

ITA Expansion Talks Hit Roadblock

Efforts to finalise negotiations on expanding the product coverage of the WTO's Information Technology Agreement (ITA) were unable to lead to an agreement on 12 December, leaving the next steps for the tech trade talks uncertain.

Participants in the expansion initiative had originally hoped to be able to announce a deal on these new products, which would number approximately 200, at last week's meeting of the WTO's General Council from 10-11 December.

However, on the second day of that meeting, EU Ambassador Angelos Pangratis told fellow members that the talks would need to go on for another day, amid reports of a persistent disagreement among some participants over the final product list.

The EU was hosting the latest round of negotiations in Geneva, which aimed to build upon an understanding reached between China and the US back in November that was meant to resolve a year-long stalemate in the talks.

WTO Director-General Roberto Azevêdo had also been called upon to help facilitate the negotiations last week, sources confirmed. ITA ambassadors reportedly held another meeting this week in which they asked the WTO chief to step in and conduct his own consultations in the New Year.

Flat-panel displays

At issue in the latest breakdown was a disagreement between South Korea and China over whether to include items such as flat-panel displays in the final deal, with Beijing insisting on their exclusion. Taiwan had also reportedly raised concerns over these products, sources said, as well as machine tools.

Such items were not part of the US-China deal reached last month, sources confirmed, and Chinese officials had reportedly told their counterparts in Geneva that they did not have a mandate to include them.

Some officials noted that these flat-panel displays were actually already included in a separate preliminary South Korea-China trade pact reached on the sidelines of the Asia-Pacific Economic Cooperation (APEC) Leaders' Week; however, in that bilateral deal Beijing had agreed to a staging period of ten years.

In evaluating potential alternative packages last week that could help resolve the impasse, accumulator batteries were an item reportedly raised as one possible concession Beijing could give in exchange for South Korea dropping its request to include flat-panel displays – a suggestion that China was unable to accept.

Officials familiar with the talks suggested that these flat-panel displays, also known as LCD displays, are now unlikely to return to the negotiating table, given that these are a clear red line for Beijing.

While those officials note that South Korea seems to have accepted this, Seoul will still require Beijing to make some concessions in return in order to move forward in the ITA expansion effort.

Fine-tuning US-China deal

Officials familiar with the talks concurred that while the US-China bilateral deal provided a useful starting point for resuming the negotiations, some adjustments were necessary to fully address the interests of the various other participants in the ITA expansion talks.

"Through the consultations over the last few weeks, it became clear that certain members had important interests that were not

fully captured by the bilateral agreement," said US Ambassador to the WTO Michael Punke on Friday following the breakdown in the talks.

"Those members came a long way toward accepting 99 percent of that agreement, but asked that small adjustments be made in order to be able to accept the deal," he noted.

Costa Rica, Malaysia, Israel, Guatemala, and South Korea were among those that reportedly showed additional flexibility during last week's discussions in an effort to reach a final deal, Punke said, in a claim that industry sources also confirmed.

"The inability to conclude boiled down to the fact that the Beijing breakthrough achieved on the margins of the Asia-Pacific Economic Cooperation leaders' summit last month included a good package, but many economies felt it needed further tweaking," said John Neuffer, a long-time follower of the ITA talks, in a blog post for the Information Technology Industry Council.

The recent US-India deal that helped resolve a separate impasse on the implementation of the WTO decisions reached at last December's ministerial conference in Bali, Indonesia, had similarly required revisions in order to meet the needs of the broader membership, various sources noted.

Estimates say US\$1 trillion in annual trade at stake

This latest effort among a group of the ITA's participants to update the deal's product coverage began over two years ago, with the goal of addressing the various changes that the information technology landscape has seen since the original ITA entered into force in 1997. These talks had already broken down twice before the current impasse.

Many of the products featured in the original pact have become obsolete in recent years, while new technologies have been developed that are not covered by the ITA's scope – raising fears that leaving the deal in its current state would eventually lead to its losing commercial relevance. Estimates place the potential gains from an expanded ITA at between US\$0.8 trillion and US\$1.4 trillion in annual trade, according to figures cited by the WTO.

The ITA is one of the few WTO agreements that does not include the entire membership of the global trade body. Rather, only those participants that sign onto the pact are bound by its commitments, though the benefits are extended across all WTO members. The group negotiating the expansion is itself a subset of the ITA's 52 participants, counting the EU and its 28 member states as one participant.

Nairobi, Kenya to Host 10th WTO Ministerial Conference

The General Council, on 10 December, agreed that the 10th Ministerial Conference be held in Nairobi, Kenya from 15 to 18 December 2015. Turkey's decision to withdraw its offer to host the Conference in favour of Kenya paved the way. Turkey is already hosting the G20 meet in mid Nov 2015. This will be the first WTO meet in Africa and will underline the importance of this region.



Trade Agreements can Help Bridge the Rich-Poor Divide

Director Global Works Foundation, a Think Tank on World Trade, Ed Gresser's newest paper, "Trade and Inequality: Cause? Cure? Diversion?". Is available at <http://progressive-economy.org/2014/12/11/trade-and-inequality-cause-cure-diversion/>, the paper is an in-depth at the place of trade in the inequality debate, and offers practical ideas on ways trade policy, including conclusion of the Trans-Pacific Partnership and Trans-Atlantic Trade and Investment Partnership agreements, can help respond.

The paper argues that:

"Trade is not the central issue in inequality, nor is trade policy the main element of a solution. Domestic policy must be the center of any effective response. But managed creatively, trade policy can help. Creative agreements, enforcement of rules for lower-income exporters and intellectual property holders, and willingness to reform the existing [U.S.] trade regime in the interest of lower-income families would all be useful and appropriate."

Reviewing data on inequality and consumer living standards, the paper finds that over the past two generations American society has grown more affluent, but also 'grown apart,' with wealthier families growing rich faster than the country as a whole. Analysts, however, disagree about the role of trade in these trends.

After exploring the academic debate, the paper's policy section applauds Federal Reserve Chairwoman Janet Yellen's recent focuses on primary and secondary education, small business formation, and encouragement for inheritance

at low- and middle-income levels, and argues that trade policy has a useful role in complementing these domestic policy measures. It offers four ideas to help:

1. *Open foreign markets* through completing the Trans-Pacific Partnership and Trans-Atlantic Trade and Investment Partnership. Better export performance will raise national growth, which in the analysis of economist Thomas Piketty could in turn at least modestly slow inequality growth.

