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Cotton Exports

Textile Ministry Orders Stop on Cotton Exports after 15 Dec ' 10

Subject: Export of cotton

CBEC Please find enclosed herewith
Instruction/ a copy of Ministry of Textiles
15.12.2010 D.O. letter No.12015/3/2010-
IT/Cotton dated 10th December, 2010
on the above mentioned subject.

2. In this regard, Ministry of Textiles has stated that the validity of the export authorization registration contracts (EARCs) is upto 15.12.2010 and requested the Board to ensure that cotton export shipments should not be permitted following the expiry of EARCs till Government decides future policy on the subject.

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

F.No.524/19/2010-STO (TU)

D.O. Letter from Ministry of Textiles

Secretary, Government of India

Ministry of Textiles

Udyog Bhavan, New Delhi 110 107

D.O.No. 12015/3/2010-IT/Cotton dated 10th December 2010

In pursuance of the Group of Ministers meeting on cotton security dated 28.09.2010 on exportable surplus of 55 lac bales of cotton was registered from October 1, 2010 and shipments have commenced from November 1, 2010. The validity of the export authorization registration contracts is upto 15.12.2010.

2. May I request your consideration for advising all field formations of CBEC that cotton export shipments should not be permitted following the expiry of EARCs till Government decides future policy on the subject.



Editor's Comments

Trade is in a mess over the fluctuations in cotton export policy. It is a pity that so little notice is given to the exporters on the switchover in registration for export from Textile Ministry to DGFT specially when quota is available. The measure of dishonor of Textile Commissioner Registration is effective from 15 December, 2010 but the circular itself was available on the net only on 17 December that is two days after the ban.

The process of dishonor was initiated on Friday 10 December by the Textile Secretary and received on the same date by the Revenue Secretary. However, the process in the revenue department ended only on Wednesday, 15 December which was also the date of the ban.

In the days of the internet, decisions and communications have to be much faster and at least one fortnight time must be given to the exporters. Handling cotton shipments is a logistics nightmare on account of bulk and overnight changes with retrospective effect in practical terms are not advisable.

We suggest that all exports shipments handed over to the customs be honoured and their exports allowed regardless of validity of export authorization registration. Both Textile Commissioner and DGFT authorization may honoured for the time being.

Even the decision to allow fresh registration for balance quota with effect from 16 December has been taken very late and the notification on the subject issued on 16 December but was available on the web only on 17 December. It will take time for DGFT to decide modalities and start contract registration. The dead period reflecting the gap between the expiry of EARC and issue of fresh one has disrupted export operations. The solution is to honour both Textile Committee and DGFT Fresh Registration will remain only with DGFT.

Fresh Registration for Balance Cotton Quota from 16 Dec Onwards only with DGFT

Sub: Conditions and modalities for registration of contracts of cotton with DGFT.

06-Pol.Cir. It was the decision of meeting of Group
16.12.2010 of Ministers that 55 lakh bales of cotton
DGFT should be allowed for export during the
cotton season 2010-11. Actual exports
commenced from 1st Nov.2010 under the EARCs granted
by Office of Textile Commissioner, Mumbai, giving a time of
45 days to make such exports. It has been brought to the
notice of Govt. that actual exports under such registered
contracts are much less than the quantity approved by GoM.

Notification No. 12 dt.16.12.2010 has been issued today, stipulating that henceforth registration of contracts for export of cotton will be done by DGFT. Exact modalities of such registration & conditions that needs to be fulfilled/observed would be notified separately, once the balance quantity that remains to be exported is ascertained.

The decision to permit export of 55 lakh bales only in the current cotton season stands. Further registration would only be done by DGFT as indicated in the notification cited above.

Australia Measures on Apple Quarantine Overturned



New Zealand welcomed the adoption of the panel and Appellate Body reports in a DSB meeting on 17 Dec where DSB confirmed its longstand-

ing view that Australia's quarantine measures applied to New Zealand apples were neither based on an appropriate risk assessment nor supported by sufficient scientific evidence since all 16 of Australia's measures at issue were found to be inconsistent with its obligations under Articles 5.1, 5.2, and 2.2 of the SPS Agreement. New Zealand hoped that consultations would quickly lead to an agreement on the reasonable period of time for Australia to implement the rulings.

At its meeting on 17 December 2010, the Dispute Settlement Body adopted the panel and Appellate Body reports in the Australia/New Zealand apples dispute (DS367).

EU Approves 34 GMOs

The regulatory procedures of EU on biotech products work as foreseen in the legislation.

The number of GMOs author-ised since the date of establishment of the panel was thirty-four and progress had also been made on other applications for authorisation or renewal. The EU says it will continue its constructive technical dialogue with the US thus allowing the parties to leave litigation aside. The US reiterates the fact that, since August 2010, the EU had not approved a single biotech product application. The US emphasised that the delays resulted in substantial barriers to international trade in biotech products and urged the EU to address the ongoing problems in the approval system for biotech products.

