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The American Way of Getting Dirty Money Back from Swiss Banks – Lessons for India

HSBC whistle blower Herve Falciani told NDTV that there are 600 Indian names in the list of secret 127,000 accounts with 180bn euros. The Swiss Franc Minister told the Indian Finance Minister Arun Jaitley at the WEF meeting in Davos recently that the details can be shared with India only if criminal cases are lodged against the account holders. Otherwise the information is secret according to him. He says that this is only the tip of iceberg, India was given only 2MB of 200GB data.

It may be recalled that the US had attacked the Swiss banks directly to get at the information. This may be a pointer in how to proceed. India could pressurize HSBC directly or work closely with the French Government in the matter.

Following a yearlong criminal investigation, Swiss bank Credit Suisse AG pleaded guilty to aiding wealthy U.S. citizens in hiding taxable income, agreeing to pay roughly $2.6 billion in penalties for the crime (to be divided up between the Justice Department, the Federal Reserve, and the New York State Department of Financial Services, for some reason).

Credit Suisse was charged with a pattern of misconduct that included actively recruiting clients, courting them at airports, golf courses, family weddings, and elsewhere with the promise of shielding their earnings from the IRS, and then also destroying documents pertaining to these concealed accounts, which numbered somewhere around 22,000 and held around $13 billion in total.

Credit Suisse is Switzerland's second-largest bank: a fact that allowed Attorney General Eric Holder to trot out "Too Big to Jail" in a press conference.

It was only the most recent high-profile victory in the Obama administration's longstanding battle against offshore tax havens, which has included thus far a $780 million deferred prosecution deal back in 2009 with UBS, Switzerland's largest bank, and a $57.8 million penalty this past January against Wegelin & Co.—a guilty verdict that has effectively shut that bank down for good.

Founded in 1741 under the name *Leinentuchhandel und Speditionsh andlung*, it was the oldest bank in Switzerland, and the 13th oldest in the world.

Both Credit Suisse and UBS have subsequently sent letters to their clients requesting that they either declare their secret assets to Swiss tax officials or alternately have their assets liquidated and transferred as cash to a new bank of their choice.

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Rupee Gains 4.15 against SFR, 2.65 against Can$, 3.35 against Aus$ and 3.20 against New Zealand$

[Customs Notification No. 16(Non Tariff) dated 30.01.2015]

In the SCHEDULE-I of the Notification, for Serial Nos. 3 & 15 and the entries relating thereto, the following shall be substituted, namely:-

Schedule-I

S.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equiva lent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
3.	Canadian Dollar	49.60	48.40
15.	Swiss Franc	68.00	66.35

These rates will be effective from **31st January, 2015**.

[Customs Notification No.17/2015(N.T.) dated 03.02.2015]

In the SCHEDULE-I of the said Notification, for Serial Nos. 1 & 8 and the entries relating thereto, the following shall be substituted, namely:-

Schedule-I

S.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equiva lent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	47.90	46.70
8.	New Zealand Dollar	45.10	43.95

These rates will be effective from **4th February, 2015**.

[F. No. 468/01/2015-Cus.V]

Crude Rises 15.6% in Last Week

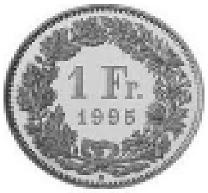
Crude Oil (Indian Basket) from 28 Jan to 03 Feb 2015

	28 Jan	29 Jan	30 Jan	02 Feb	03 Feb
($/bbl)	46.55	46.28	46.73	50.20	53.83
(Rs/bbl)	2858.64	2846.22	2886.04	3106.38	3323.46
(Rs/$)	61.41	61.50	61.76	61.88	61.74

(Previous Trading Day Price)

Source: Ministry of Petroleum & Natural Gas

Franc Rise Fuels Unemployment and Recession on Switzerland



When the Swiss National Bank tied the Swiss franc to the euro 3½ years ago, it feared a surging franc would tip the economy into recession. With the SNB now having lifted the cap, the economy is back to square one: a stronger franc once again threatens to snuff out growth in one of Europe's few bright spots.

Switzerland's export sector, which accounts for about 70% of gross domestic product, is most at risk. Swiss goods could be priced out of the eurozone, the country's biggest market, threatening both Swiss corporate profits and jobs. The market shifts to Germany where the Euro brings the buyers in.

Zurich-based private bank Julius Baer Group AG said on Monday that it would cut about 200 jobs to "mitigate" the effects of the strong franc, in the first response among Switzerland's outsize banking industry. Like other Swiss private banks, Julius Baer reports most of its costs in francs, but derives most of its income in euros or dollars.

The country's two leading economic research institutes – KOF and BAK Basel – now predict that the economy will enter a recession before the end of this year. "The first sector likely to be hit by the shock rise in the franc will be exports, which could drop by around 1.3% this year," said BAK Basel economist Alexis Bill-Körber.

Switzerland's three largest banks still expect the economy to avoid a recession, commonly defined as two consecutive quarters of declines in gross domestic product. But they have cut their forecasts to an anemic growth rate of between 0.5% and 0.8% this year, and around 1.2% next year. That compares with expected growth of 1.4% in 2014.

Neither the SNB or the government has issued new economic forecasts since the central bank's surprising decision to lift the cap on Jan. 15, which sent the franc rocketing against the euro and roiled global markets. The bank defended its decision, saying the upturn in the U.S. economy had boosted the dollar against the euro and the franc, making the franc's cap untenable.

