GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE

POLICY CIRCULAR NO 12 /2002-2007 Dated: 1st November, 2002

To

All Licensing Authorities
All Commissioners of Customs,

Subject: (a) third party exports under the EDI shipping bill , (b) Counting of payment received through ECGC cover for fulfilment of export obligation even in case of old applications (c) Application by branch office of registered exporters for benefits under the Exim Policy (d) settlement of all cases where surrender of SIL was mandated

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(a) The issue of difficulties in carrying out third party exports under the various export promotion schemes under the EDI shipping bill has been brought to the notice of this office. Primarily the difficulties stem from the fact that there is no option in the EDI shipping bill to add the name of the supporting manufacturer.

On account of the problems emanating from the current format of the EDI shipping bill and until this format is apprpriately modified, it has been decided to accept third party exports provided the firm furnishes corroborative evidence of having made exports through a third party.

For example evidence could be in the form of ARE-1 Certificate issued by the Central Excise with due authentication by the Customs verifying the exports along with the shipping bill number and date. Any other evidence of third party exports are also acceptable provided there is due authentication by the Customs authorities.

(b) Paragraph 2.25.3 of the Handbook of Procedures (Vol 1) permits taking into account of such exports for the purpose of benefits under the Exim Policy where the exports have been completed but the payment has not been realised from the buyer provided the payment has been realised through ECGC cover.

It has been decided to grant the benefits under para 2.25.3 of the Handbook of Procedures (Vol 1) even for old cases . Hence exports made and payment realised through ECGC cover would be taken into account for benefits under the Exim Policy even if such exports were made and/ or licences issued prior to 01.04.2002.

(c) The issue of application by the branch offices of registered exporters for deemed export benefits was deliberated upon in this office. Keeping in view the facility for branch offices of exporters to apply for Advance Licence under para 4.2 and 4.3 of the Handbook of Procedures (Vol 1) and for deemed exports as per the provision of Policy Circular No 6 dated 27.06.2002, it was decided to extend the facility of application by branch offices of exporters for all other category of licences under the Exim Policy. However the concerned branch office would have to obtain an authority letter or a NOC from the registered office in the case of companies and Head office in other cases.

(d) Reference is invited to Policy Circular No 14 dated 19.10.2001 which prescribed the procedure for the settlement of audit objections wherever the relevant policy provisions mandated the surrender of Special Import Licence (SIL) that is now defunct. In continuation of the aforesaid provision, some of the regional offices have sought the extension of the provision of PC 14 dated 19.10.2001 to all category of cases where the surrender of SIL was mandated for regularisation of the cases. The matter was deliberated upon in this office and it has been decided that in the case of all categories of cases where the surrender of SIL was envisaged for regularisation of cases in the relevant Handbook of Procedures / Exim Policy, the same would be replaced by the payment of an amount equivalent to 1% of the value of SIL to be surrendered. The amount deposited would be through a TR in the authorised branch of the Central Bank of India under the head of Account : “1453 – Foreign Trade and Export Promotion” and Minor Head 102.

This issues with the approval of the Director General of Foreign Trade .

A.B. Menon
Deputy DGFT

(File No:01/94/180/25/AM03/ PC IV)