over the Counters Exchange of SBN

Please refer to our circular DCM (Plg) No.1302/10.27.00/2016-17 dated November 17, 2016 on "Withdrawal of Legal Tender Character of existing Rs. 500 and Rs. 1000 Bank Notes – Exchange over the counters".

2. On a review it has since been decided that no over the counter exchange (in cash) of SBNs will be permitted after midnight of November 24, 2016. Members of public who approach the banks for over the counter exchange of SBN may be encouraged to deposit SBNs into their bank accounts.

3. Banks may ensure to facilitate opening of new accounts for unbanked people.

#### 4 RBI Window for Note Exchange without Account to Continue with 2000 Rupee Limit

[RBI Press Release dated 25th November 2016]

The Reserve Bank of India advises members of public that exchange of banknotes in Rs. 500 and Rs. 1000 denominations, whose legal tender status has been withdrawn, will continue to be available at the counters of the Reserve Bank upto the current limits per person as hitherto. (However such exchange facility is no longer available at other banks' counters).

#### 4 PMJDY (Pradhan Mantri Jan Dhan Yojana) Withdrawal Limits Rs. 10,000 per Months

[RBI/2016-17/165 DCM (Plg) No. 1450/10.27.00/2016-17 dated 29 November 2016]

Sub: Accounts under PMJDY - Precautions

Please refer to our circular DCM (Plg) No.1424/10.27.00/2016-16 dated November 25, 2016 on "Withdrawal of cash – Weekly limit". With a view to protect the innocent farmers and rural account holders of PMJDY from activities of money launders and legal consequences under the Benami Property Transaction & Money Laundering laws, it has been decided to place certain limits, as a matter of precaution, on the operations in the PMJDY accounts funded through deposits of Specified Bank Notes (SBNs) after November 09, 2016. As a temporary measure, the banks are advised to observe the following in respect of the PMJDY accounts:

- i. Fully KYC compliant account holders may be allowed to withdraw Rs. 10,000/- from their account, in a month. The branch managers may allow further withdrawals beyond Rs. 10,000 within the current applicable limits only after ascertaining the genuineness of such withdrawals and duly documenting the same on bank's record.
- ii. Limited or Non KYC compliant account holders may be allowed to withdraw Rs. 5,000 per month from the amount deposited through SBNs after November 09, 2016 within the overall ceiling of Rs. 10,000.

## Excise Exemption on Point of Sale (POS) Devices for Four Months

### 4 Parts for Manufacture of POS Devices Exempted for Four Months

**[Excise Notification No. 35 dated 28th November 2016]**

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

In the said notification, -

(A) in the opening paragraph, after the seventh proviso, the following proviso shall be inserted, namely:-

“Provided also that nothing contained in this notification shall apply to goods specified against serial number 256 A and 256 B of the said Table after the 31st day of March, 2017;”;

(B) in the Table, after serial number 256 and the entries relating thereto, the following serial number and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
256A	8470	Point of Sale (POS) Devices	Nil	-
256B	Any Chapter	All goods for manufacture of Point of Sale (POS) Devices	Nil	2

[F. No. 354/213/2016-TRU]

## 4 SBNs of 500 and 1000 Rupee Notes are “Soiled Currencies”, No Reckoning of these

**[Ref: RBI/2016-17/164 DCM (Plg) No. 1459/10.27.00/2016-17 dated 29th November 2016]**

*Sub: Deposit of Specified Bank Notes (SBNs) – Chest Balance Limit / Cash Holding Limit*

Please refer to our circular. DCM (CC) No. 2598/03.02.05/2009-10 dated October 27, 2009, which

inter alia stated that the balance in a currency chest, exceeding the Chest Balance Limit / Cash Holding Limit will be deemed to be bank's own cash, not allowing for inter-chest fungibility.

2. In the wake of deposits of SBNs in massive quantity and accumulations thereof, the above instructions have been revisited and banks are advised as under:

- SBNs deposited in the currency chests, since November 10, 2016 will be considered as part of the chest balance in the soiled note category but such deposits will not be reckoned for calculating Chest Balance Limit / Cash Holding Limit.
- A review of the above will be taken up in the second fortnight of February 2017.