2. *Reduce taxation of lower-income families through the tariff system*, by eliminating especially regressive tariffs on cheap consumer goods, in particular low-cost clothing and shoes not made in the United States.

3. *Support small-business exports*, through trade agreements which help reduce paperwork burdens, encourage small de minimis shipments, and ease use of the Internet to find foreign customers. Gresser cites in particular the Obama administration's negotiation of a small-business policy chapter in the Trans-Pacific Partnership.

4. *Support low-income intellectual property rights holders* through stronger Customs targeting of counterfeit goods and international collaboration. As a concrete example, Gresser cites Native American artisanal crafts, a \$1 billion business struggling with counterfeit imports likely holding above 50 percent of the American market.

The paper is available at <http://progressive-economy.org/2014/12/11/trade-and-inequality-cause-cure-diversion/>

to farmers, which fall under the WTO's "green box" of non-trade-distorting support – toward subsidised crop insurance schemes, such as the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programmes.

Approximately 80 percent of Farm Bill spending is geared toward nutrition programmes, such as the Supplemental Nutrition Assistance Program (SNAP), known otherwise as food stamps.

Trade remedies

At the end of last year, the US had in place 294 anti-dumping and countervailing measures, an 18 percent increase from 2010 levels. These, the report noted, were particularly concentrated on emerging markets, with China making up 40 percent of all duty orders in 2013.

Of the 294 measures in place last year, 123 were on China, with the EU's then-27 members tied with India for second, at 23 measures each. Chinese Taipei and South Korea followed at 18 and 15 measures each, respectively.

The report also notes some changes in the way that the US conducts its trade remedy investigations, such as a final rule on using market economy input prices when dealing with non-market economies.

Role of services

According to the WTO report, commercial services are the main contributors to the US' output, accounting for 65 percent of GDP. The US is also the world's top services exporter, with the EU being the main recipient of such exports. Other large export markets include Canada, Japan, China, and Mexico.

Various services sectors underwent reforms during the review period, including establishing new standards in the realm of financial services aimed at strengthening financial institution regulation and supervision.

The entry into force of various provisions of the 2010 Patient Protection and Affordable Care Act, known colloquially as Obamacare, are expected to "affect supply and demand of healthcare and health insurance services, and hence have an effect on trade," the WTO report said, particularly given how many health services-related commitments the US has made under the General Agreement on Trade in Services (GATS).

The US healthcare legislation has been one of the more controversial elements of US President Barack Obama's tenure, facing both domestic legal challenges and continued threats of repeal by opposition lawmakers.

Bilateral, regional deals

The US' push in recent years to reach bilateral and regional trade deals with select groups of partners – such as the 12-country Trans-Pacific Partnership (TPP) Agreement or the Transatlantic Trade and Investment Partnership (TTIP) negotiation with the EU – has long been a subject of scrutiny by some of its trading partners.

The WTO report notes that no new reciprocal trade pacts have been concluded since the 2012 TPR. However, it does acknowledge both the US' leadership efforts at the WTO, as well as the ongoing TPP and TTIP negotiating efforts. The study finds that the share of US imports under its reciprocal arrangements grew from 16.4 to 18.3 percent of total imports between 2011 and 2013.

The bilateral and regional deals, the US Ambassador explained, "offer the opportunity to contribute to a more dynamic and open global trading system and the possibility of building on them to pursue future ambitious trade and investment liberalisation in the WTO."

US TPR Highlights New Farm Bill, Economic Recovery

The rebound in the US economy, along with the enactment of the February 2014 Farm Bill and the recent rise in American trade remedy investigations were in the spotlight this week as WTO members began their two-day biennial review of Washington's trade policies on Tuesday.

Under WTO rules, the global trade body conducts a review of the four largest traders – currently the US, EU, Japan, and China – every two years. Smaller traders are reviewed on a less regular basis. In addition to a report issued by the WTO secretariat, the document also includes a report provided by the trader being discussed.

This year's US Trade Policy Review, or TPR, drew over 1600 questions, said the country's WTO Ambassador, Michael Punke on Tuesday, in what set a new record for Washington.

Economy making a comeback

The secretariat-produced report notes that the US economy has "largely recovered" from the recession seen in 2007-2009, with nominal GDP hitting US\$16.8 trillion last year. The report cited factors such as well-developed infrastructure and a sound business environment as part of what continues to make the US a "growing and diversified economy."

The country's US\$2.1 trillion manufacturing sector is credited with playing a significant role in the US recovery, with over 700,000 jobs created since 2010. Part of the success of the manufacturing sector, the WTO report notes, comes from lower energy prices that have resulted from a "boom" in the production of shale oil and gas.

The rapid increase in the production of these energy products has largely been credited to practices such as "hydraulic fracturing," known also as fracking, a controversial method that has been criticised by some for its potential environmental impacts.

Meanwhile, US export growth has seen a slowdown, which the WTO report notes is largely as a result of weak global economic growth and the continued slowdown and reduced import demand in Europe, with whom the US shares the world's largest trading relationship.

The WTO's previous review of Washington's trade policies in 2012 had come during a very different climate, one that featured more tentative recovery signs amid warnings of the US potentially going over a "fiscal cliff." At the time, various trading partners had expressed concern over what repeated domestic political fights over spending and national debt levels could mean for the growth of other economies.

2014 Farm Bill

The WTO report released on 16 December noted that the new US Farm Bill enacted in February 2014 – essentially outlining the level and composition of American agricultural spending policies for the next five years – was "one of the most significant trade policy developments" during the period under review.

The US legislation, clinched after a nearly two-year effort, continued a trend toward shifting away from traditional commodity and disaster payments – and the elimination of "direct payments"

WEEKLY INDEX OF CHANGES

Customs Commissioner Granted Powers to Exempt Bank Guarantee under AA/EPCG in Penalty Cases

Subject: Norms for Execution of Bank Guarantee in respect of Advance License/Export Promotion Capital Goods (EPCG) Schemes.

15-CBEC Reference of field formations
18.12.2014 is drawn to Circular No. 58/
(DoR) 2004-Cus dated 21.10.2004 on
the above subject as amended
by Circular Nos.17/2009-Cus, 32/2009-Cus, 6/
2011-Cus and 8/2013-Cus.

2. Presently, the para 3.2 of the Circular No. 58/2004-Customs prescribes that the bank guarantee (BG) exemption specified in para 3.1 of the Circular shall be admissible subject to certain conditions. One of the conditions (amongst others) for the admissibility of the Nil or 15% or 25% BG is in para 3.2(c) of the Circular. It prescribes that the license holder should not have been penalized during the previous three financial years in certain types of cases booked against him under statutes specified therein. If this condition is not satisfied, i.e. the license holder has been penalized, the exemption (Nil or 15% or 25%) from BG becomes inadmissible and 100% BG becomes applicable to the relevant category of importer specified in para 3.1 of the Circular.