US – Laws, Regulations and Methodology for Calculating Dumping Margins (“Zeroing”) (DS294).

The US reported that it had already taken a number of steps to implement the DSB's recommendations and rulings and that it would continue to consult with interested parties with regard to the remaining issues. The EU expressed its disappointment over the lack of progress by the US and stressed that the EU expected nothing more or less than full compliance. The EU hoped that the imposition of sanctions would not be necessary.

WTO Upholds US Safeguards on China Tyres



The WTO Dispute Settlement Body (DSB) delivered, on December 13, the Panel report on U.S. safeguard measures against tyre exports from China (DS399). The Panel ruling is that US safeguard measures were not in violation of WTO rules. China will appeal at an appropriate time to protect China's industries.

China says that after the implementation of safeguard measures, US employment did not rise but fell. According to data of U.S. Bureau of Labor Statistics, the overall employment of its domestic tyre manufacturing industry in the first 5 months of 2010 decreased 10% year on year. Moreover, the action caused the reduction of jobs in the U.S. domestic tyre circulation; as a result, some small and medium-sized tyre wholesalers closed their business.

The safeguard measures have increased the financial burden of the U.S. low-income consumers. According to data from U.S. organizations, price of U.S. tyres was up 10% to 20% in average. This is due to some other factors like rubber, but the major factor is increased collection of custom duty on imports of Chinese tires.

Despite the special safeguard measures against China, the U.S. import volume has already surpassed implementation. In the first half of 2010, the U.S. import volume level increased by 21% and the import value increased by 30%. Obviously, the U.S. special safeguard measures caused the sharp reduction of imports from China and the increase of such imports from other countries.

WTO Rules against "Single Tariff" Anti-dumping of EU on Chinese Fasteners

On December 3, the WTO Expert Panel released its ruling on EU's anti-dumping measures against China's Fasteners that EU's rules concerning "single tariff" in Basic Anti-dumping Regulation and its anti-dumping measures against China's fasteners were in violation of the WTO rules.

Head of the Department of Treaty and Law of MOFCOM stated that China welcomed the WTO's ruling. EU has all along been requiring Chinese exporters to prove they meet with the "single tariff" requirements in anti-dumping response. It is a heavy burden and unfair treat-

ment to Chinese companies. In particular the WTO Expert Panel ruled that such anti-dumping measures were discriminatory and in violation of the WTO's rules.

The Head also said that China asked EU to respect the WTO's ruling and rescind rules and discriminating practices that go against WTO rules at an early date and treat Chinese exporters fairly to maintain normal trade between China and the EU.

[Source: MOFCOM Press Release dated 06.12.2010]

US Wins Case at WTO on Safeguard Action on China Tyres

On 13 December United States Trade Representative Ron Kirk announced that a World Trade Organization (WTO) dispute settlement panel found in favor of the United States in a dispute brought by China challenging the imposition of additional duties on imports of Chinese tyres under the transitional safeguard mechanism included in China's Protocol of Accession to the WTO. The panel rejected all of China's claims, finding that the United States acted consistently with its WTO obligations.

Background

On September 11, 2009, the President imposed additional duties on imports of certain passenger vehicle and light truck tyres from China for a period of three years in order to remedy the market disruption caused by those imports, as determined by the U.S. International Trade

Russia Slaps Anti-dumping Duty on Chinese Stainless Steel

Recently, Russia's Ministry of Industry and Trade released its final ruling on nickel stainless steels imported from China, ROK, Brazil and South Africa and decided to levy anti-dumping duties with 29.9% on such products from Shanxi Taigang Stainless Steel Co.,LTD and 39.1% on such products from the other

producers of China, and 62.8%, 21.1% and 33.3% respectively on imports of nickel stainless steels from ROK, Brazil and South Africa.

Russia launched the anti-dumping investigation on imports of nickel stainless steel from China, of a value of US\$51.61 million on March 27, 2009.

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
21-Dec-10	45.4425	45.4425	45.2100	45.3025	45.3025	708802	2013754	912359	45.2600
20-Dec-10	45.6500	45.7225	45.3900	45.5200	45.5200	758907	2259820	1028328	45.3800
16-Dec-10	45.5600	45.6950	45.3400	45.4275	45.4275	771558	2033720	925053	45.3900
15-Dec-10	45.2125	45.5525	45.2125	45.4900	45.4900	705069	2589287	1175322	45.3200

[Source: NSE and RBI Website]

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WEEKLY INDEX OF CHANGES

Export Contracts of Cotton to be Registered with DGFT

Wide Spread Forgery in Textile Commissioner Registration Slip Alleged

Subject:- Registration of contracts for export of cotton by the Directorate General of Foreign Trade
 12-Ntnf(RE) In exercise of the powers conferred by Section 5 of the Foreign Trade
 16.12.2010 (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the
 (DGFT) Foreign Trade Policy, 2009-14, the Central Government hereby makes, with
 immediate effect, the following amendments in respect of Sl. No. 161 A {
 ITC(HS) Classification } in the Notification No. 58/2009-14 dated 17.08.2010 read with Notification
 No. 6(RE-2010)/2009-14 dated 30.09.2010:-
 2. The existing entries of Notification No. 58/2009-14 dated 17.08.2010 read with Notification No.
 6(RE-2010)/2009-14 dated 30.09.2010 are substituted as follows:-