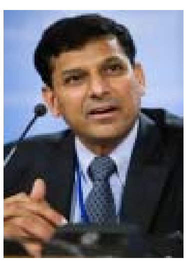
The franc on Monday traded at 1.0502 against the euro, compared with around 1.2008 the day the cap was lifted.

The Swiss unemployment rate of 3.4%, remains low by European standards; the eurozone jobless rate hit 11.4% in December. But economists expect Swiss companies to push the country's unemployment rate higher in coming months. Swiss industrial lobby group Swissmem has warned that the strong franc could put around 20% of its members out of business.

In addition to banks, retailers are likely to be hard hit by the stronger franc. That is particularly true for those near Switzerland's border with Germany, France and Italy, a relatively short drive away for shoppers seeking to take advantage of the stronger franc.

Swiss retailer Migros Group expects sales to decline at its stores along the border, according to comments made to Swiss media by Chief Executive Herbert Bolliger. The difference in staff costs between Migros and its German competitors is "enormous," Mr. Bolliger said, adding that a Migros cashier in Switzerland earns around 4,000 francs (•3,800) a month compared with the •1,600 a month made by a cashier in Germany.

Rajan Holds Rates with Eye on Budget After Unscheduled Cut



Indian central bank Governor Raghuram Rajan left interest rates unchanged three weeks after an unscheduled cut, signaling that he wants to see Prime Minister Narendra Modi's first full-year budget before easing further.

Rajan kept the benchmark repurchase rate at 7.75 percent, the Reserve Bank of India said in a statement in Mumbai on Tuesday.

Rajan is among at least ten central bankers from Canada to Turkey who have cut rates this year as plunging oil prices lead to slowing inflation. Now he's watching to see if Modi delivers on promises to narrow the fiscal deficit and boost investment in Asia's third-biggest economy when his government unveils its budget on Feb. 28 when it may fall to even 7.25 percent. The next rate cut is expected immediately after the budget announcement.

The RBI further lowered the proportion of deposits that must be invested in specified securities such as government bonds to 21.5 percent from 22 percent to create space for banks to expand credit. The measure, called the Statutory Liquidity Ratio, is unlikely to have an immediate impact as banks are holding more than the mandated level due to low loan demand.

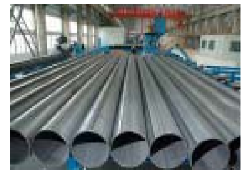
The government plans to raise 584 billion rupees ($9.4 billion) through auctioning minority stakes in companies involved in oil to power equipment. Last week it completed its biggest asset sale to date, earning at least $3.6 billion from selling shares in monopoly miner Coal India Ltd.

Investment Falls in India

India is the only big emerging market to see total investment as a percentage of the economy fall over the past decade, according to data from the International Monetary Fund. It declined to 32 percent of GDP last year, compared with a six-percentage-point rise to 48 percent in China.

Morgan Stanley economists see Rajan lowering the benchmark interest rate to 6.5 percent by year's end to spur corporate capital expenditure, known as capex, which includes improvements such as fixing a roof, opening a factory or buying computers.

Steel Export Price may Fall to $525, Imports Crash



India's largest steelmakers are expected to cut prices to the lowest in almost a year to cope with a glut created by surging imports from China, Russia and South Korea.

Prices of hot-rolled steel, used to produce sheets, wheels, pipes and railway tracks, may fall by more than 4 percent this month to 32,500 rupees ($526) a metric ton. Prices may not recover for a couple of quarters, unless the government acts to curb imports, they said. China is diverting supplies to exports and dampening price, it is alleged.

Hot-rolled coil prices in Mumbai have declined 10 percent since July, when imports started rising, to about 34,000 rupees a ton, excluding taxes. The rates for similar products in China tumbled 22 percent in the same period, according to researcher Beijing Antaike Information Development Co.

Earnings at Indian steelmakers are already under pressure with Tata Steel Ltd., the top producer, expected to post its lowest profit in seven quarters for the period ended Dec. 31. JSW Steel Ltd. reported its lowest profit in five quarters in the three months ended Dec. 31.

Import Pressure

Imports accounted for 12 percent of India's steel consumption in the nine months ended Dec. 31, compared with 8 percent in the same period year ago, according to steel ministry data.

China Record

Crude steel output in China, the world's top producer, reached a record last year, while a fall in Russia's ruble and a free-trade accord between India and South Korea has led to a surge in imports from those nations. India, which was a net exporter of steel last year, may become a net importer of 3 million tons this year, Firoz had said in January.

At the current rate, imports may reach as much as 1 million metric tons a month, Acharya said. India's total steel imports rose 59 percent to more than 6.5 million tons in the nine months through Dec. 31 from a year earlier, according to steel ministry data.

Chinese steel exports soared to 10.17 million tons in December from the previous month's record of 9.72 million tons, according to data from the nation's customs department.

India's steelmakers are lobbying the government to restrain imports by raising taxes on shipments from overseas suppliers and also implement a December order to ensure uniform quality of the alloy being imported.

The order makes quality certification from the Bureau of Indian Standards mandatory for imported steel products.

"We are requesting the government to look at enforcing the quality order," Acharya said. "We also expect some changes in the duty structure either in terms of normal customs duties or tariff barriers."

WEEKLY INDEX OF CHANGES

Online Filing of IEC from 1 Feb 2015 with Net Banking

- Manual Option Remains Open
- Decisions within Two Days Promised

Directorate General of Foreign Trade has started operationalising online filing of Importer Exporter Code (IEC) applications, online processing and issue of e-IECs in digital format. DGFT says, "new entrepreneurs/exporters/importers can apply online for issue of new IEC from the comfort of their home/IT Kiosk with no more visits to the Regional Authority's office required, and upload the documents and pay the required fee through Net banking".