3. It has been brought to notice of the Board that in the above situation the exemption from BG becomes inapplicable (i.e. trade facilitation gets affected) even if there is absence of risk to revenue.

4. In order to redress the above position, the Board has decided to add sub-para (d) below sub-para (c) in para 3.2 of Circular No. 58/2004-Customs (as amended) as follows -

“(d) Where the condition (c) above is not fulfilled, the jurisdictional Commissioner of Customs is satisfied, for reasons recorded in the file, that 100% BG is not justified on account of absence of risk to revenue.”

5. These instructions may be brought to the notice of the trade/exporters by issuing suitable Trade/ Public Notice. Officers may be suitably guided through Standing Orders. Difficulties faced, if any, in implementation may be brought to the notice of the Board at an early date.

F.No.605/144/2013-DBK

Attestation of ARE-3 for Deemed Export Benefits

Subject: Re-warehousing of goods imported and/or procured indigenously by EOU/EHTP/STP/BTP units.

16-CBEC Attention is drawn to the self-
18.12.2014 bonding/warehousing procedure
(DoR) on the above subject specified
in Circular No. 19/2007-Cus
dated 03.05.2007. It has been brought to the
notice of the Board that the units which are under
the said procedure are facing difficulty in obtain-
ing deemed export benefits as the ARE-3 is not
certified by the Central Excise authorities.

2. The matter was examined in consultation with the DGFT and DG (EP). To resolve the issue and facilitate trade, it has been decided by the Board to provide that the Superintendent – in-charge of the unit shall make two legible photocopies of the original copy of ARE-3 (that bears his counter signature) and attest each of them as true copies

with his dated signature. One attested copy shall be kept in the Range office for records and the other one shall be handed over (against dated acknowledgement) to the unit for use while applying deemed export benefits.

3. Accordingly, the last sentence in para 2(b) of Circular No. 19/2007-Cus shall be taken as modified to the above extent.

4. This instruction may be brought to the notice of the trade/exporters by issuing suitable public notice. The officers may be suitably guided through a Standing Order. Difficulties faced, if any, in implementation may be brought to the notice of the Board.

F.No. 605/75/2014-DBK

Attestation of ARE-3 for Deemed Export Benefits under the Self Bonding/Warehousing Procedure

Subject: Authentication of supply invoice/ ARE-3 by the Central Excise Authorities for Claiming Deemed export benefits.

17-CBEC Attention is drawn to Circular
18.12.2014 No. 15/2008-Cus dated
(DoR) 26.09.2008 in which guidelines
on the above subject have been
prescribed for recipient units registered with Cen-
tral Excise or not so registered. In respect of units
registered with Central Excise, the Superinten-
dent of Central Excise in-charge of the unit has to
make an endorsement on documents within 21
days from the date of supply or receipt of intima-
tion, whichever is later.

2. It is reported to the Board that compliance with the above provision is difficult to assess when the said endorsement is not dated by the Superinten-

dent. Moreover, difficulty was reported in obtain-
ing document certified by Central Excise Author-
ity w.r.t. recipient units registered with Central
Excise but operating under the self- bonding/
warehousing procedure prescribed in Circular No.
19/2007-Cus dated 03.05.2007.

3. The matter was examined in consultation with the DGFT. It has been decided by the Board to amend the guidelines by adding the following lines at the end of para 2(a) in Circular No. 15/2008-Cus “Such endorsement shall bear the dated signature of the Superintendent of Central Excise. Further, where the recipient unit is operating under the procedure prescribed vide Circu-

Implementation of NAB Transaction Certificates for Organic Products Export Postponed Indefinitely

Sub: Deferment of implementation of the procedure for export of certified organic products.

78-PN(RE) In exercise of the powers
18.12.2014 conferred under Paragraph
(DGFT) 2.4 of the Foreign Trade
Policy, 2009-14, as

amended from time to time, Director General of Foreign Trade hereby makes the following amendment in Public Notice No. 73 (RE-2013)/2009-2014 dated 18.11.2014 read with Public Notice No. 77 (RE-2013)/2009-2014 dated 01.12.2014:

2. The implementation of procedure notified vide Public Notice No. 73 (RE-2013)/2009-2014 dated 18.11.2014 in respect of export of certified organic products is deferred till further notification.

3. Effect of this Public Notice

Procedure for export of Certified Organic Products has been deferred till further orders.

lar no. 19/2007-Cus dated 03.05.2007, the Superintendent of Central Excise shall, as is specified in that Circular, provide an attested true photocopy of the original ARE-3.”

4. This instruction may be brought to the notice of the trade/exporters by issuing suitable public notice. The officers may be suitably guided through a Standing Order. Difficulties faced, if any, in implementation may be brought to the notice of the Board.

F.No.605/75/2014-DBK

Restoration of ACP Status of Accredited Clients Programme (ACP) Clients

Subject: Review of Accredited Clients Programme (ACP).

18-CBEC Attention is invited to Board's
22.12.2014 Circular No.42/2005-Cus. dated
(DoR) 24.11.2005 and Circular No.29/
2010-Cus dated 20.08.2010 on

the Accredited Clients Programme (ACP).

2. Board has received a number of representations from the ACP clients whose ACP status has either been withdrawn or not extended on account of them having been served a show cause notice in terms of the amended para 7(iii) of the said Circular dated 24.11.2005. Board observes that on account of such withdrawal or non-extension of the ACP status, the imports of the affected ACP clients are no longer facilitated which reduces the overall facilitation levels. This matter was also discussed during the All India Conference of Chief Commissioners of Customs held in October, 2014 and a view emerged that there is justification to review the ACP to allow a graded re-entry.

3. Board has reviewed the ACP on the basis of the representations received and the recommendation of the Chief Commissioners of Customs.

Accordingly, it is decided that as a trade facilitation measure the ACP status of ACP clients which has either been withdrawn or not extended on account of them having been served a show cause notice in terms of the amended para 7(iii) of the said Circular dated 24.11.2005 may be restored as follows:

(i) Restored after 3 months if the entity pays the duty demanded with interest and 25% penalty within 30 days of the Show Cause Notice or if the entity's application is allowed to be proceeded with by the Settlement Commission.

(ii) Restored after 6 months if the entity pays the duty demanded with interest.