Chapter 52

SNo.	Tariff Item Code	Unit	Item of Description	Export Policy	Nature of Restriction
161 A	5201		Cotton, not carded or combed		The contracts for export of cotton shall be registered with the Directorate General of Foreign Trade prior to shipment. Clearance of cotton consignments by Customs should be after verifying that the contracts have been registered
	5201 00		Cotton, not carded or combed Indian cotton:		
	5201 00 11		Bengal deshi	Free	
	5201 00 12		Indian cotton of staple lengths 20.5 mm (25/32") and below (e. g. oomras, yellow picking, Assam Comillas)	Free	
	5201 00 13		Indian cotton of staple length exceeding 20.5mm (26/32") and but not exceeding 24.5mm (30/32")	Free	
	5201 00 14		Indian cotton of staple length over 24.5 mm (31/32") to 28 mm	Free	
	5201 00 15		Indian cotton of staple length 28.5 mm (14/32") and above but below 34.5 mm	Free	
	5201 00 19		Indian cotton of all staple length 34.5 mm and above (112/32")	Free	
	5201 00 20		Cotton, other than Indian, of all staple lengths	Free	
	5202		Cotton waste (including yarn waste and garnetted stock)		The contracts for export of cotton shall be registered with the Directorate General of Foreign Trade prior to shipment. Clearance of cotton consignments by Customs should be after verifying that the contracts have been registered.
	5202 10 00		Yarn waste (including thread waste) Other:	Free	
	5202 91 00		Garnetted stock	Free	
	5202 99 00		Other	Free	
	5203		Cotton, carded or combed		The contracts for export of cotton shall be registered with the Directorate General of Foreign Trade prior to shipment. Clearance of cotton consignments by Customs should be after verifying that the contracts have been registered
	5203 00 00		Cotton, carded or combed	Free	

3. The effect of this notification:-

The export contracts of cotton (Tariff Codes 5201, 5202 & 5203) will now be registered by the Directorate General of Foreign Trade. Earlier, such registration were with Textile Commissioner, Mumbai.

8200 MTs Quota Sugar to USA through ISGEC Released

18-PN(RE) In exercise of the powers conferred under Paragraphs 2.1, 2.4 and 2.29 of the
 15.12.2010 Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby
 (DGFT) allocates a total quantity of 8,200 MTs of Raw Sugar, H.S. Code No. 1701 00 00
 { in the Schedule 2 of ITC(HS) Classification of Export & Import Items}(at 98
 degree Pol) out of non-levy(free sale) quota of 2010-2011(October, 2010 to September,2011) for
 export under tariff rate quota to USA for the US fiscal year 2011 (October 1, 2010 to September 30,
 2011) through M/s. Indian Sugar Exim Corporation Ltd, New Delhi.
 2. The existing procedure in respect of preferential sugar export to USA for issue of GSP
 certificate as well as other certification requirement, if any, prescribed specifically for export of sugar
 to USA shall continue to be followed.

DEPB Scrip under FTP 2009-2014 – Validity Extended by Another Six Months

Extension of DEPB on the Cards

Ntnf 124 G.S.R 977 (E). - In exercise of
 15.12.2010 the powers conferred by sub-
 (DoR) section (1) of section 25 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 makes the following amendment in the
 notification of the Government of India in the
 Ministry of Finance (Department of Revenue),
 No. **97/2009-Customs, dated the 11th Sep-
 tember, 2009**, published in the Gazette of India,
 Extraordinary, Part II, Section 3, Sub-section
 (i), vide number G.S.R. 663(E), dated the 11th
 September, 2009, namely :-
 In the said notification, in para 2, for the figures,
 letters and words "31st day of December, 2010"
 the figures, letters and words "**30th day of June,
 2011**" shall be substituted;
 [F.No.605/41/2010-DBK]

Electronic Token Display Machines at JNCH for Fixed and Mobile Scanners

*The following Public Notice was issued by the
 Commissioner of Customs (Import), JNCH on
 13 December 2010.*

*Subject: Installation of Electronic Token Display
 Machine at Scanning and the procedure to be
 followed therein*

F. NO. S/V-30/Misc-122 /2004CSD/JNCH

126-PN As a trade facilitation
 13.12.2010 initiative, Container Scanning
 Division has installed the

Electronic Token Display Machines at Fixed
 and Mobile Scanners. This measure has been
 taken to address the grievances of the trade and
 transporters regarding queue jumping by driv-
 ers (of container selected for scanning) at scan-
 ning sites.