The processing of such applications by Regional Authority of DGFT would be done online (no paper work in the office; less storage space required and no misplaced documents) and the digitally signed e-IEC (no more IECs in physical form) would be issued/emailed to the applicants within two working days.

Rejection Letter to Substitute Deficiency Letter

In case the application is incomplete or otherwise ineligible, the same shall be rejected and an auto generated Rejection letter/email (with reasons for rejection) would be sent to the applicant - within two working days only. There would not be any 'Deficiencies letters' now (no more discretion at the level of RAs and consequent elimination of possible delays and corruption).

The DGFT says efforts are underway to allow/enable payment of fee through Debit/Credit cards, which would further facilitate this process. The Online system will be made eventually. However, till such time payment through Debit/Credit cards is enabled, the existing offline/manual system has also been allowed side by side, in order to facilitate those applicants who do not have Net banking facility.

Online Verification of PAN and Company Detail

Efforts are also underway for message exchange/integration of our system with Income Tax department and Ministry of Corporate Affair for verification of PAN and DIN/CIN details respectively. Once implemented, this would further reduce the processing time of e-IEC applications at RA level (possibly one day only).

Subject: Online IEC applications: Operationalisa-tion of the Public Notice No. 76 dated 27/11/2014.

83-PN(RE) 30.01.2015 (DGFT) The operationalisation of the mandatory system of online applications for IEC with effect from 01/01/2015 was notified vide Public Notice 76 dated 27/11/2014. This was, however, kept in abeyance vide Public Notice No. 80 dated 6.1.2015.

2. Now, in exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy (2009-2014), the Director General of Foreign Trade hereby notifies operationalisation of the new system of applications for online IEC with effect from 01/02/2015. Applicants having access to net-banking facility with the following ten notified banks, namely, i) HDFC Bank; ii) ICICI Bank; iii) Bank of India; iv) State Bank of India; v) Central Bank of India; vi) Punjab National Bank; vii) IDBI; viii) Axis Bank; ix) Union Bank of India; x) Oriental Bank of Commerce, can apply online in the format notified vide Public Notice No. 76 (RE-2013), dated 27/11/2014 as per detailed guidelines laid down in Public Notice No.79 dated 31/12/2014.

3. Applicants who do not have access to net banking through the above banks can submit manual applications for IEC as before (existing prior to 01/02/2015), in physical form in the existing format (ANF-2A) and procedure with documents as prescribed therein, until further notice.

4. Effect of this Public Notice

The new system of online applications for IEC as per the Public Notice No. 76 (RE-2013)/ 2009-2014 dated the 27th November, 2014 will be operationalized with effect from 01/02/2015. The facility of submission of application in manual mode will, however, continue for those applicants who do not have access to net banking facility with the ten notified banks, as listed in Para 2 above. Applicants, applying for IEC in manual mode, may utilise the existing format (ANF 2A, as existing prior to 01/02/2015) and procedure to submit applications to RA's office with documents as prescribed therein.

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Swiss banks will begin handing over customer financial data to tax officials for the first time, in compliance with the U.S. Foreign Accounts Tax Compliance Act (FATCA). FATCA requires that foreign financial institutions ("FFIs") identify their American clients to the IRS, or face a 30 percent gross tax on a variety payments from U.S. sources.

According to a study released in August by PriceWaterhouseCoopers, "350 billion Swiss francs in net assets under management from foreign-domiciled private clients have left Switzerland in the last six years," due to this international crackdown on Switzerland as a tax shelter. France, India, and Britain have all entered the fray as well, hoping to reclaim untold riches in lost government revenue.

Branded Diesel Excise Duty Changed to 14% + Rs. 5/Ltr or Rs. 10.25 per Ltr, Whichever is Lower

The government has changed the excise duty structure on branded or premium diesel, shifting from fixed rates to a combination of ad valorem and fixed duty.

Branded diesel will now be charged at 14 per cent of refinery gate price of the fuel plus Rs 5 per litre or Rs 10.25, whichever is lower, according to notification issued by Department of Revenue in the Finance Ministry.

The duty shift will not result in any change in retail price as the notification stated that the fuel will be charged with a duty of "14 per cent plus Rs 5 per litre or Rs 10.25 per litre, whichever is lower".

The fuel, which is sold under brands 'XtraMile' by Indian Oil Corp (IOC), 'Hi speed Diesel' by Bharat Petroleum Corp Ltd (BPCL) and 'Diesel Super' and 'Turbo Jet' by Hindustan Petroleum Corp Ltd (HPCL), till now attracted a total excise duty of Rs 10.25 per litre.

The specific excise duty rates for unbranded or normal diesel as well as unbranded and branded petrol have not been changed and they will continue to be charged at specific rates.

[Notification No. 04-Central Excise dated 30.01.2015 Amending 12/2012-Central Excise, dated the 17th March, 2012)

In the said notification, in the Table, in serial number 71, against item (ii) of column (3), for the entry in column (4), the entry "**14% + `5.00 per litre or `10.25 per litre, whichever is lower**" shall be substituted.

[F. No.354/123/2014-TRU]

Wheat Prices Crash to $215 as France Enters Market

- India to Nurse Stocks from Public Procurement for a Long Time

Trading companies from US-based Cargill aren't signing contracts for the new crop in India to be harvested in April-May as prices at $275 a tonne were too high.

French wheat is available at $210. (Indian wheat is usually in demand in the Gulf and African countries for milling and in southeast Asian countries for animal feed). The weak Euro and rising rupee is hitting India's commodity exports.