## Surcharge Cess of 33%...

### Overview of Amendments Proposed

Particulars	Existing Provisions	Proposed Provisions
General provision for penalty	<b>PENALTY (Section 270A)</b> Under-reporting - @50% of tax Misreporting - @200% of tax (Under-reporting/ Misreporting income is normally difference between returned income and assessed income)	No changes proposed
Provisions for taxation & penalty of unexplained credit, investment, cash and other assets	<b>TAX (Section 115BBE)</b> Flat rate of tax @30% + surcharge + cess (No expense, deductions, set-off is allowed)	<b>TAX (Section 115BBE)</b> Flat rate of tax @60% + surcharge @25% of tax (i.e. 15% of such income). So total incidence of tax is 75% approx. (No expense, deductions, set-off is allowed) <b>PENALTY (Section 271AAC)</b> If Assessing Officer determines income referred to in section 115BBE, penalty @10% of tax payable in addition to tax (including surcharge) of 75%.
Penalty for search seizure cases	<b>Penalty (271AAB)</b> (i) 10% of income, if admitted, returned and taxes are paid (ii) 20% of income, if not admitted but returned and taxes are paid (iii) 60% of income in any other case	<b>Penalty (271AAB)</b> (i) 30% of income, if admitted, returned and taxes are paid (ii) 60% of income in any other case
Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana, 2016' (PMGKY)	New Taxation and Investment Regime	Undisclosed income in the form of cash & bank deposit can be declared: <b>(A) Tax, Surcharge, Penalty payable</b> Tax @30% of income declared Surcharge @33% of tax Penalty @10% of income declared Total @50% of income (approx.) <b>(B) Deposit</b> 25% of declared income to be deposited in interest free Deposit Scheme for four years.

## 4 Notification to Publish Daily List of Imports and Exports Rescinded

4 “The End” of Transparency in Trade Matters?

4 Exclusive Info Power now with Govt Agencies only

4 “Ease of Doing Business” Replaced with “Disease of Doing Business (without Data)”

**[Customs Notification No. 140 (Non Tariff) dated 25th November 2016]**

In exercise of the powers conferred by section 156 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby rescinds the notification of the Government of India in the Ministry of Finance (Department of Revenue), Notification No. 128/2004- Customs (N.T.) dated 19th November 2004, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.758 (E), dated the 19th of November, 2004, except as respects things done or omitted to be done before such rescission.

[F. No. 401/234/2010- Cus III]

## 4 Currency Chests to be Set Up at District Levels

**[RBI/2016-17/160 DCM (Plg) No.1430/10.27.00/2016-17 dated 27th November 2016]**

*Sub: Chest Guarantee Scheme for Specified Bank Notes (SBNs) - CGSS*

Please refer to our circular DCM (Plg) No.1383/10.27.00/2016-17 dated November 24, 2016 on “Specified Bank Notes (SBNs)- Deposit under Guarantee Scheme to decongest the storage facilities at banks”.

2. In continuation to the above, it has now been decided to introduce a new scheme for depositing SBNs with designated currency chest at the district level, under guarantee agreement similar to the current facility available at RBI offices.

3. Instructions pertaining to the scheme are at the Annex.

[Full is available at [worldtradesannre.com](http://worldtradesannre.com)]

## 4 Regional Offices of RBI to give Approval for Local Currency Chests

**[Ref: RBI/2016-17/162 - DCM (Plg) No.1438/10.27.00/2016-17 dated 28th November 2016]**

*Sub: Chest Guarantee Scheme for Specified Bank Notes (SBNs) – CGSS*

Please refer to our circular DCM (Plg) No.1430/10.27.00/2016-17 dated November 27, 2016 on the captioned subject.

2. With a view to expand the ambit of the CGSS, it has been decided that banks operating currency chests may be allowed to operate CGSS if they have additional space in their existing currency chest or additional storage space at the same centre which is nearly as safe and secure as that of a currency chest.

3. Requisite approval for the above will be granted by our Regional Office (RO) concerned, on receipt of request from any bank subject to the terms and conditions as laid down in the above mentioned circular and supervisory convenience.



## Board Moves to “On Demand” Printing of Customs Documents of Import and Export

- 4 Transshipment Permit on Electronic Mode only
- 4 Exchange Control, Export Promotion Copy, Shipping Bill goes Direct to Bank and DGFT
- 4 Physical Copy of Bill of Entry for Banks not Required
- 4 Default Printout of TR 6/GAR7 along with Assessed Bill of Entry Dispensed with [CBEC Circular No. 55 dated 23rd November 2016]

Sub: Reducing/eliminating printouts in Customs Clearance.