Henceforth, the transporters / operators for CFSs
 will take the containers selected for scanning to
 the respective scanning stations and will keep
 their containers in a queue. The driver will then
 approach the Custom Staff at Check-in Cabin to
 present the EIR of the container for registering
 their container in the Token Display Machine.
 The Custom Staff will then issue a serial token
 no. to the said container/ EIR. The printed token
 will reflect serial queue number, the time and
 date and the container no. as well as the vehicle
 no. The token no. will also be stamped on the
 reverse of the EIR copy by the Custom Officer
 on duty. The tokens will be issued on first come
 first basis and will be displayed at the display
 screen as soon as the queue serial no of the
 container comes for scanning. Driver will then
 drive the vehicle for scanning as soon as their
 token no. flashes on the screen. Only one token
 will be issued at a time to the driver / transporter's
 representative. Once the token no. flashes and
 if the driver is unable to report with same vehicle
 / container at the scanning point, in such cases
 the turn will be treated as cancelled and a fresh
 token has to be obtained.

Transporters / operators are requested to
 follow queue norms as per printed tokens is-
 sued by Customs Staff. The above guidelines
 are issued for strict compliance by all con-
 cerned.

Anti-Dumping

Final Anti-dumping Duty on SDH Transmission Equipments from China and Israel

Duty Raised in Final Findings

Ntnfn 125 Whereas the designated authority in its preliminary findings *vide* notification number 14/2/2009-DGAD, dated the 7th September, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 7th September, 2009, had come to the conclusion that various parameters relating to domestic industry collectively and cumulatively established that the domestic industry had suffered material injury in case of imports of Synchronous Digital Hierarchy transmission equipment, originated in or exported, from China PR and Israel falling under sub-heading 851762 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act), and had recommended imposition of provisional anti-dumping duty on the imports of the said equipment, originating in or exported from, China PR and Israel;

And whereas, on the basis of the aforesaid preliminary findings of the designated authority, the Central Government had imposed provi-

sional anti-dumping duty on the Synchronous Digital Hierarchy transmission equipment, originated in or exported, from China PR and Israel *vide* notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 132/2009-Customs, dated 8th December, 2009 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R.867 (E), dated the 8th December, 2009;

And whereas, the designated authority in its final findings *vide* notification number 14/2/2009-DGAD dated 19th October 2010, has come to the conclusion that various parameters relating to domestic industry collectively and cumulatively established that the domestic industry has suffered material injury in case of imports of Synchronous Digital Hierarchy transmission equipment, originated in or exported, from China PR and Israel falling under sub-heading 851762 of the said Customs Tariff Act, (hereinafter referred to as the subject goods) and has recommended imposition of definitive anti-dump-

ing duty on the imports of Synchronous Digital Hierarchy transmission equipment, originated in or exported, from China PR and Israel ;

Now, therefore, in exercise of the powers conferred by sub-section (1), read with sub-section (5) of section 9A of the said Customs Tariff Act and 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, on the basis of 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 sub-heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country as specified in the corresponding entry in column (4), and produced by the producers as specified in the corresponding entry in column (6), when exported from the country as specified in the corresponding entry in column (5), by the exporters as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount indicated in the corresponding entry in column (8), and per unit of measurement as specified in the corresponding entry in column (9), of the said Table.

Table

S.No	Sub-heading	Description	Country of origin	Country of Export	Producer	Exporter	Amount	Unit of Measurement
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	851762 or 851770	Synchronous Digital Hierarchy Transmission Equipment as specified in Notes 1 to 5.	China PR	China PR	M/S Fibrehome Telecommunication Technologies Ltd.	M/S Fibrehome Telecommunication Technologies Ltd.	266%	% of CIF Value of Imports
2	851762 or 851770	Synchronous Digital Hierarchy Transmission Equipment as specified in Notes 1 to 5	China PR	China PR	Alcatel-Lucent Shanghai Bell Co. Ltd.	Alcatel-Lucent Shanghai Bell Co. Ltd.	45%	% of CIF Value of Imports
3	851762 or 851770	Synchronous Digital Hierarchy Transmission Equipment as specified in Notes 1 to 5.	China PR	China PR	M/S ZTE Corporation	M/S ZTE Corporation	36%	% of CIF Value of Imports
4	851762 or 851770	Synchronous Digital Hierarchy Transmission Equipment as specified in Notes 1 to 5.	China PR	China PR	M/S Hangzhou ECI Telecommunication Co. Ltd	M/S ECI Telecom Ltd., Israel	7%	% of CIF Value of Imports
5	851762 or 851770	Synchronous Digital Hierarchy Transmission Equipment as specified in Notes 1 to 5	China PR	China PR	Any other combination other than as at Sl. 1,2,3 and 4 above	Any	266%	% of CIF Value of Imports
6	851762 or 851770	Synchronous Digital Hierarchy Transmission Equipment as specified in Notes 1 to 5.	China PR	Any other than China PR	Any	Any	266%	% of CIF Value of Imports
7	851762 or 851770	Synchronous Digital Hierarchy Transmission Equipment as specified in Notes 1 to 5	Any	China PR	Any	Any	266%	% of CIF Value of Imports
8	851762 or 851770	Synchronous Digital Hierarchy Transmission Equipment as specified in Notes 1 to 5.	Israel	Israel	M/S ECI Telecom Ltd., Israel	M/S ECI Telecom Ltd., Israel	3%	% of CIF Value of Imports
9	851762 or 851770	Synchronous Digital Hierarchy Transmission Equipment as specified in Notes 1 to 5.	Israel	Israel	Any other than combination as at Sr. No.8 above	Any	70%	% of CIF Value of Imports
10	851762 or 851770	Synchronous Digital Hierarchy Transmission Equipment as specified in Notes 1 to 5.	Israel	Any other than China PR and Israel	Any	Any	70%	% of CIF Value of Imports
11	851762 or 851770	Synchronous Digital Hierarchy Transmission Equipment as specified in Notes 1 to 5.	Any other than China PR	Israel	Any	Any	70%	% of CIF Value of Imports