French 'feed' wheat is available still cheaper, at $200 a tonne.

There are no takers for Indian grain in the export market, the pressure on government procurement at the minimum support price is sure to build up.

Check List for Online IEC Applications Process

Subject: Guidelines for processing of online IEC applications and IEC check list

17-Pol.Cir 30.01.2015 (DGFT) In continuation of the guidelines for processing online IEC applications, issued vide Policy Circular No. 15 dated the 31st December 2014, following further instructions and check list are laid down for processing of the IEC applications:

i) RA's office would process the IEC applications, as per the following check list:

IEC application check-list

SNo	Nature of check	Details of the check	YES	NO
1	**Signatory details**	Whether the *details of signatory (name), as filled in the application form, match with the name as in the copy of uploaded document [Passport (first & last page)/ Voter's I-Card /UID (Aadhar Card) / Driving Licence/PAN]?*		
2.	**Applicant entity's details**	**Proprietorship Firm**		
	(i) Check applicant entity's details	Whether the *details of Proprietor (name), as filled in the application form, match with the name as in the copy of PAN uploaded?*		
	(ii) Verify the uploaded PAN details	Whether the *details, as in the uploaded copy of PAN, match with the information available on the website of Income Tax Deptt?**		
	Applicant entity's details	**Partnership firm**		
	A) (i) Check applicant entity's details	Whether the following *details, as filled in the application form, match with the details mentioned in the uploaded copy of PAN?* a) Name of the entity b) Date of Incorporation c) PAN		
	(ii) Verify the uploaded PAN details	Whether the *details, as in the uploaded copy of PAN, match with the information available on the website of Income Tax Deptt?**		
	B) (i) Check Partners' details	Whether the *number and name of Partners, as filled in the application form, match with the details as in the Partnership deed?* a) Number of Partners b) Name of Partners		
	(ii) Cross-check Partners' PAN details	Whether the *Partner details, as filled in the application form, match with the details available on the website of Income Tax Deptt? **		
	Applicant entity's details	**LLP/ Private/ Public/Govt. Undertaking / Section 25 Company**		
	(A) (i) Check applicant entity's details	Whether the following *details, as filled in the application form, match with the uploaded copy of PAN?* a) Applicant Entity's name b) Date of Incorporation c) Permanent Account Number		
	(ii) Verify the uploaded PAN details	Whether the *details, as in the uploaded copy of PAN, match with the information available on the website of Income Tax Deptt? **		
	B) Verify DIN of Partner/ Director	Whether the *Partner/Director's details, as filled in the application form, match with the DIN on the Ministry of Corporate Affair's website?***		
	(C) (i) Check	Whether the *Registration Number, as filled* Registration details *in by the applicant, match with the Certificate of Incorporation uploaded by the applicant?*		
	(ii) Verify Company details with LLPIN/CIN	Whether the *Registration Number, Date of Incorporation and Company Name as in the Certificate of Incorporation, match with the information on the website of Ministry of Corporate Affairs?****		
	Applicant entity's details	**Registered Society/Trust**		
	(A) (i) Check applicant entity's details	Whether the following *details, as filled in the application form, match with the uploaded copy of PAN?* a) Applicant Entity's name b) Date of Incorporation c) Permanent Account Number		
	(ii) Verify the uploaded PAN details	Whether the *details, as in the uploaded copy of PAN, match with the information available on the website of Income Tax Deptt?**		
	(iii) Cross-check name of the applicant	Whether the *applicant's name, as filled in the application form, match with the name as in the copy of PAN uploaded?*		
	(B) Check Registration details	Whether the *Registration Number, as filled in by the applicant, match with the Registration Certificate of the Society/ Copy of the Trust Deed uploaded by the applicant?*		
	Applicant entity's details	**HUF Firm**		
	(i) Check applicant entity's detail	Whether the *following details filled in the application, match with details available on the website of Income Tax Deptt?** a) Applicant/ Entity's name b) Date of Birth/Incorporation c) Permanent Account Number		
	(ii) Verify the uploaded PAN details	Whether the *details, as in the uploaded copy of PAN, match with the information available on the website of Income Tax Deptt?**:		
	(iii) Cross-check name of the applicant	Whether the *Karta's name, as filled in the application form, match with the name as in the copy of PAN uploaded*?		
3.	**Check address of the applicant entity**	Whether the *address, as indicated in Part A (ii) of the application, match with the address as mentioned in the Sale deed or Rental / Lease Agreement or latest copy of electricity /Telephone bill?#*		
4.	**Check Bank details of the applicant entity**	Whether the *following details, as filled by the applicant entity, match with the uploaded cancelled cheque or Bank Certificate?* Name of the Account Holder Account number Bank's name Bank Branch IFS code of the Bank		
5.	**Other Remarks, if any**			

*PAN details of the applicant/entity /partner should be verified from the website of Income Tax Department by clicking on "Know your PAN" by filling in Date of Birth/Date of Incorporation and name of the applicant/entity / partner (https://incometaxindiaefiling.gov.in/e-Filing/Services/KnowYourPanLink.html)

**Partner/Director details, should be verified from Ministry of Corporate Affair's website by clicking on "View Company Master Data" and accessing the "Verify DIN-Pan Details of the Director" by entering DIN as indicated in the application. (http://www.mca.gov.in/MCA21/Master_data.html)

***CIN; Company Name; Registration Number/Date of Incorporation should be verified from Ministry of Corporate Affair's website by clicking on "View Company Master Data" and entering LLPIN/CIN as indicated in the application (http://www.mca.gov.in/MCA21/Master_data.html)

#Latest Electricity/ Telephone bill would mean bill within the last three months of the date of submission of the application form.

ii) Application forms with all "Yes" ticked would lead to an e-IEC being generated and emailed to the applicant. Applicant would also be informed of successful generation of IEC on his account through system-generated sms.

iii) Application forms with one or more "No" ticked would lead to rejection of the application and a rejection letter (with reasons) would be emailed to the applicant.

iv) Applicant whose application is rejected may submit a fresh application form after paying the requisite fees.