The restoration of the ACP status in terms of (i) and (ii) above would be subject to the condition that if another case of the type mentioned in paragraph 7(iii) of the said Circular dated 24.11.2005 is booked within the 3 months or 6 months period, as the case may be, against the said entity the period of exclusion would be 1 year. If another (or more) case(s) is booked during the 1 year period, the exclusion period would be 3 years.

4. Board has also decided that the ACP status would not ordinarily be denied to an entity if, in the category of cases specified above, the Customs/ Central Excise duty or Service Tax involved is up to Rs. 50 lakhs and Rs. 25 lakhs, respectively.

5. Board also desires that outstanding disputes with ACP clients that are pending in adjudications and appeals shall be expeditiously finalized. Furthermore, in order to encourage greater participation in the ACP, the Risk Management Division (RMD) shall *suo moto* identify importers eligible for the ACP and approach them to enroll in the programme on 6-monthly basis.

6. Board's Circular No.42/2005-Cus. dated 24.11.2005 and Circular No.29/2010-Cus dated 20.08.2010 stand modified to the aforementioned extent.

7. Chief Commissioners of Customs / Customs and Central Excise are requested to issue suitable trade notice/ Public notice for guidance of trade/staff.

8. Difficulty faced, if any, may be brought to the notice of the Board.

F.No.450/90/2010-Cus.IV

Dept of Revenue Issues Alpha Numeric Codes for New Commissionerates for CESTAT Appeal Forms Filing Effective from 1 Jan 2015

Sub: Amendment to CESTAT Appeal Forms.

991-CBEC Reference is invited to Circular 17.12.2014 No.969/03/2013-CX dated 11th April, 2013 whereby the forms for filing appeal in the CESTAT were amended/revised and new forms for Central Excise (E.A.-3, E.A.-4, E.A.-5), Customs (C.A.-3, C.A.-4, C.A.-5) and Service Tax (S.T.-5, S.T.-6, S.T.-7) were notified vide Notification Nos 6/2013-Central Excise (N.T.), 37/2013-Customs (N.T.) and 5/2013-Service Tax, all dated 10.04.2013 respectively and **made effective from 1.6.2013.**

ii) Along with the above forms, the pre-figured alpha numeric numbers to be filled in for the orders passed by the Commissioner or Commissioner (Appeal) or Commissioner (Adjudication), as the case may be were also issued for all the Commissionerates of Central Excise, Customs and Service Tax including all the Commissioners (Appeals) and Commissioners (Adjudication).

iii) Consequent to Cadre Restructuring certain new Commissionerates have been created, Board has received references from the field formations requesting for assigning/creating alpha-numeric codes for new Commissionerates.

iv) In respect of Customs Commissionerates in Chennai/Delhi/Mumbai, the codes given in the third part has been suitably amended to capture the nature of the Commissionerate. For example, code **CHN-CUSTM-AIR** refers to refers to the Commissionerate of "**Chennai Customs (I) Airport**", **CHN-CUSTM-002** refers to "**Chennai Customs (II)**", **CHN-CUSTM-006** refers to "**Chennai Customs (VI)**", **CHN-CUSTM-ACC** refers to "**Chennai (VII) Air Cargo Complex**" and **CHN-CUSTM-GEN** refers to **Chennai (VIII) (General) Commissionerates** as per the table given below:

CHENNAI (I) (AIRPORT)	CUSTOMS	CHN	CUSTM	AIR
CHENNAI (II)	CUSTOMS	CHN	CUSTM	002
CHENNAI (III)	CUSTOMS	CHN	CUSTM	003
CHENNAI (IV)	CUSTOMS	CHN	CUSTM	004
CHENNAI (V)	CUSTOMS	CHN	CUSTM	005
CHENNAI (VI)	CUSTOMS	CHN	CUSTM	006
CHENNAI (VII) (AIR CARGO COMPLEX)	CUSTOMS	CHN	CUSTM	ACC
CHENNAI (VIII) (GENERAL)	CUSTOMS	CHN	CUSTM	GEN

v) References have been received from field formations regarding difficulties being faced in accommodating order number in given three boxes in cases where the Adjudicating Authority/Commissioner (Appeals) has passed a common order disposing of multiple cases or appeals involving more than one party and wherein range of order number has to be assigned to such orders viz. order no 12-15 or 12 to 15. In such cases, Adjudicating Authority/Commissioner (Appeals) may pass individual orders in each case and assign single number only viz Order No 999 etc.

vi) In Commissionerates where more than 999 orders are being passed, the number of boxes (meant for order number) are being increased from three to four to accommodate an order number exceeding 999. Accordingly the total number of boxes given for alpha numeric code is increased from 21 to 22.

vii) Therefore, revised/amended pre-figured alpha numeric numbers are being issued and annexed herewith.

(2) The new alpha numeric series would be effective from 01-01-2015.

F.No.390/Misc./46/2011-JC

Money Transfer Statements only to Regional Offices

Sub: Money Transfer Service Scheme – Delegation of work to Regional Offices-Submission of Statements / Returns

AP(DIR Srs) Attention of Authorised
Cir.49 Persons, who are Indian Agents
16.12.2014 under Money Transfer Service
(RBI) Scheme (MTSS) is invited to
the A.P. (DIR Series) Circular

No. 89 dated March 12, 2013 on Money Transfer Service Scheme – Revised Guidelines, as amended from time to time.

2. In continuation to A.P. (DIR Series) Circular No. 8 dated July 18, 2014, it is clarified that subsequent to delegation of Money Transfer Service Scheme (MTSS) work, all Authorised Persons, who are Indian agents under MTSS are required to make all their correspondence with Reserve Bank including submission of prescribed statements to the Regional Office of the Foreign Exchange Department of the Reserve Bank, under whose jurisdiction their registered offices function. It has been observed that several Indian agents continue to submit the correspondence / statements to the Central Office, causing avoidable delays in scrutiny / processing. Thus, the Indian agents are advised to note the instructions regarding correspondence and submission of statements to the concerned Regional Office, as mentioned above.

3. All other instructions issued vide A. P. (DIR Series) Circular No. 89 dated March 12, 2013, as amended from time to time, will remain unchanged.

4. Authorised Persons (Indian Agents) may bring the contents of this circular to the notice of their constituents concerned.

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

Vostro Account Correspondence only with Regional Offices of RBI

Sub: Rupee Drawing Arrangement – Delegation of work to Regional Offices-Submission of Statements/ Returns.