Note 1.- The product under consideration will include "Synchronous Digital Hierarchy (SDH) transmission equipment, viz. STM-1, STM-4, STM-16, STM-64, STM-256 in assembled, CKD, SKD form, its assemblies and sub-assemblies or fitted with eventual broadband or cellular equipment. Product under consideration will also include Add Drop Multiplexers (ADM) (For SDH Application only), Multiple Add Drop Multiplexers (MADM) (For SDH Application only), and Digital Cross Connect (DXC) (For SDH Application only), Populated Circuit Boards (For SDH Application Only) and parts or components imported as a part of equipment, so long they are imported along with the equipment or its assemblies or sub-assemblies. The Product under consideration will also include Software meant for SDH, which is an integral part of these equipments, which may be bought either as a part of the equipment or separately but the components or parts imported on a standalone basis are outside the purview of Product under Consideration

Note 2. SDH Equipment essentially transmits signals through the medium of Optical Fibre. There may be SDH equipment meant for transmission through electrical Copper Medium or Microwave Radio Medium. The SDH Equipment transmitting the data through optical fibre alone shall be subject to levy of antidumping duty.

Note 3. When SDH is imported as a part of eventual broadband or cellular equipment, the anti-dumping duty shall be payable only on the SDH portion of the imports. Similarly when eventual Broadband or Cellular equipment is imported as a part of the SDH equipment, the anti-dumping duty shall be payable only on the

SDH portion of the imports.

Note 4. PDH, CWDM, DWDM, Microwave systems, GPON ,DSLAM, MSAN, BITS, Routers, PTN, PDSN, SGSN, MGW, BTS, BSC, MSC, ONT, HLR, HSS and MRP being non-SDH in any of its form are outside the scope of product under consideration and therefore not subject to levy of anti-dumping duty.

Note 5. *Microwaves Radio Terminals which could have an STM-1 interface to the SDH transmission equipment and act as a physical media to enable the connectivity between the radio and the SDH equipment are outside the purview of payment of anti-dumping duty.*

2. The anti-dumping duty imposed shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of imposition of the provisional anti-dumping duty, that is, the 8th December, 2009 for the imports of the subject goods originating in or exported from, China PR and Israel and the anti-dumping duty imposed shall be payable in Indian currency.

Explanation: For the purposes of this notification, rate of exchange applicable for the purposes 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.

[F.No.354/204/2009 –TRU]

Simplified Procedure for Port Registration of EOUs

The following Standing Order was issued by the Commissioner of Customs (Export), JNCH, Nhava Sheva on 09 December 2010.

Sub: Simplified procedure for registration of 100% EOU/EHTP/STPs for clearance of import goods

F.No. S/26-Misc-184/2010 – 100% EOU

81-SO Attention of Officers and
09.12.2010 Customs personnel is invited to Board's Circular No. 51/2005-CUS dated 09.12.2005 issued from F.No.305/EOU/01/2005-DGEP on the above subject and this Office Public Notice No. 117 / 2010 dtd 23.11.10.

2. While implementing the Public Notice it should be ensured that –

- a) In case of registration at JNCH, Nhava Sheva as port of import registration in the first instance, comments in EOU Register is invariably recorded whether verification of Warehouse License issued under Section 58 of Customs Act 1962 and other details was completed or pending on the date of issuance of registration certificate. Where pending, it needs to be completed expeditiously and appropriate comment also recorded. The status of this verification should be conveyed when responding to request from another customs port where subsequent imports may be chosen to be made by the unit.

Therefore, a comment would have to be entered manually in the 100% EOU register of 100% EOU section from where the EOU/EHTP/STP details are entered in that register.

At the end of every month, the AC/DC incharge of 100% EOU Section shall send the requisite details in respect of the units registered with the section to system manager NCH for uploading on the website.