Board Says No Anti-dumping Duty after Five Years of Notification Issue

• Review Cases Initiated before Notification Expiry Date Only Exemption

Subject: Collection of anti-dumping duty beyond the validity period.

05-CBEC 28.01.2015 (DoR)

I am directed to refer to the Board's Circular No.28/2011-Customs, dated 8th July 2011 on the above subject and to state as under.

2. Circular No.28/2011-Customs, dated 8th July 2011 was issued in the context of a representation received in March, 2011 that anti-dumping duty was being demanded and levied under notification No.100/2005-Customs dated 29th November, 2005 by various Customs authorities on Acrylonitrile Butadiene at the time of its clearance, despite the fact that Directorate General of Anti Dumping and Allied Duties (DGAD) had not initiated sunset review in the matter of levy of anti dumping duty on Acrylonitrile Butadiene, before the expiry of the said notification on 8th June, 2010. It was also represented that in the absence of any initiation of a sunset review, the anti-dumping duty lapses at the expiry of 5 years from the date of its initial imposition.

3. Since in the said case, the DGAD had not initiated any sunset review, the levy under notification (No.100/2005-Customs) could not have been extended (for one year) in terms of the 2nd Proviso to Section 9A (5) of the Customs Tariff Act, which reads as under:

"Provided further that where a review initiated before the expiry of the aforesaid period of five years has not come to conclusion before such expiry, the anti-dumping duty may continue to remain in force pending the outcome of such a review for a further period not exceeding one year.

4. However, reportedly field formations were still collecting anti-dumping duty. It was in this context that the Circular No.28/2011- Customs dated 8th July 2011 was issued so as to clarify that in such cases, definitive/final anti-dumping duty can be collected only for a period of five years from the date of its imposition.

5. In view of the above, Para 3 of the Circular No.28/2011- Customs dated 8th July 2011 is substituted as under:

"3. From a plain reading of this provision it is evident that definitive/final anti-dumping duty can be collected only for a period of five years from the date of its imposition. Generally by virtue of sub-section (2) of section 9A of the Customs tariff Act, 1975, the anti-dumping duty levied in pursuance of final findings of the Directorate General of Anti-Dumping and Allied Duties (DGAD) is effective for a period of five years from the date of imposition of provisional duty except in cases where the DGAD initiates a review before expiry of such five year period. In cases where the DGAD has not initiated any sunset review before the expiry of aforesaid five years, no anti-dumping duty can be collected beyond the period of five years from the date of its imposition.".

F.No.354/104/2014-TRU

CBEC Orders Summons Issue only as Last Resort

Senior Officers to be Called only if Directly Involved

[CBEC Instruction dated 20th January 2015]

Sub: Instructions regarding issue of summons in Central Excise and Service Tax matters.

It has been brought to the notice of the Board that in some instances, the summons under Section 14 of the Central Excise Act, 1944 have been issued by the field formations to the top senior officials of the companies in a routine manner to call for material evidence/ documents. Besides, summons have been issued to enforce recovery of dues, which are under dispute. As per Section 14 of Central Excise Act, 1944, summons can be used in an inquiry for recording statements or for collecting evidence/ documents. While the evidentiary value of securing documentary and oral evidence under the said legal provision can hardly be over emphasized, nevertheless, it is desirable that summons need not always be issued when a simple letter, politely worded, can also serve the purpose of securing documents relevant to investigation. It is emphasized that the use of summons be made only as a last resort when it is absolutely required.

2. On this issue, Board has already issued a circular vide F. No 208/122/89-CX.6 dated 13.10.1989 in respect of Central Excise. Instruction has also been issued vide F. No. 137/39/2007-CX.4 dated 26.2.2007 in Service Tax matters.

3. The following guidelines are being issued to be followed in both Central Excise and Service Tax matters:-

(i) Power to issue summons are generally exercised by Superintendents, though higher officers also issue summons. Summons by Superintendents should be issued after obtaining prior written permission from an officer not below the rank of Assistant Commissioner with the reasons for issuance of summons to be recorded in writing;

(ii) where for operational reasons it is not possible to obtain such prior written permission, oral/telephonic permission from such officer must be obtained and the same should be reduced to writing and intimated to the officer according such permission at the earliest opportunity;

(iii) In all cases, where summons are issued, the officer issuing summons should submit a report or should record a brief of the proceedings in the case file and submit the same to the officer who had authorised the issue of summons.

4. Further, senior management officials such as CEO, CFO, General Managers of a large company or a PSU should not generally be issued summons at the first instance. They should be summoned only when there are indications in the investigation of their involvement in the decision making process which led to loss of revenue.

5. These instructions may be brought to the notice of all the field officers for strict compliance. Non observance of the instructions will be viewed seriously. Hindi version would follow.

F. No. 207/07/2014-CX-6

Oil Rallies with Labour Trouble in US Refineries, Temporary Relief for OPEC, Russia

Oil advanced for a fourth day, the longest rising streak since August, while gasoline extended gains as strikes continued at U.S. refineries that account for 10 percent of the nation's capacity.