AP(DIR Srs) Attention of Authorised Dealer
Cir.50 Category – I (AD Cat – I) banks
16.12.2014 is invited to A.P. (DIR Series)
(RBI) Circular No. 28 [A. P. (FL/RL
Series) Circular No. 02] dated

February 6, 2008 on Memorandum of Instructions for Opening and Maintenance of Rupee / Foreign Currency Vostro Accounts of Non-resident Exchange Houses, as amended from time to time.

2. In continuation to A.P. (DIR Series) Circular No. 7 dated July 18, 2014, it is clarified that subsequent to delegation of Rupee Drawing Arrangement (RDA) work, Authorised Dealer Category I banks are required to make all their correspondence with Reserve Bank including submission of prescribed statements to the Regional Office of the Foreign Exchange Depart-

ment of the Reserve Bank, under whose jurisdiction their registered offices function. It has been observed that several Authorised Dealer Category I banks continue to submit the correspondence / statements to the Central Office, causing avoidable delays in scrutiny / processing. Thus, Authorised Dealer Category I banks are advised to note the instructions regarding correspondence and submission of statements to the concerned Regional Office, as mentioned above.

3. All other instructions issued vide A.P. (DIR Series) Circular No. 28 [A. P. (FL/RL Series)

Circular No. 02] dated February 6, 2008, as amended from time to time, will remain unchanged.

4. AD Category-I Banks may bring the contents of this circular to the notice of their constituents concerned.

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

RBI Notifies Consolidated FDI Policy

Sub: Foreign Direct Investment (FDI) in India – Review of FDI policy –Sector Specific conditions

AP(DIR Srs) Attention of Authorised Dealer
Cir.45 Category – I (AD Category-I)
08.12.2014 banks is invited to Annex B of
(RBI) Schedule 1 to the Foreign
Exchange Management

(Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (the Principal Regulations) notified by the Reserve Bank vide Notification No. FEMA. 20/2000-RB dated 3rd May 2000, as amended from time to time whereby description of sectors/activities wherein the entry norms, sectoral cap and other conditions for sectors/activities in which FDI is permitted under Government route and Automatic route are specified. Attention of Authorised Dealer Category – I (AD Category-I) banks is also invited to Annex to A.P. (DIR Series) Circular No. 44 dated September 13, 2013.

2. The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India has been updating/notifying the FDI policy through issue of Consolidated FDI Policy Circular. Accordingly, Government has notified the latest FDI policy changes vide Consolidated FDI Policy Circular of 2014 dated April 17, 2014 and the same is available at Government

website www.dipp.gov.in. In order to bring uniformity in the sectoral classification/conditionalities for FDI/foreign investment as notified under the Consolidated FDI Policy Circular with the FEMA Regulations, the position on Annex B of Schedule 1 to Notification No. FEMA. 20/2000-RB dated 3rd May 2000, as amended from time to time, has been suitably revised by amending the notification.

3. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Tenth Amendment) Regulations, 2014 notified vide Notification No. FEMA. 312/2014-RB dated July 2, 2014, c.f. G.S.R. No. 798(E) dated November 13, 2014.

4. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. The directions contained in this circular have been issued under sections 10(4) and 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.

[Annex to this circular is available at our website www.worldtradesScanner.com]

RBI Issues Guidelines on New FDI Rules for Railway Infrastructure Sector

Sub: Foreign Direct Investment (FDI) in India – Review of FDI policy – Sector Specific conditions- Railway Infrastructure

AP(DIR Srs) Attention of Authorised Dealer
Cir.47 Category – I (AD Category-I)
08.12.2014 banks is invited to Annex A and
(RBI) Annex B of Schedule 1 to the
Foreign Exchange Management

(Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time. In terms of Annex A of Schedule 1 to the Notification *ibid*, Foreign Direct Investment (FDI) is prohibited in activities / sectors not open to private sector investment e.g. Atomic Energy and Railway Transport (other than Mass Rapid Transport Systems).

2. The extant Foreign Direct Investment (FDI) policy for railways sector has since been reviewed. Department of Industrial Policy and Promotion (DIPP) has now permitted 100% FDI in railway Infrastructure sector under automatic route subject to conditions. Accordingly, it has been decided to permit FDI in the following activities of

the Railway Transport sector:

“Construction, operation and maintenance of the following: (i) Suburban corridor projects through PPP, (ii) High speed train projects, (iii) Dedicated freight lines, (iv) Rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities, (v) Railway Electrification, (vi) Signaling systems, (vii) Freight terminals, (viii) Passenger terminals, (ix) Infrastructure in industrial park pertaining to railway line/sidings including electrified railway lines and connectivities to main railway line and (x) Mass Rapid Transport Systems. Further, FDI beyond 49 of the equity of the investee company in sensitive areas from security point of view will be brought before the Cabinet Committee on Security (CCS) for consideration on a case to case basis.”

3. A copy of Press Note No. 8 (2014 Series) dated August 27, 2014 issued in this regard by DIPP, Ministry of Commerce & Industry, Government of India is enclosed.

Foreign Exchange Management (Deposit) Regulations, 2000 Exemptions Amended

AP(DIR Srs) Attention of Authorised Dealer
Cir.51 Category-I (AD Category-I)
17.12.2014 banks is invited to Regulation
(RBI) 4(5) of the Foreign Exchange
Management (Deposit)

Regulations, 2000, notified vide Notification No. FEMA 5/2000-RB dated May 3, 2000, as amended from time to time, in terms of which nothing contained in the regulations applies to the deposits held in accounts maintained with an authorised dealer by the United Nations Organisation and its subsidiary/affiliate bodies in India, and its or their officials in India.

2. It has been observed that Authorised Dealer banks are frequently coming across cases related to opening of accounts for multilateral organisations, of which India is a member nation.

3. With the objective of bringing all the multilateral organisations at par, for opening of accounts in India, the extant instructions have been reviewed and it has been decided to include in the exemptions, laid down in Foreign Exchange Management (Deposit) Regulation, 2000, issued vide Notification No. FEMA 5/2000-RB dated May 3, 2000 (as amended from time to time), deposits held in accounts maintained with an authorised dealer by any multilateral organization of which India is a member nation, and its subsidiary/affiliate bodies in India, and its or their officials in India.

4. Accordingly, it is hereby informed that Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Deposit) (Amendment) Regulations, 2014 notified vide Notification No. FEMA. 327/2014-RB dated November 24, 2014 c.f. G.S.R. No. 879(E) dated December 9, 2014.

5. AD Category- I banks may bring the contents of the circular to the notice of their constituents concerned.

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

4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Fourteenth Amendment) Regulations, 2014 notified vide Notification No. FEMA.320/2014-RB dated September 5, 2014, c.f. G.S.R. No. 800(E) dated November 13, 2014.

5. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under sections 10(4) and 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.

RBI Issues Guidelines on New FDI Rules for Defence Sector

Sub: Foreign Direct Investment (FDI) in India – Review of FDI policy –Sector Specific conditions-Defence

AP(DIR Srs) Attention of Authorised Dealer
Cir.46 Category – I (AD Category-I)
08.12.2014 banks is invited to Regulation
(RBI) 14 and Annex B of Schedule 1
to the Foreign Exchange

Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time. In terms of Schedule 1 to the Notification *ibid*, Foreign Direct Investment (FDI) up to 26 per cent is permitted under Government route in Defence industry subject to license under the Industries (Development & Regulation) Act, 1951. Proposals for FDI above 26 per cent would be subject to approval of Cabinet Committee on Security on case to case basis, wherever it is likely to result in access to modern and 'state-of-art' technology in the country.

2. The extant FDI policy for defence sector has since been reviewed. Department of Industrial Policy and Promotion (DIPP) has now provided a list of defence items as finalised by Department of Defence Production, Ministry of Defence and has clarified that items not in the list would not require industrial license for defence purposes. Dual use items, having military as well as civilian applications, other than those specially mentioned in the list, would also not require Industrial License from Defence angle. Department of Defence Production, Ministry of Defence, has finalised the 'Security Manual for Licensed Defence Industry'.

3. Further, on a review, effective from August 26, 2014, foreign investment i.e. FDI, FII, RFPs, NRIs, FVCIs and QFIs upto 49% under government route shall be permitted in defence sector subject to the conditions specified in the Press

Note 7 (2014 Series) dated August 26, 2014. Portfolio investment (RFPI/FII/NRI/QFI) and FVCI investment will not exceed 24% of the total equity of the investee company. Portfolio investment will be under automatic route.

4. The listed investee company engaged in defence sector, in accordance with the guidance provided by the Press Note 7 (2014 Series), shall immediately allocate limits for portfolio investment for RFPI (including QFI and FII), NRI (not exceeding 10%) and FVCI within the default portfolio investment limit of 24% being permitted now and approach Reserve Bank, Central Office, Foreign Investment Division, Mumbai so that allocated limits can be monitored by the Reserve Bank.

5. A copy each of Press Note No.3, No.6, No. 7 (2014 Series) dated June 26, 2014, July 8, 2014 and August 26, 2014 respectively issued in this regard by DIPP, Ministry of Commerce & Industry, Government of India are enclosed.

6. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Thirteenth Amendment) Regulations, 2014 notified vide Notification No. FEMA. 319/2014-RB dated September 5, 2014, c.f. G.S.R. No. 799(E) dated November 13, 2014.

7. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents and customers concerned.

8. The directions contained in this circular have been issued under sections 10(4) and 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.

US Confirms Final Duties on Imports of China, Taiwan Solar Products

The US Commerce Department announced on Tuesday, 16 December final anti-dumping and anti-subsidy duties on imported solar products from China and Taiwan, in a move expected to bring back to the fore long-standing tensions between Beijing and Washington on renewable energy trade.

The anti-dumping probe focused specifically on whether imports of certain crystalline silicon photovoltaic products – including cells, modules, laminates and/or panels – from China and Taiwan have been sold in the US at prices below their normal value, a practice known as "dumping."

The final dumping margins in this investigation, the US agency said, range between 26.71 to 165.04 percent for products made in China – a significantly wider range than the preliminary duties announced back in July – while finding dumping margins from 11.45 percent to 27.55 percent for Taiwanese-produced goods.

Meanwhile, the countervailing probe focused on whether Chinese producers of those same imports also received unfair state aid. In this case, US investigators deemed that these producers were receiving countervailable subsidies ranging from 27.64 to 49.79 percent – also marking an

increase from the preliminary duties announced earlier this year.

Questions of scope

The investigations were both launched in January in response to petitions filed by SolarWorld Industries America Inc., which had claimed that Chinese producers were avoiding existing duties on these goods by using cells made abroad, primarily from Taiwan, in their production processes.

Those products already facing US duties as the result of a 2012 investigation are excluded from the scope of these new probes.

Back in October, the US Commerce Department proposed expanding the new investigations' scope to cover all products assembled in China, even if most of the manufacturing process occurred abroad.

Paula Stern of the Washington-based advisory firm The Stern Group – which represents Hanwha Q CELLS, an American solar producer – have warned that this move could create substantial uncertainty for producers, and potentially be inconsistent with some of the US' trade commitments at the WTO.

Malaysia has become the world's third-largest producer of solar equipment, and analysts say

RBI Permits Alternative Investment Funds (AIF) Registered with SEBI to Invest Overseas

Sub: Overseas Investments by Alternative Investment Funds (AIF)

AP(DIR Srs) Attention of the Authorised
Cir.48 Dealer (AD - Category I)
09.12.2014 banks is invited to
(RBI) Regulation 26 of Notification
No. FEMA.120/RB 2004

dated July 7, 2004 [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] (the Notification), as amended from time to time and the provisions under A.P.(DIR Series) Circulars No. 49 and 50 dated April 30, 2007 and May 04, 2007 respectively.

2. On a review, it has been decided to permit an Indian Alternative Investment Fund (AIF), registered with Securities and Exchange Board of India (SEBI), to invest overseas in terms of the provisions issued under the A.P. (DIR Series) Circulars No. 49 and 50 dated April 30, 2007 and May 04, 2007 respectively.

3. Necessary amendments to the Notification *ibid* has been issued vide Notification No. FEMA.326/RB-2014 dated November 12, 2014 (copy enclosed) and effective from the date of publication in the Gazette i.e. November 21, 2014.

4. AD - Category I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. 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.

that the Southeast Asian nation could well boost its standing in the market as a result of the new US duties – though the expansion of the Commerce probe's scope could complicate matters.

"Under WTO rules, member countries have the right to be secure in the knowledge that their products won't be the target of penalties intended to be imposed on another country," said Stern in an op-ed published by The Hill. Stern previously chaired the US International Trade Commission (ITC) and also served as an ITC commissioner.

Trade tensions brewing

Trade spats about renewable energy products have become increasingly common between the US and China in recent years, and the Asian economy's practices in this area have been subject to high-profile investigations by other major trading partners, such as the EU.

US statistics placed the value of imports of certain crystalline silicon photovoltaic products from China and Taiwan at an estimated US\$1.5 billion and US\$656.8 million, respectively.