Government of India has taken-up a number of initiatives for promoting 'Ease of doing business'. One of the ways to make cargo clearance easier is to reduce the use of paper and to introduce electronic messaging and paperless processing. The Board seeks to ensure that the success achieved over the years in advancing automated clearance processes, EDI messaging and digital signatures translate into a paper-free environment, besides reducing transaction costs.

2. With the above objective to promote ease of doing business by reducing use of paper, the Board has decided as under:

### a. GAR7 forms/TR-6 Challans

On completion of assessment of a Bill of Entry, the ICES generate a challan message, which is transmitted to the designated bank branches through ICEGATE. At the beginning of the day, a message is generated for those Bills of Entry, where duty payment is not done till the previous day. At specific intervals, this message is also generated for Bills of Entry assessed during the day. The importer, under ePayment logs in to the ePayment Gateway, selects the list of unpaid challans, then selects the bank in which to make the ePayment. The system redirects the importer to his bank for completing the ePayment transaction. The receipt, which is based on payment confirmation by the bank, is generated by application at ICEGATE and transmitted onward to ICES application.

At present, there are 3 copies of the GAR 7 forms/TR-6 challans, being generated and printed out along with the assessed copies of a Bill of Entry 95% of the importers pay only through e-Payment, where the challan information and payment confirmation are received electronically. Further, ICEGATE, on its e-Payment Gateway, provides a list of all unpaid Challans, for viewing & printing and can support Payment transactions. In the light of foregoing, Board has decided that printout of GAR 7 forms/TR-6 challans is not required. Therefore GAR 7 forms/TR-6 challans would not be printed by default.

### b. TP copy

At present, in ICES, there is a module for processing transshipment cargo from a sea port to ICD/CFSS or to another seaport. Such transshipment can be by rail, road or sea. The transshipment permit information is sent electronically to the carrier, the transporter undertaking the transshipment, the custodian of the gateway port, and the ICES system at the destination ICC) or Port. Transshipment permit can also be printed by the carrier in his offices where the ICDS/CFSS and the gateway port are not interconnected, manual copy or printing of TP copy may continue.

### c. Shipping Bill (Exchange Control copy and Export Promotion copy)

After the Appraiser grants LEO (Let Export Order)

in the system, printout of the Shipping Bill is generated by the system in triplicate i.e. (i) Customs copy (ii) Exporter's copy and (iii) Exchange Control Copy. The fourth copy namely the Export Promotion Copy is generated after submission of EGM. Further, with regard to Shipping Bill:

- a. detailed copy of the Shipping Bill is not required by the Authorised Dealer. It is enough if a summary copy is printed.
- b. CBEC provides copies of digitally signed Shipping Bills to DGFT.
- c. The data of Shipping Bill is integrated with ED-PMS (Export Data Processing and Monitoring System) of RBI.

In the light of the above, printing of the Exchange Control copy and Export Promotion copy of the Shipping Bill does not serve any useful purpose.

### d. Bill of Entry (Exchange Control Copy)

IDPMS (Import Data Processing and Monitoring System) has been operationalised on 10.10.16. Under this system, physical transfer (Bill of Entry) of data from Customs/SEZs will be collated with

Import payments data from banks. Accordingly, transactions where the amount has been remitted abroad but import for matching amount has not been evidenced, can be easily identified and monitored. The outstanding entries are available in single database of IDPMS and can be extracted for required monitoring by RBI, banks and enforcement agencies. Accordingly, RBI decided that BEF half-yearly statement from banks to RBI for monitoring of submission of BoE for more than USD 100000/- will be discontinued from half year starting January 2017.

In view of the above systemic integration, RBI has decided to do away with the requirement for the Banks to obtain a physical copy of Bill of Entry from the importer as an evidence of import because data can be transferred in secured manner from the system of Customs department to IDPMS. It has been, therefore, decided to discontinue the printing of Exchange control copy of BoE unless there is a requirement of printing like in the case of manual BoEs.

3. Though Board has decided to do away with the routine printing of above documents, however, there could be cases where printing is necessitated for variety of reasons like manual BOEs, insistence of importer, exporter etc. Board, therefore, desires that in such cases printouts may be provided on demand.