Futures climbed as much as 1.8 percent in New York. The United Steelworkers union's work stoppage, which started Feb. 1 at nine sites, has resulted in the shutdown of one plant while management has taken control of operations at six other facilities. Crude stockpiles probably expanded by 3.75 million barrels last week as refiners reduced processing.

Oil is rising amid speculation that a prolonged strike will curb fuel supply in the world's biggest consumer. Crude remains near the lowest level in almost six years because of a global surplus, with Russia producing close to a post-Soviet record while Iraq and Saudi Arabia led output increases by OPEC.

The union, which represents workers at more than 200 refineries, terminals, pipelines and chemical plants, rejected five offers made by Royal Dutch Shell Plc on behalf of companies including Exxon Mobil Corp. and Chevron Corp. since talks began Jan. 21. The sites affected by the halt can produce about 1.82 million barrels a day of fuel.

Russia, OPEC

In Russia, production was at 10.657 million barrels a day of crude last month, little changed from December's record of 10.66 million, preliminary data from the Energy Ministry's CDU-TEK group showed on Feb. 2. Soviet-era crude and condensate output peaked at 11.48 million a day in 1987, BP Plc data show.

The Organization of Petroleum Exporting Countries, which supplies about 40 percent of the world's oil, pumped 30.91 million barrels a day in January, according to a survey of oil companies, producers and analysts. That exceeded the 12-member group's target of 30 million for an eighth straight month.

Australia Cuts Interest Rate to Record 2.25%, Aussie Falls to New Low

Australia's central bank cut its benchmark interest rate to a new record low and said the local currency remains overvalued, joining a dozen global counterparts in easing policy this year as commodity prices tumble.

Traders are pricing in a greater than 50 percent chance the RBA will cut rates by another quarter point at the March meeting, interbank cash-rate futures show.

"We obviously live in a low-interest world," Australian Treasurer Joe Hockey told reporters in Canberra after the decision. "The majority of our trading partners, apart from China, have virtually zero interest rates. So the Reserve Bank does have more room to move."

Australia is a developed-world rarity in that almost 24 years of growth leave it with rate ammunition, while policy makers from Tokyo to Frankfurt undertake quantitative easing to reflate their economies. Today's cut also aims to put a ceiling above a currency that has dropped almost 12 percent in the past three months, the worst performing major currency.

The overnight cash rate target was lowered by 25 basis points to 2.25 percent, Governor Glenn Stevens said in a statement. Growth will be weaker for longer and the jobless rate peak higher than earlier expected, he said.

Stocks surged to an almost seven-year high, the currency traded at a more than 5 1/2-year low and bond yields dropped to a record following the decision. Stevens's move to cut follows a collapse in the price of iron ore, which generates A$1 in every A$5 of export income, and a rush to ease among global policy makers that threatened to drive Australia's currency higher.

The RBA last reduced rates 18 months ago, the time it generally takes for stimulus to make its way through the economy, suggesting there was little remaining in the pipeline.

Iron ore reached the lowest since at least 2009 last week amid signs the bear market that began last year has further to run with China's steel mills curtailing output before a national holiday and major producers including Melbourne-based BHP Billiton Ltd. adding supply.

Yet further rate stimulus risks inflating a house price bubble. The Corelogic-RP Data home value index, released Monday, showed Sydney home prices rose 13 percent in January from a year earlier. Home loans to investors also climbed to a record 50.4 percent of all mortgages in October.

"The bank is working with other regulators to assess and contain economic risks that may arise from the housing market," Stevens said today.

The drop in energy prices threatens Australia.

The first of seven liquefied natural-gas developments began shipments last month, putting the nation on course to surpass Qatar later this decade as the world's biggest exporter of the fuel. Origin Energy Ltd., the Australian company building a natural gas export plant with ConocoPhillips, is looking at deferring proposed oil and gas projects following a decline in crude prices, it said in December.

Tariff Value of Gold Rises $11; Silver $25

Brass Scrap Falls $160/MTs; Palm Oil $22-24/MTs; Palmolein $15 and Crude Soya Bean Oil $30/MTs

15-Cus(NT) 30.01.2015 (DoR)

In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted namely:-

"Table-1

SNo.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value US $ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	681
2	1511 90 10	RBD Palm Oil	707
3	1511 90 90	Others – Palm Oil	694
4	1511 10 00	Crude Palmolein	724
5	1511 90 20	RBD Palmolein	727
6	1511 90 90	Others – Palmolein	726
7	1507 10 00	Crude Soya bean Oil	864
8	7404 00 22	Brass Scrap (all grades)	3537
9	1207 91 00	Poppy seeds	3747

Table-2

SNo.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	412 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	568 per kilogram

Table-3

SNo.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $ Per Metric Tons)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	2183"

[F. No. 467/01/2014-Cus-V Pt.I]

International Pact on Protecting Marine Biodiversity by 2018

UN delegates gathered in New York last week recommended that the General Assembly develop a legally binding agreement to govern the conservation, exploitation, and commercialisation of marine life on the high seas and international seabed.

A dedicated working group attended by nearly 200 participants recommended that the UN General Assembly decide to develop the new instrument under the UN Convention on the Law of the Sea (UNCLOS). A Preparatory Committee (PrepCom) should begin in 2016 with a two-year mandate, in order to make substantive recommendations to the General Assembly on the elements of a draft text of an international legally binding instrument.

The UN's main policymaking body should then decide by the end of 2018 on the convening and start date for an intergovernmental conference to consider the PrepCom's recommendations and eventually elaborate a text for the instrument.