- b) In cases where there is already a port of registration and JNCH, Nhava Sheva is approached for facilitating imports:
 - i) On the date of receipt itself, DC/AC (100% EOU Section) shall issue letter to her/his counterpart at that port of registration seeking verification of authenticity/genuineness of certificate of registrations/details issued at the registering port. The status of verification of Warehouse License issued under section 58 of Customs Act, 1962 and other details from jurisdictional DC/AC in charge of the unit should invariably be sought from the port of registration. Letter can be sent by FAX, followed by registered post.
 - ii) On the date this verification is received by JNCH, Nhava Sheva from the port of registration, the requisite details shall be entered in EDI and facility extended within one working day. This is subject to the port of registration confirming that verification of authenticity of License issued under Section 58 of the Custom Act, 1962 stood

Nylon Filament Yarn Anti-dumping Extended by Eight Months to 26 August 2011

Ntfn 123 Whereas, the designated
09.12.2010 authority vide notification No.
(DoR) 15/14/2010-DGAD, dated the
27th August, 2010, published
in the Gazette of India, Extraordinary, Part I, Section 1 dated the 27th August, 2010, had initiated review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of nylon filament yarn of specification 'synthetic filament yarn including synthetic monofilament of less than 67 decitex, of nylon or other polyamides falling under Chapter 54 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), excluding all high tenacity yarn of nylon including fishnet yarn of nylon, originating in, or exported from, People's Republic of China, Chinese Taipei, Malaysia, Indonesia, Thailand and People's Republic of Korea, imposed vide notification of the Government of India, in

the Ministry of Finance (Department of Revenue), No. 85/2006-Customs, dated the 29th August, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.512(E), dated the 29th August, 2006, and had recommended for extension of anti-dumping duty, in terms of sub-section (5) of section 9A of the said Customs Tariff Act; Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the said Customs Tariff Act and in pursuance of rules 18 and 20 of the said rules, the Central Government hereby makes the following further amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. **85/2006-Customs, dated the 29th August, 2006**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.512 (E), dated the 29th August, 2006, namely: -

In the said notification, **after paragraph 2**, the following shall be **added**, namely:-

"3. This notification, unless revoked earlier, shall remain in force up to and inclusive of the 26th August, 2011."

[F.No.354/19/2006-TRU]

completed.

- iii) The comments must be recorded in the EOU register that facility is not based on JNCH, Nhava Sheva being port of registration, and port of registration, its file number and date. No certificate should be issued

where JNCH, Nhava Sheva is not port of registration. Therefore, a comment would have to be entered manually in the EOU register of EOU Section from where the EOU/EHTP/STP details are entered in that register.

Export Credit of US\$ 42mn to Congo

Subject: Exim Bank's Line of Credit of USD 42 million to the Government of the Democratic Republic of Congo

AP(DIR Srs) Export-Import Bank of India
Cir.23 (Exim Bank) has concluded an
10.12.2010 Agreement dated August 05,
2010 with the Government of
the Democratic Republic of Congo making available to the latter, a Line of Credit (LOC) of USD 42 million (USD forty two million) for financing eligible goods and services including consultancy services from India for the purpose of financing Kakobola Hydroelectric Power Project in Congo. The goods and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 85 per cent of the contract price shall be supplied by the seller from India, and the remaining 15 per cent goods and services (other than consultancy services) may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from November 19, 2010 and the date of execution of Agreement is August 05, 2010. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s)

of contract(s) in the case of project exports and 72 months (August 04, 2016) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category-I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to www.eximbankindia.in.

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

Prevention of Money laundering Rules, 2005 Amended

Subject: 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) Second Amendment Rules, 2010-Obligation of Authorised Persons

AP(DIR srs) The Government of India vide
Cir. 24 its Notification No. 10/2010-
13.12.2010 E.S./ F.No.6/8/2009-E.S. dated
(RBI) June 16, 2010, has amended
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. A copy of the Notification is enclosed for information and necessary compliance.

2. Any failure to comply with the requirements of the said Rules as amended, to the extent they are applicable to foreign exchange transactions,

shall also be treated as failure to comply with the directions issued by the Reserve Bank of India under sections 10(4) and 11(1) of the Foreign Exchange Management

MINISTRY OF FINANCE
(Department of Revenue)
NOTIFICATION

New Delhi, the 16th June, 2010

THE GAZETTE OF INDIA:

EXTRAORDINARY Part II- Sec. 3 (i)

G.S.R. 508(E)- In exercise of the powers conferred by sub - section(1) read with clause(h), clause(i), clause(j) clause(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 Reserve Bank of India, hereby makes the following rules further to

Scanning Div Clearance Must for "Suspicious" Containers

The following Public Notice was issued by the Commissioner of Customs (Import), JNCH on 10 December 2010.

Subject: Containers under CSD hold vis-à-vis other containers in the same B.E.