4. The above instructions should be made operational from 1.12.16. It is requested that suitable Public Notice be issued in this regard. Any difficulty in the implementation of this circular may be brought to the notice of the Board.

F. No. 450/25/2013-cus (Pt)

## Safeguard Duty of 10%, 8%, 6% over Three Years on Wide HR Carbon and Alloy Steel Sheets and Plates

- 4 High Price >\$504/MT Not Covered
- 4 MIP to Expire on 4 Dec, Safeguard Measure Substitutes [Safeguard Notification No. 03 dated 23rd November 2016]

Whereas, in the matter of import of “Hot Rolled flat sheets and plates (excluding hot rolled flat products in coil form) of alloy or non-alloy steel having nominal thickness less than or equal to 150mm and nominal width of greater than or equal to 600mm” (hereinafter referred to as the subject goods), falling under heading 7208 or tariff items 7225 40 13, 7225 40 19, 7225 40 20, 7225 40 30 and 7225 99 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), the Director General (Safeguard), in his final findings, published vide number G.S.R. 759(E), dated the 2nd August, 2016 in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 2nd August, 2016 had come to the conclusion that increased imports of subject goods into India has caused and threatened to cause serious injury to the domestic producers of subject goods, thereby necessitating the imposition of safeguard duty on imports of the subject goods into India;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 8B of the Customs Tariff Act, read with rules 12, 14 and 17 of the Customs Tariff (Identification and

Assessment of Safeguard Duty) Rules, 1997, the Central Government, after considering the said findings of the Director General (Safeguards), hereby imposes on subject goods falling under heading 7208 or tariff items 7225 40 13, 7225 40 19, 7225 40 20, 7225 40 30 and 7225 99 00 of the First Schedule to the Customs Tariff Act,

when imported into India, a safeguard duty at the following rate, namely:-

(a) ten per cent ad valorem minus anti-dumping duty payable, if any, when imported during the period from 23rd November, 2016 to 22nd November, 2017 (both days inclusive) at an import price below US Dollar 504 per

MT on CIF basis;

(b) eight per cent ad valorem minus anti-dumping duty payable, if any, when imported during the period from 23rd November, 2017 to 22nd November, 2018 (both days inclusive) at an import price below US Dollar 504 per MT on CIF basis; and

(c) six per cent ad valorem minus anti-dumping duty payable, if any, when imported during the period from 23rd November, 2018 to 22nd May, 2019 (both days inclusive) at an import price below US Dollar 504 per MT on CIF basis.



2. Nothing contained in this notification shall apply to imports of subject goods from countries notified as developing countries under clause (a) of sub-section (6) of section 8B of the Customs Tariff Act, except People's Republic of China, Ukraine and Indonesia.

**Explanation 1.** The following are not included in the scope of subject goods:

- Hot rolled flat products of stainless steel;
- API grade steel conforming to X-52 and higher API grades for manufacturing pipes used for pipeline transportation systems in the petroleum and natural gas industries;
- Hot rolled plates for manufacturing boilers and pressure vessels conforming to IS 2002 and IS 2041 or its equivalent specifications SA515, SA516, SA537, SA285, SA299 ;
- The grades JIS Standard G3106:2008, SM 400C, SM 490C, SM 570, JIS G3101:

2015, SS400, SS 490, the Specific alloy steel grades SA203, SA302, SA533, SA537, SA542, 15Mo3, 20MnMn55, 9Cr1Mo and atmospheric corrosion resisting steels grades JIS G312522, CORTEN23, ASTM A 24224, ASTM A 58825 and ASTM A 60626;

- Steel plates that satisfy reduction ratio of 1:3 and are above 85mm in thickness;
- Special grade material of steel C 45, P 20, 4140 grade;
- Silicon electrical steel;
- Cladded steel;
- Quenched and tempered steel;

**Explanation 2.** For the purpose of this notification "import price on CIF basis" means the assessable value as determined under section 14 of the Customs Act, 1962 (52 of 1962)."