While the EU case ultimately led to a negotiated settlement through a "price undertaking" mechanism, involving a combination of minimum prices and import quotas, repeated efforts to reach a

Exchange Rates for Customs Valuation

Rupee Falls to 63.85 from 62.50 for Customs Valuation on Imports w.e.f. 19 Dec 2014

116-Cus(NT) In exercise of the powers conferred by section 14 of 18.12.2014 the Customs Act, 1962 (52 of 1962), and in super session of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 113/2014-CUSTOMS (N.T.), dated the 4th December, 2014 vide number S.O. 3066(E), dated the 4th December, 2014, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or vice versa shall, **with effect from 19th December, 2014** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNNo.	Currency	Imported Goods		Exported Goods	
		Current	Previous	Current	Previous
(1)	(2)	(3)			
		(a)	(b)		
Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees					
1.	Australian Dollar	52.35	52.65	50.90	51.35
2.	Bahrain Dinar	172.75	169.15	163.30	159.90
3.	Canadian Dollar	55.05	55.20	53.80	53.95
4.	Danish Kroner	10.65	10.40	10.35	10.10
5.	EURO	79.15	77.20	77.25	75.35
6.	Hong Kong Dollar	8.25	8.05	8.10	7.95
7.	Kuwait Dinar	222.70	218.75	210.25	206.25
8.	Newzeland Dollar	49.45	48.75	48.20	47.35
9.	Norwegian Kroner	8.65	8.95	8.40	8.70
10.	Pound Sterling	99.90	98.30	97.65	96.10
11.	Singapore Dollar	48.80	47.70	47.65	46.70
12.	South African Rand	5.60	5.70	5.30	5.35
13.	Saudi Arabian Riyal	17.35	17.00	16.40	16.05
14.	Swedish Kroner	8.35	8.35	8.15	8.15
15.	Swiss Franc	65.95	64.25	64.25	62.60
16.	UAE Dirham	17.75	17.35	16.75	16.40
17.	US Dollar	63.85	62.50	62.80	61.50

Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

1.	Japanese Yen	54.05	52.20	52.80	53.90
2.	Kenya Shilling	72.15	70.80	68.05	66.75

[F.No.468/01/2014-Cus.V]

operational, has been envisaged by the AU as a stepping stone for a planned Continental FTA (CFTA), which they aim to launch in 2017.

Tripartite FTA delayed amid criticism

The launch of the TFTA was expected to take place this month during the Tripartite Summit of Heads of State and Government in Sharm El-Sheikh, Egypt.

Among the difficulties pointed out were the harmonisations of differential rules of origin across the continent, the lowering of trade costs, the strengthening of trade and productive capacities through regulatory reforms, trade facilitation, and infrastructure development.

Efforts to renew AGOA on track

Africa's request for the renewal of the US' African Growth and Opportunity Act (AGOA), which is set to expire in September 2015 unless Washington lawmakers pass new legislation, "is receiving favourable response," reported Acyl during the discussions.

In this context, AU trade ministers encouraged African countries to increase their trade capacity so as to be able to fully benefit from the scheme.

Addressing the US as the preference giver, they further called for a review of the eligibility criteria to facilitate participation in AGOA by all beneficiary countries.

similar deal between Washington and Beijing have so far failed to bear fruit.

Concurrently, the US, EU, and China are all involved in negotiations for an Environmental Goods Agreement that would liberalise trade on various green goods. Those talks, which would focus on the reduction of import tariffs and do not currently address issues such as trade remedies, are currently in the early stages, having been launched earlier this year. The various members are currently working on putting together a broad "wish list" of products for tariff reduction, which would eventually be whittled down to a final list.

The US trade remedy investigations on these products have also fuelled a rift within the American solar industry, pitting solar cell makers against downstream producers that use these cells in their solar projects.

Injury determinations set for January

The long-running saga is not over, however, with another US government agency now set to review whether these imports materially injure, or threaten to injure, American industry.

The deadline for the latter probe, conducted by the International Trade Commission, is 29 January 2015. If injury is found by USITC, then final anti-dumping and countervailing duty orders will be issued from early February onward. Otherwise, no duties will be applied.

Rupee Falls against Yen to 55.20 from 52.30 for Customs Valuation on Imports w.e.f. 18.12.2014

115-Cus(NT) In exercise of the powers conferred by Section 14 of the 17.12.2014 Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs hereby makes the following further amendments in the Notification of the Government of

India, Ministry of Finance (Department of Revenue) No. 113/2014-CUSTOMS (N.T.), dated the 4th December, 2014 published in the Gazette Of India, Part-II, Section 3, Sub-Section (ii), Extraordinary vide number S.O.3066 (E) dated, the 4th December, 2014, namely:-

In the SCHEDULE-II of the said Notification, for Serial No. 1 and the entries relating thereto, the following shall be substituted, namely:-

Schedule-II

SNNo.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(3)	(b)
(1)	(2)	(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	55.20	53.90

These rates will be effective from 18th December, 2014.

[F. No. 468/01/2014-Cus.V]

Corrigendum to 115-Cus(NT)/17.12.2014 dated 18th December 2014

In the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 115/2014-CUSTOMS (N.T.) dated the 17th December, 2014 published in the Gazette Of India, Part-II, Section 3, Sub-Section (ii), Extraordinary, vide number S.O.3205 (E) dated, the 17th December, 2014, In the Schedule II, in Column (3), for "Rate of exchange of one unit of foreign currency equivalent to Indian rupees" read "Rate of exchange of 100 units of foreign currency equivalent to Indian rupees".

[F. No. 468/01/2014-Cus.V]

African Union Urges Concrete Action as Regional Trade Integration Hits Hurdles

African countries should translate their regional integration projects into Areal action on the ground, especially given today's rapidly evolving landscape of international trade regulation, African Union (AU) trade ministers said following a 4-5 December conference in Addis Ababa, Ethiopia.

The AU's call for sustained momentum in Africa's regional integration comes amid reports about delays in the launching of the Tripartite FTA (TFTA), a 26-country trade bloc spanning the continent's three main Regional Economic Communities, namely the East African Community (EAC), the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA).

The TFTA negotiations started in 2011 and the free trade bloc, once

Rouble Swap Shows China Challenging IMF as Emergency Lender

China is stepping up its role as the lender of last resort to some of the world's most financially strapped countries.

Chinese officials signalled on the weekend they are willing to expand a \$24 billion currency swap program to help Russia weather the worst economic crisis since the 1998 default. China has provided \$2.3 billion in funds to Argentina since October as part of a currency swap, and last month it lent \$4 billion to Venezuela, whose reserves cover just two years of debt payments.