F.No. : S/V-30/Misc-122/2010 CSD

125-PN Container Scanning Division
10.12.2010 scans the containers and where there is no discrepancy, they stamp the EIR copy as "CLEAN" image thereby granting NOC for such containers at the scanning site itself. For the containers where the images are doubtful regarding scanned image in reference to declaration, the EIR copies are stamped "suspicious and marked for clearance from DC/CSD".

It has been observed that containers other than suspicious container/containers in a B.E. are examined at CFSs without obtaining NOC from DC/CSD. It is understood / implied that if a container in a B.E. is on hold, the B.E. itself is under the hold of Container Scanning Division. Therefore, further examination in such B.E's, wherein container / containers are under suspicion, should be carried out by the dock staff only after getting the NOC of CSD.

All concerned should ensure the compliance of this Public Notice.

Revised Bond Form for Duty Exemption under Advance Licence and EPCG Schemes

The Following Public Notice was issued by the Commissioner of Customs (General) Mumbai zone I on 30 November 2010

F. NO. S/16-Misc-416/2010-11 Gr VII Admn

96-PN Attention of all Exporters,
30.11.2010 Importers, Custom House
Agents, Member of Trade

and all concerned are hereby drawn to Board's circular No. 58/2004-Cus dated 21.10.2004, giving out the details of Revised Form of Bond to be furnished for availing duty exemption under Advance License and EPCG Schemes.

In the annexure to the said Custom circular conditions No. 1 prescribed for the Form of Bond to be furnished for availing duty exemption under Advance License and EPCG Schemes

"I/we, the obligor(s) shall observe all the terms and conditions of the said notification", shall be read as "I/we, the obligor(s) fulfill all the conditions of the said notification and shall observe and comply with all its terms and conditions."

Tariff Value on Brass Scrap Down by US\$ 15/MT

100-Cus(NT) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Cus (N. T.), dated, the 3rd August 2001, namely: -

In the said notification, for the Table, the following Table shall be substituted namely:-

Table

S.No.	Chapter/ heading/ sub- heading/tariff item	Description of goods	Tariff value US \$ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	4189
9	1207 91 00	Poppy seeds	3215 (i.e. no change)

[F. No. 467/4/2010-Cus.V]

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 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) Second Amendment Rules, 2010.

(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:-

(a) in rule 2 in sub-rule (1), after clause (g), the following Explanation shall be inserted, namely:-

“Explanation:- Transaction involving financing of the activities relating to terrorism includes transaction involving funds suspected to be linked or related to, or to be used for terrorism, terrorist act or by a terrorist, terrorist organisation or those who finance or are attempting to financing of terrorism.”

(b) in rule 9, for sub- rule (1A), the following sub- rule shall be substituted, namely:-

“(1A) Every banking company, financial institution and Intermediary, as the case may be, shall determine whether a client is acting on behalf of a beneficial owner, identify the beneficial owner and take all reasonable steps to verify his identity.”

(c) in rule 9, for sub- rule (1B), the following sub - rule shall be substituted, namely:-

“(1B) 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 client, his business and risk profile and where necessary, the source of funds.”

(d) in rule 9, for sub- rule (1C), the following sub- rule shall be substituted, namely:-

“(1C) No banking company, financial institution and Intermediary, as the case may be, shall allow the opening of or keep any anonymous account or account in fictitious names or account on behalf of other persons whose identity has not been disclosed or cannot be verified.”

(e) in rule 9, after sub -rule (1C), the following sub- rule shall be inserted, namely:-

“(1D) When there are suspicions of money laundering or financing of the activities relating to terrorism or where there are doubts about the adequacy or veracity of previously obtained customer identification data, every banking company, financial institution and Intermediary shall review the due diligence measures including verifying again the identity of the client and obtaining information on the purpose and intended nature of the business relationship, as the case may be.”

(f) in rule 10, after sub- rule (3), the following Explanation shall be inserted, namely:-

“Explanation: For the purpose of this rule:-

(i) the expression ‘records of the identity of clients’ shall include records of the identification data, account files and business correspondence.

(ii) the expression ‘cessation of the transactions’ means termination of an account or business relationship.”

[Notification No. 10/2010- E. S. / F. No. 6/8/2009-E.S.]

Cont'd..430

Commission (USITC). This safeguard measure was imposed in response to a petition filed by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers Union under section 421 of the Trade Act of 1974, as amended (19 U.S.C. § 2451). Section 421 implements the transitional safeguard contained in Section 16 of China’s Protocol of Accession to the WTO.

On September 14, 2009, China requested consultations with respect to the President’s determination. China alleged that the additional duties were inconsistent with the GATT 1994, the Agreement on Safeguards, and China’s Protocol of Accession. China also alleged that various elements of the USITC’s determination regarding market disruption were inconsistent with the Protocol of Accession. In addition, China alleged that the level and duration of the additional duties were also inconsistent with the Protocol of Accession. Finally, China alleged that the section 421 definition of significant cause was in and of itself inconsistent with the Protocol of Accession. The WTO established a panel in January 2010 to hear this dispute. The panel held meetings with the parties in June and July 2010.