[F.No.354/158/2016-TRU]

(c) the material injury has been caused by the dumped imports of the subject goods from the subject country,

and has recommended imposition of definitive anti-dumping duty on imports of the subject goods, originating in, or exported from the subject country and imported into India, in order to remove injury to the domestic industry;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid final findings of the designated authority, hereby imposes on the subject goods, the description of which is specified in column (3) of the Table below, falling under tariff item of the First Schedule to the Customs Tariff Act as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), exported from the countries as specified in the corresponding entry in column (5), produced by the producers as specified in the corresponding entry in column (6), exported by the exporters as specified in the corresponding entry in column (7), imported into India, an anti-dumping duty at the rate equal to the amount as specified in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and as per unit of measurement as specified in the corresponding entry in column (9) of the said Table, namely :-

## Anti-dumping Duty of \$0.14 to 0.46 per kg Imposed on Axle for Trailers from China

### 4 Final Findings Released without Provisional Finding [Customs Notification No. 54 (ADD) dated 29th November 2016]

Whereas, in the matter of "Axle for Trailers" (hereinafter referred to as the 'subject goods'), falling under tariff item 8716 90 10 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the 'Customs Tariff Act'), originating in, or exported from People's Republic of China, (hereinafter referred to as the 'subject country'), and imported into India, the designated authority in its final findings published in

the Gazette of India, Extraordinary, Part I, Section 1, vide notification number 14/17/2015-DGAD, dated the 30th September, 2016, has come to the conclusion that –

- the subject goods have been exported to India from the subject country below their associated normal values;
- the domestic industry has suffered material injury;

**Table**

SNo.	Tariff Item	Description of Goods	Country of Origin	Country of Export	Producer	Exporter	Amount	Unit	Currency
1.	8716 90 10	Axle for Trailers	People's Republic of China	People's Republic of China	Guangdong FUWA Engineering Manufacturing Co., Ltd.	Guangdong FUWA Engineering Manufacturing Co., Ltd.	0.16	Kg	USD
2.	8716 90 10	-do-	People's Republic of China	People's Republic of China	Guangdong FUWA Engineering Manufacturing Co., Ltd.	Guangdong FUWA Heavy Industries Co. Ltd.	0.16	Kg	USD
3.	8716 90 10	-do-	People's Republic of China	People's Republic of China	Shandong Jinsheng Axle Manufacturing Co., Ltd.	Shandong Jinsheng Axle Manufacturing Co., Ltd.	0.14	Kg	USD
4.	8716 90 10	-do-	People's Republic of China	People's Republic of China	Any combination other than Sl. No. 1 to 3 above		0.46	Kg	USD
5.	8716 90 10	-do-	People's Republic of China	Any country other than People's Republic of China	Any	Any	0.46	Kg	USD
6.	8716 90 10	-do-	Any country other than People's Republic of China	People's Republic of China	Any	Any	0.46	Kg	USD

2. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be paid in Indian currency.

**Explanation.-** For the purposes of this notification, rate of exchange applicable for the purpose of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act, 1962.

[F.No. 354/178/2016-TRU]

## Anti-dumping Duty on DASDA from China Raised to \$477/MT in Mid Term Review

### [Customs Notification No. 52 (ADD) dated 9th November 2016]

Whereas, the designated authority vide notification No.15/18/2015-DGAD, dated the 1st October, 2015, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 1st October, 2015, had initiated mid-term review investigation in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), read with rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, in the matter of continuation of anti-dumping duty on imports of 4, 4 Diamino Stilbene 2, 2 Disulphonic Acid (DASDA) [hereinafter referred to as the subject

goods], falling under Chapter 29 of the First Schedule to the Customs Tariff Act, originating in, or exported from, People's Republic of China (hereinafter referred to as the subject country), imposed vide notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.09/2014-Customs(ADD), dated the 23rd January, 2014, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.51(E), dated the 23rd January, 2014;

And, Whereas, the designated authority, in its final findings in mid-term review vide notification No.15/18/2015-DGAD, dated the 26th September, 2016, published in the Gazette of India, Extraor-

dinary, Part I, Section 1, dated the 26th September, 2016, has recommended that anti-dumping duty is required to be continued at modified rates on imports of the subject goods originating in, or exported from, the subject country.