The UN working group also decided last week that the content of the new agreement would focus on a package of key issues identified at a session in 2011: marine genetic resources (MGRs) and questions around sharing benefits from commercialization of these; geographic area-based management tools including marine protected areas (MPAs); environmental impact assessments (EIAs); as well as capacity building and the transfer of marine technology.

During the UN Conference on Sustainable Development (Rio+20) held in June 2012 in Rio de Janeiro, Brazil, the working group was given a mandate to decide on the need to develop an international instrument on marine biodiversity under UNCLOS by end-2015.

Regulatory and legal gaps?

Saturday's recommendations represent a hard-won consensus on issues that have troubled the working group since its creation in 2006, namely on whether legal gaps exist in the governance of marine biodiversity in areas beyond national jurisdiction (BBNJ), and if so how these should be addressed by a new international instrument, as well as the potential interaction between such an instrument and existing agreements, such as around fisheries.

The road ahead still appears difficult, however, given that a group of key marine nations – including Canada, Japan, South Korea, Russia, and the US – reportedly "remained to be convinced" throughout last week on the need for a new instrument, according to Earth Negotiations Bulletin (ENB).

Under UNCLOS, coastal states enjoy sovereign rights over the natural resources found in an area extending a maximum of 200 nautical miles from the coast, known as the Exclusive Economic Zone (EEZ). This means that around 64 percent of the oceans technically lie beyond the jurisdiction of any one country.

Among the more difficult topics to hammer out is the jurisdiction over MGRs derived from living resources on the international seabed and in the high seas. The seabed beyond 200 nautical miles has traditionally been considered the common heritage of mankind and an existing implementing instrument under UNCLOS governs seabed mineral mining.

In contrast, a regime of freedom of exploitation has generally been applied to living resources in the high seas. UN members have been divided in recent years on which system to apply to MGRs.

Commercializing marine resources

The conservation and sustainable use of marine biodiversity in the high seas has attracted increasing attention from policymakers, industry, and conservationists alike as a growing body of scientific evidence has underlined the anthropogenic pressures, resource richness, and vulnerability of these areas.

Environmental groups such as the High Seas Alliance argue that the high seas are more vulnerable than ever, as technological advances enable destructive practices such as bottom trawling and overfishing, and as increases in seaborne trade in past decades has hiked up noise pollution and ship strikes, as well as the risk of accidents and spills.

In 2013 some 18,000 natural products were sourced from some 4,800 marine species, with that number set to grow at a rate of four percent a year, according to the Global Ocean Commission, a marine conservation group.

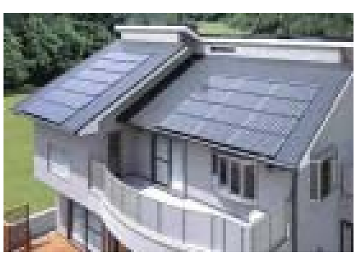
Much of this bio prospecting has occurred in easy-access coastal waters by a few developed countries who can afford it; but improvements in technology could eventually mean that activities move further afield as costs go down.

The commercialisation and trade of marine genetic resources poses similar challenges to those faced by the sale of products derived from other genetic resources, namely, how to govern their use or extraction and share benefits derived, with the added challenge of uncertainty over jurisdiction in the high seas.

Meanwhile the concept of marine protected areas could eventually impact certain parts of the fishing industry with possible effects on fish trade. Fish are among the world's most traded food commodities, worth almost US$130 billion in 2012, according to the UN Food and Agriculture Organization (FAO).

US Confirms Final Duties on China, Taiwan Solar Products

The US International Trade Commission (US ITC) said late last week that allegedly unfair trade practices by Chinese and Taiwanese solar product manufacturers had indeed caused material injury to US producers, ensuring that Washington would be levying hefty duties in response.



The vote by the US agency on 21 January is the final step in an investigation that began a year ago in response to petitions filed by SolarWorld Industries America, Inc., which had alleged that Chinese producers were skirting a set of existing duties on these products, specifically by using foreign-made cells in their production processes.

The US Commerce Department had already determined the level of these duties in December, after confirming the presence of both dumping and unfair subsidies. The products under investigation involved modules, laminates, and/or panels made using crystalline silicon photovoltaic cells. Those goods already covered by the 2012 duties were not part of the probe.

The anti-dumping probe had involved both China and Taiwan, focusing on whether imports from these countries had been sold in the US at prices below their normal value. The dumping margins were set between 26.71 and 165.04 percent for Chinese products and from 11.45 to 27.55 percent for Taiwanese goods.

The countervailing duty investigation had targeted only Chinese producers, regarding whether they had been the recipients of illegal state aid. These subsidies were determined in December to be between 27.64 to 49.70 percent.

All five of the six US ITC commissioners who voted approved the duties on China, while the Taiwan duties received four votes in favour and one against.

Approval by the US agency is necessary for the US Commerce Department to impose final duties; had the US ITC voted in the negative, the duties previously approved by the Commerce Department would not go into force.

The US ITC announcement was widely expected, in light of the previous Commerce Department findings. Responding to the news, SolarWorld's US President Mukesh Dulani praised the vote as giving American solar manufacturers "additional certainty" as they work to establish new facilities or build upon existing ones.

Other voices in the US solar sector were more critical of the news. Jigar Shah, President of the Coalition for Affordable Energy (CASE), called the US ITC vote "disappointing," warning that it could make solar power more costly for US consumers and have a negative impact on the American solar sector.

CASE is a group that is said to represent several solar companies, such as project developers and installers, which use these types of imports from China and Taiwan in their manufacturing processes.