By lending to nations shut out of overseas capital markets, Chinese President Xi Jinping is bolstering the country's influence in the global economy and cutting into the International Monetary Fund's status as the go-to financier for

governments in financial distress. While the IMF tends to demand reforms aimed at stabilizing a country's economy in exchange for loans, analysts speculate that China's terms are more focused on securing its interests in the resource-rich countries.



The rouble jumped 4.9 percent to 55.8 per dollar in Moscow on Monday after Hong Kong-based Phoenix TV cited China's Commerce Minister Gao Hucheng as saying that expanding the currency swap between the two nations would help Russia.

Ukraine's Allies

The rouble has gained 10 percent over the past two days, paring a selloff that's made it the world's worst performing currency over the past six months.

Unlike Ukraine, where the pro-west government received a \$17 billion IMF-led bailout this year, Russia, Argentina and Venezuela are often at odds with the U.S. and its allies, essentially keeping them out of the reach of the Washington-based institution. At \$3.89 trillion, China holds the world's largest foreign-exchange reserves, allowing it to fill the void.

China and Russia signed a three-year currency-swap line of 150 billion yuan (\$24 billion) in October, a contract that allows Russia to borrow the yuan and lend the rouble. While the offer won't relieve the main sources of pressure on the rouble - which has lost 41 percent this year amid plunging oil prices and sanctions linked to Russia's annexation of Crimea - it could bolster investors' confidence in the country and help stem capital outflows.

Argentina Reserves

Funding from China has helped raise Argentina's foreign reserves to a 13-month high of \$30.9 billion, a boost for a country that has been kept out of international capital markets since defaulting on foreign obligations in 2001.

Argentina received \$1 billion worth of yuan earlier this month as part of the three-year currency-swap agreement with China, a central bank official in the South American country, who asked not to be identified because he isn't authorized to speak publicly, said Dec. 11. That extended the funds transferred to Argentina to \$2.3 billion since October. The swap is for a maximum of \$11 billion over three years.

\$21 Billion

In Venezuela, President Nicolas Maduro last month added \$4 billion he borrowed from China to the country's reserves after they fell to an 11-year low. The country now has about \$21 billion in its coffers, equal to the amount of debt it has coming due in 2015 and 2016.

Venezuela, which was already plagued by shortages of everything from toilet paper to toothpaste, is also suffering from the drop in oil, its biggest export. Traders are betting that there's an 89 percent probability that Venezuela won't be able to make good on its debts over the next five years.

U.K., Australia

The People's Bank of China has signed currency-swap agreements with 28 other central banks around the world, including those in the U.K. and Australia, making the yuan an alternative to the dollar for global trade and finance.

By promoting the use of its currency, China acts in its own interests as it challenges the dominance of the U.S. in the global economy.

Two months after Russia annexed Crimea in March, China signed a three-decade, \$400 billion deal to buy Russian gas. Oil imports from Russia hit an all-time high in November, according to China's General Administration of Customs. While the rouble's depreciation affected Chinese exports to Russia and made it difficult for the two countries to implement joint projects, the challenges shouldn't be exaggerated.

China has made \$47 billion in loans to Venezuela since 2007, making it the country's largest creditor, according to Eurasia Group, a political consulting firm. Venezuela, which holds the world's largest oil reserves, repays the loans by shipping crude to China.

Windex No. 40 – 24-30 December 2014	Dindex Windex
Dindex Delivered Daily by Email	
World Trade	
ITA Expansion Talks Hit Roadblock	5642 289
Nairobi, Kenya to Host 10th WTO Ministerial Conference	5629 289
Trade Agreements can Help Bridge the Rich-Poor Divide	5630 290
US TPR Highlights New Farm Bill, Economic Recovery	5643 290
US Confirms Final Duties on Imports of China, Taiwan Solar Products	5644 294
African Union Urges Concrete Action as Regional Trade Integration Hits Hurdles	5628 295
Rouble Swap Shows China Challenging IMF as Emergency Lender	5645 296
Foreign Trade Policy	
Implementation of NAB Transaction Certificates for Organic Products Export Postponed Indefinitely – 78-PN(RE)/18.12.2014	5636 291
Customs	
Rupee Falls against Yen to 55.20 from 52.30 for Customs Valuation on Imports w.e.f. 18.12.2014– 115-Cus(NT)/17.12.2014	5632 295
Rupee Falls to 63.85 from 62.50 for Customs Valuation on Imports w.e.f. 19 Dec 2014- 116-Cus(NT)/18.12.2014	5631 295
Corrigendum to 115-Cus(NT)/17.12.2014 dated 18th December 2014 – Corrigendum/18.12.2014	5632 295
CBEC Circular	
Customs Commissioner Granted Powers to Exempt Bank Guarantee under AA/EPCG in Penalty Cases – 15-CBEC/18.12.2014	5633 291
Attestation of ARE-3 for Deemed Export Benefits – 16-CBEC/18.12.2014	5634 291
Attestation of ARE-3 for Deemed Export Benefits under the Self Bonding/Warehousing Procedure – 17-CBEC/18.12.2014	5635 291
Restoration of ACP Status of Accredited Clients Programme (ACP) Clients – 18-CBEC/22.12.2014	5640 291
Dept of Revenue Issues Alpha Numeric Codes for New Commissionerates for CESTAT Appeal Forms Filing Effective from 1 Jan 2015 – 991-CBEC/17.12.2014	5637 292
RBI Circular [AP(DIR Series)]	
Export Credit of \$25mn to Niger for Financing Potable Water for Semi Urban and Rural Communities – Cir.44/04.12.2014	5589 -
RBI Notifies Consolidated FDI Policy – Cir.45/08.12.2014	5607 293
RBI Issues Guidelines on New FDI Rules for Defence Sector – Cir.46/08.12.2014	5605 294
RBI Issues Guidelines on New FDI Rules for Railway Infrastructure Sector – Cir.47/08.12.2014	5604 293
RBI Permits Alternative Investment Funds (AIF) Registered with SEBI to Invest Overseas – Cir.48/09.12.2014	5606 294
Money Transfer Statements only to Regional Offices – Cir.49/16.12.2014	5638 292
Vostro Account Correspondence only with Regional Offices of RBI – Cir.50/16.12.2014	5639 292
Foreign Exchange Management (Deposit) Regulations, 2000 Exemptions Amended – Cir.51/17.12.2014	5641 293
*See details in www.worldtradesScanner.com	