SNo	Tariff Item	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount of duty	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	2921 42 90 or 2921 59 90 or 2922 21 90 or 2922 29 90 or 2930 90 99	4, 4 Diamino Stilbene 2, 2 Disulphonic Acid (DASDA)	People's Republic of China	People's Republic of China	Tsaker Chemical (Donggu ang) Co. Ltd.	Tsaker Chemical (Donggu ang) Co. Ltd.	99	MT	USD
2.	-do-	-do-	People's Republic of China	People's Republic of China	Any combination other than at S. No.1 above		477	MT	USD
3.	-do-	-do-	People's Republic of China	Any country other than People's Republic of China	Any	Any	477	MT	USD
4.	-do-	-do-	Any country other than People's Republic of China	People's Republic of China	Any	Any	477	MT	USD

**Note:** (i) The Product under Consideration i.e. 4, 4 Diamino Stilbene 2, 2 Disulphonic Acid (DASDA) is also known as follows:

(a) 2, 2'- (1, 2- Ethylenediyl) bis (5-aminobenzenesulfonic acid).

(b) 4, 4'-Diaminostilbene - 2, 2'-Disulfonic Acid.

(c) 2, 2'-ethene -1, 2-diylibis (5-amino benzene sulfonic acid).

(d) Amsonic Acid.

(e) DSD Acid.

(ii) The Anti-dumping duty shall be imposed on the quantity of subject goods calculated on 100% basis.

2. This notification shall remain in force upto and inclusive of the 22nd January, 2019, unless

revoked earlier, and the anti-dumping duty shall be paid in Indian currency.

**Explanation.** - For the purposes of this notification, rate of exchange applicable for the purposes of calculation of anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962) and the relevant date for determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.354/141/2013 -TRU (Pt.-1)]

dia, the designated authority in its final findings published in the Gazette of India, Extraordinary, Part I, Section 1, vide notification No.14/9/2015-DGAD, dated the 20th October, 2016, has come to the conclusion that—

(i) the dumped imports of subject goods from subject countries increased significantly in the Period of Injury as compared to the base year 2011-12;

(ii) the subject goods have been exported to India from the subject countries below normal values, the dumping margins are positive and significant; the domestic industry suffered material

injury on account of subject imports from the subject countries; (iv) the material injury has been caused by the dumped imports of subject goods from the subject countries, and has recommend-



ed imposition of definitive anti-dumping duty on the subject goods, originating in, or exported from the subject countries, in order to remove injury to the domestic industry;

## Anti-dumping Duty on Met Coke from Australia (\$16.29/MT) and China (\$25.20/MT) Imposed

### 4 Final Findings Issued on 20.10.2016 – See DINDEX Code 7305 for Details [Customs Notification No. 53 (ADD) dated 25th November 2016]

Whereas in the matter of "Low Ash Metallurgical Coke" (hereinafter referred to as the subject goods) falling under sub-heading 2704 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), originating in, or exported from, Australia and People's Republic of China (hereinafter referred to as the subject countries), and imported into In-


SNo.	Subheading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	2704 00	Low Ash Metallurgical Coke excluding Metallurgical Coke with ash content in excess of 18%.	People's Republic of China	People's Republic of China	Any	Any	25.20	MT	USD
2.	2704 00	-do-	People's Republic of China	Any country other than subject countries	Any	Any	25.20	MT	USD
3.	2704 00	-do-	Any country other than subject countries	People's Republic of China	Any	Any	25.20	MT	USD
4.	2704 00	-do-	Australia	Australia	Any	Any	16.29	MT	USD
5.	2704 00	-do-	Australia	Any country other than subject countries	Any	Any	16.29	MT	USD
6.	2704 00	-do-	Any country other than subject countries	Australia	Any	Any	16.29	MT	USD

2. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be paid in Indian currency.

**Explanation.** - For the purposes of this notification, rate of exchange applicable for calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of

the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.354/193/2016-TRU]

**GST Scanner** 

**Revised Draft Model GST Law, Draft IGST Law and Draft Compensation Law**

The Draft Model GST Law, Draft IGST Law and Draft Compensation Law which would be considered by the GST Council for approval are placed in the public domain for information of trade, industry and other stake holders. The Draft Model Laws can be accessed at the following websites: [www.cbec.gov.in](http://www.cbec.gov.in), [www.dor.gov.in](http://www.dor.gov.in) and [www.gst.gov.in](http://www.gst.gov.in)

Earlier, the Draft Model GST Law was put in public domain in the month of June, 2016 for comments. A large number of comments were received on the Draft Model GST Law from various stake holders including the trade and industry associations and public.