"It's particularly troubling that US trade policy is working to increase the cost of solar products through tariffs when we know that more affordable solar energy creates more American solar jobs," Shah said, calling for governments from the countries involved to continue efforts toward a negotiated solution.

Chinese officials, for their part, have warned that moving forward with these duties will only serve to hamper the development of the American solar sector, rather than improve it, according to comments reported by Bloomberg. Beijing reportedly pledged it would act to protect its own interests, both within Washington and under the WTO system.

South Africa, US Seek Solution on Poultry Row Ahead of AGOA Renewal

Efforts are ramping up between the US and South Africa to resolve their countries' long-standing row over poultry trade, as Pretoria vies to ensure its continued eligibility in the African Growth and Opportunity Act (AGOA), a US programme that is up for re-authorisation this September.

In that vein, South African Trade and Industry Minister Rob Davies and US Trade Representative Michael Froman reportedly met last week on the sidelines of the World Economic Forum Annual Meeting in Davos, Switzerland in the hopes of advancing the discussions.

Since 2000, South Africa has had in place anti-dumping duties against imports of certain US chicken products. Claiming that such measures represent an unfair practice, US poultry meat exporters have been negotiating lower tariffs on their products over the past several years. More recently, they have also begun lobbying US lawmakers to tie South Africa's continued AGOA access to the removal of those protection measures.

"The dialogue between our two poultry associations had now reached the point of exchange of offers," said Davies in comments to the BusinessReport.

He explained that South African and American poultry associations are working together on a programme which will include some additional market access for US poultry products as well as a development component involving increased investment, training, skills development, and support for intra-African trade.

"We hope that [the offers] will create the momentum for the re-authorisation of AGOA with South Africa included. That's what we are looking to achieve," said Davies.

Observers note that South Africa's poultry trade policy has caused the country to face previous complaints, including at the WTO, where Brazil launched a case in 2012. (DS439) South Africa has also been a respondent in other WTO disputes raised by India, Indonesia, and Turkey, respectively, involving anti-dumping measures on other products.

AGOA eligibility at risk?

The South African duties have also drawn the ire of some US lawmakers, with Senator Chris Coons warning last month that he "will not allow AGOA to be reauthorised as long as South Africa continues its illegal and inappropriate ban on the import of all US poultry."

Coons, a Democrat from the US state of Delaware, co-chairs a bipartisan group known as the "Senate Chicken Caucus" with Johnny Isakson, a Republican from the state of Georgia. The group aims to facilitate congressional discussions relating to poultry.

AGOA provides certain African products with preferential quota and duty-free access to the US market. The bill expands upon the US Generalised System of Preferences (GSP), a set of formal exceptions from the WTO's most-favoured nation (MFN) principle, which allows developed countries to offer developing countries preferential treatment on specific goods. The GSP expired in mid-2013, with renewal legislation stalling in Congress.

In December 2014, Coons and Isakson addressed a letter to South African President Jacob Zuma warning him that continuous refusal to act – in other words, to lift the duties – on US poultry could result in the end of trade benefits granted to South Africa under AGOA.

"South Africa turned around and slapped heavy duties on our poultry. It was something we didn't expect. We didn't think it was a very friendly gesture and we've been trying to get those lifted ever since," Kevin Brosch, a trade advisor to US poultry industry, said to television channel CCTV America at the time.

Statistics indicate that a potential loss of US trade preferences could have serious consequences as 90 percent of South Africa's exports enter the US duty-free under AGOA. These totalled more than US$3.5 billion last year, creating more than 60,000 jobs, according to South Africa's Department of Trade and Industry.

Davies said he was "a bit surprised by the threats involving South Africa's AGOA status," according to remarks quoted in the BusinessReport.

Pushing for AGOA's re-authorisation

As attempts to find a solution over the poultry issue intensified over the past few days, a delegation of African trade ministers held discussions in Washington to push for the renewal of AGOA, which is set to expire in eight months.

In recent years, some US experts have argued that Washington should focus more on two-way trade agreements with Africa in order to preserve its competitive advantage, especially since the EU has now concluded negotiations for reciprocal Economic Partnership Agreements with three regional economic communities in Africa, namely the Economic Community Of West African States (ECOWAS), the South African Development Community (SADC), and the East African Community (EAC).

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Customs Valuation Exchange Rates

16 January 2015		Imports	Exports
Schedule I [Rate of exchange of one unit of foreign currency equipment to Indian Rupees]			
1	Australian Dollar	51.25	49.95
2	Bahrain Dinar	168.65	159.40
3	Canadian Dollar	49.60	48.40
4	Danish Kroner	9.40*	9.15*
5	EURO	69.95*	68.20*
6	Hong Kong Dollar	8.05	7.90
7	Kuwaiti Dinar	216.45	204.15
8	New Zealand Dollar	48.30	47.05
9	Norwegian Kroner	8.20	8.00
10	Pound Sterling	95.35	93.20
11	Singapore Dollar	46.85	45.85
12	South African Rand	5.55	5.25
13	South Arabian Riyal	16.95	16.00
14	Swedish Kroner	7.75	7.55
15	Swiss Franc	68.00	66.35
16	UAE Dirham	17.30	16.35
17	U.S. Dollar	62.30	61.30
Schedule II [Rate of exchange of 100 units of foreign currency equivalent to Indian rupees]			
1	Japanese Yen	53.15	51.95
2	Kenyan Shilling	69.80	65.75

*(Source: Customs Notification 09(NT)/15.01.2015); * w.e.f 28.01.2015*

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