The panel found in favor of the United States with respect to all of China’s claims. Both sides have the right to appeal the panel’s findings to the WTO Appellate Body within 60 days.

Customs Valuation Exchange Rates

December 2010	Imports	Exports	
Schedule I			
1 Australian Dollar	45.35	44.00	
2 Canadian Dollar	45.95	44.60	
3 Danish Kroner	8.30	8.05	
4 EURO	61.75	60.10	
5 Hong Kong Dollar	5.95	5.85	
6 Norwegian Kroner	7.65	7.35	
7 Pound Sterling	72.95	71.05	
8 Swedish Kroner	6.70	6.45	
9 Swiss Franc	46.50	45.25	
10 Singapore Dollar	35.40	34.40	
11 U.S. Dollar	46.15	45.25	
Schedule II			
1 Japanese Yen	55.55	53.95	

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 98(NT)/26.11.2010)

Trade Complains of Delays in Customs Clearance**1 Delhi Air Cargo Packs Up**

The situation at **Custom Delhi Cargo** for both export and import is in a mess right now for the last 10 days due to software upgradation.

This is causing serious disruption to customers in Europe where the exporters make weekly shipments for their production lines.

On the export side, latest data indicates that Delhi Cargo Terminal have currently about 700 tons of cargo in the warehouse which is yet to be cleared by Custom Authorities. As a result they are unable to accept new consignments.

On the import side also, they have generated only 10% of the daily gate passes leading to the entire warehouse being full as not enough cargo is moving out. They are now forced to conduct the flight check on the air-side and store cargo. Additional security staff has been deployed on the air side to keep a vigil.

2 CELEBI fails in Ground Handling

It is alleged that the Turkish company CELEBI has been given the contract to handle air cargo for 25 years by GMR which own the airport. The firm has failed to do the job due to inadequate and untrained staff. It does not have enough equipment. Warehouse is full,

stacking is slow and improper. The CHAs say that the inaction is deliberate to earn money from demurrage and container rent. The company is making windfull gains from delays and disruption of its own making.

3) Server Failures

In addition to the above, there are delays in clearance of shipments (Imports as well as exports) due to frequent server problems. There are many incidents of unprecedented delays in processing of shipping bills for exports and bill of entries for **imports due to server failures..**

Hence, it is suggested to upgrade the equipments (add additional servers if required), customize the system and increase the manpower wherever required.

4) Import of Pre-Calcined Ferrite Powder at Zero Duty

Ferrite Parts are being imported under custom tariff heading 85051110 with notification number 021/2002 General Exemption 122 vide serial number 244 of the Table see List 26 (2) under heading Ferrite parts including memory cores and ferrite magnet, which attracts custom duty at **Zero percent.**

Whereas Pre-Calcined Ferrite Powder which is the main raw material for the manufacturing of

Ferrite Part is being imported at 5 % custom duty against notification number 025/99, list B serial number 3, General Exemption Number 95. In case the exporter do not opt of Duty Concession Certificate the import duty is 7.5%/0.

In view of the above, it is requested to get the amendment for the import of Pre-Calcined Ferrite Powder on Zero percent by adding this item under the same notification 021/2002 which is for the Ferrite parts. Alternatively, Pre-Calcined Ferrite Powder may be added under Notification number 025/99 in list A instead of list B, under General exemption No 117.

5) DEPB Scheme

Continuation of DEPB Scheme in the next Foreign Trade Policy

The scheme has proved its utility and exporters friendliness beyond doubt and has boosted export of manufactured goods like electronic hardware goods from the country in the last few years. **The DEPB scheme has been extended beyond 31.12.2010 till 30.06.2011 only in the recently announced Foreign Trade Policy.**

It is suggested that the DEPB Scheme may be extended till 31st March 2014.

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WTO Reviews RTAs and their Compatibility with Global Rules

The Negotiating Group on Rules, on 13 December 2010, agreed to launch a review of the provisional transparency mechanism for regional trade agreements (RTAs) with a view to making it permanent.

The transparency mechanism was established by the General Council on 14 December 2006 on a provisional basis.

The mechanism – negotiated in the Negotiating Group on Rules – provides for early announcement of any RTA and notification to the WTO. Members will consider the notified RTAs on the basis of a factual presentation by the WTO Secretariat.

The General Council decision provided that WTO members are to review, and if necessary modify, the decision, and replace it by a permanent mechanism adopted as part of the overall results of the Doha Round.

On "systemic issues" regarding RTAs, the Chair urged delegations to come forward with textual proposals as soon as possible.

Examples of these issues are: how to interpret the WTO requirement that RTAs cover "substantially all the trade"; regulations that could restrict trade such as rules of origin under preferential schemes; and how regional agreements relate to development.

The Chair said the Group will next meet on RTAs on 4 February 2011, with more subsequent meetings to be announced soon.