A Technical Committee of officers from some of the States and the Central Gov-

ernment was constituted to examine the inputs from the stake holders and make suitable amendments in the Draft Model GST Law. The Revised Draft submitted by this Technical Committee on law was further discussed in a meeting held on 21st and 22nd of November, 2016 in Delhi where officers from all States and Central Government were present. The revised and improved version of this Model GST laws shall now be considered by the GST Council for approval on 2nd and 3rd of December, 2016.

**The below documents are available at [worldtradesScanner.com](http://worldtradesScanner.com)**

- 4 Revised Draft Model GST Law
- 4 Draft IGST Law
- 4 Draft GST Compensation Law

is loaded on the vessel. It also provides the date of sailing. However, since the advent of automation of Customs procedures, message exchange system, the manual issuance of mate receipt in the case of containerized cargo has become redundant. Moreover, disbursement of drawback is done only after the EGM has been filed at the gateway port. In view of the changed business workflow, need for issuance of Mate's receipt is no more there. Board has therefore, decided that customs Houses should no more insist for issuance of Mate's receipt in the case of containerised cargo. However, in respect of non-containerised export cargo like bulk cargo etc., the practice of issuing Mate's receipt would continue.

**5.** The difficulties, if any, faced in the implementation of this Circular may be brought to the notice of the Board.

**6.** The above guidelines may be brought to the notice of the Trade immediately through appropriate Public Notice/Trade Notice.

F. No. 450/22/2014-Cus.IV

**Mate Receipt only for Bulk Cargo, not Required for Containerised Cargo**

[CBEC Circular No. 56 dated 24th November 2016]

Subject: Abolition of Mate receipt.

Ministry of Shipping had constituted a Committee under the Chairmanship of Director General of Shipping to recommend simplification and automation of customs procedures touching on various aspects like Coastal Shipping, transshipment & Port clearances etc.

**2.** The Committee has given its recommendations on various issues related to clearance of cargo coming through Sea like IGM amendment, rotation number, Mate's receipt etc.

**3.** One of the recommendations of the said Committee is to abolish Mate's receipt.

Issuance of Mate receipt would serve as a documentary evidence of cargo loaded on the vessel and also date of sailing. It is issued by Captain or mate of the vessel and endorsed along with the Shipping Bill by the Customs Officer in the Docks. This document is also insisted by the Shipping Companies for issuance Bill of Lading.

**4.** The recommendation has been examined by the Board. It is observed that the Mate's receipt used to serve multifarious purposes mainly to ensure that the export container

**Customs Exchange Rates**

[As on 30 Nov 2016]

Currency	Imports	Exports
<b>1 FC = IC</b>		
US Dollar	68.80	67.10
EURO	73.95	71.45
Pound Sterling	85.80	83.05
Australian Dollar	51.75	49.80
Bahrain Dinar	186.55	174.15
Canadian Dollar	51.35	49.80
Danish Kroner	9.95	9.60
Hong Kong Dollar	8.85	8.65
Kuwait Dinar	231.00	216.20
Newzeland Dollar	49.20	47.30
Norwegian Kroner	8.15	7.90
Singapore Dollar	48.70	47.25
South African Rand	5.15*	4.80*
Saudi Arabian Riyal	18.70	17.55
Swedish Kroner	7.55	7.25
Swiss Franc	68.95	66.60
UAE Dirham	19.10	17.90
Chinese Yuan	10.05	9.75
<b>100 FC = IC</b>		
Japanese Yen	63.40	61.30
Kenya Shilling	68.95	64.50

\*w.e.f. 30.11.2016

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

[Ref: 138-Cus (NT) dated 17th Nov 2016]

**Windex No. 36 (30 Nov - 06 Dec 2016)**

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(DINDEX = Daily Index of Changes Ref)

**Crude Down to \$45.18**

Crude Oil (Indian Basket) from 22 - 28 Nov 2016

	22 Nov	23 Nov	24 Nov	25 Nov	28 Nov
(\$/bbl)	46.58	46.73	46.59	46.29	45.18
(Rs/bbl)	3178.57	3199.77	3198.56	3169.06	3105.19
(Rs/\$)	68.23	68.48	68.66	68.46	68.72

(Previous Trading Day Price)

Source: Ministry of Petroleum & Natural Gas