

DIRECTORATE GENERAL OF FOREIGN TRADE
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

POLICY CIRCULAR NO.55(RE-98) , DATED: 10th Dec, 98

Subject :- Inclusion of commission in the FOB value for calculation of DEPB entitlement.

Attention is invited to paragraph 7.25 of the Exim Policy (RE-98), 1997-2002 wherein it was clarified that under DEPB, an exporter shall be eligible to claim credit as a percentage of FOB value of exports made in freely convertible currencies.

Representations have been received that the element of commission paid to foreign buyer or agent of the foreign buyer may not be excluded from the FOB value while calculating the DEPB entitlement.

The matter has been examined and it has been observed that for drawback entitlement, the FOB value, inclusive of the foreign agents commission, is taken into account. It has therefore been decided that the total FOB value inclusive of foreign agents commission (upto the specified limit prescribed by RBI) be taken while calculating DEPB entitlement also.

This issues with the approval of DGFT.

(Ajay Sahai)

Jt. Director General of Foreign Trade