GOVERNMENT OF INDIA
DIRECTORATE GENERAL OF FOREIGN TRADE
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Policy Circular No.18(RE 2003)/2002-2007
New Delhi, the21stOctober,2003

To
All Regional Licensing Authorities,
All Development Commissioners (EPZ/SEZ).

SUBJECT: Decentralisation of the work relating to fixation of Brand Rate of Drawback for supplies categorised as Deemed Exports

Sir,

In order to simplify the procedures and to eliminate delays in issuance of Brand Rates, it has been decided to decentralise the work of fixation of Brand Rate to the concerned JDGs and Development Commissioners of SEZs/EPZs. The application for fixation of Brand rate of Duty Drawback will now be made to the concerned JDG for the supplies covered in para 8.2 (a), (c),(d),(e), (f), (g), (i) and (j) & supplies made to STP/EHTP in para 8.2(b) and Development Commissioners of Special Economic Zones (SEZs) in respect of supplies made to EOUs/SEZs under para 8..2(b) of the Policy. As such, now the applicant has to file application for fixation of Brand Rate to the JDG as per the jurisdiction indicated in Appendix 24 of the Handbook of Procedures, Vol. I and Development Commissioner of SEZ in whose jurisdiction the unit receiving the supply is situated. One copy of the application for claiming the deemed export drawback will continue to be filed with the respective regional licencing authorities who would arrange payment based on the Brand Rate fixed.

2. All JDGs and Development Commissioners are, therefore, advised to keep the following guidelines in view while fixing the brand rate of drawback: (i) A Section headed by a Joint. DGFT or Joint DC along with the requisite staff may be designated to handle all matters pertaining to fixation of Brand Rate. The applicants will be provided all requisite guidance and help in preparation and subsequent filing of applications. Before the application is formally received it will be checked with the list of Check-list to see if it is complete. A checklist showing the documents to be filed is enclosed herewith. Only complete applications will be received and duly acknowledged by the unit giving the File Number. The said acknowledge will also contain the possible date, not later than 15 days after the date of filing application, by which the Brand Rate would be issued and telephone number, fax number, e-mail address of the Joint DGFT or Joint DC, as the case may be with whom the exporter may like to take up the matter in case of delay in finalisation of their case.

(ii) The applications will be strictly examined according to their F.No. on FIFO (First In First Out) basis. A minute, detailed examination is required in each case strictly keeping in view the provisions of Export Import Policy, Handbook of Procedures, Customs and Central Excise Acts and rules made thereunder and Customs and Central Excise Duties Drawback Rules,1995. NIC would also be asked to provide a programme for computerize checking of data and further calculation for arriving at the Brand Rate of Drawback. Brand Rate proposals will be approved at the level of Joint DGFT / Joint DC. The Brand Rate letters addressed to the disbursing authority, as mentioned in para 2 above, may be issued by Regd. Post / Speed Post /e-mail after ensuring their correctness in all respects. A list showing status of all applications received during a fortnight may be prominently displayed on the Notice Board for information of the trade.

(iii) After issue of Brand Rate letters, about 5 to 10 % of the cases, selected on random basis may be subjected to post audit by Internal Audit Unit and requisite follow - up action may be taken immediately to review the case at appropriate level. For this purpose, all Brand Rate letters are required to be endorsed to the Internal Audit Unit. All records are required to be maintained properly for subsequent reference and auditing.

(iv) In view of the Government emphasis for disposal of Brand rate applications on priority and transparent basis, all the concerned officers and staff may be suitably advised and made conversant with the procedures which have been briefly mentioned above. Before this scheme is put into operation, officers from DGFT Hqrs would impart necessary training about examination of Brand Rate applications, from policy and documentation angle and subsequent calculations of rate on the basis of data made available in the DBK Statements as prescribed in Appendix 12B of the Handbook of Procedures, Vol. I.

(v) The Joint DGFTs and DCs are required to closely monitor the functioning of the Brand Rate Unit to ensure speedy disposal of Brand Rate applications in a transparent manner and ensure that grievances of the trade with regard to fixation of Brand Rate are promptly addressed. A monthly report on receipt and disposal of Brand Rate applications may also be furnished to the DGFT Hq and the Zonal JDG .

(vi) All the Brand Rate applications starting from (date to be notified later) will be dealt with in the Brand Rate Unit in respective RLAs / DCs, as the case may be. The Brand Rate fixation in respect of applications received up to (date to be notified later) and corrections / amendments to the rate already issued will be dealt with in the DBK Cell in DGFT Hq. The exact date of effect would be notified later.

3. Any problem/difficulty in implementing aforesaid decentralisation of fixation of brand rate work may please be specifically brought to the notice of DGFT for immediate clarifications/guidance.

4. Receipt of this Circular may please be acknowledged and contents thereof may be given due publicity.

(Narinder Singh)
Joint Director General of Foreign Trade

Encl: As above

Endt: No. Misc.2/AM-2004/DBK Cell dated October, 2003

1. Department of Commerce (EPZ Division)

2. Policy Division for issue of Notification.

(Narinder Singh)
Joint Director General of Foreign Trade

Annexure

CHECKLIST

1 Application
2 Profile of Exporter
3 DBK-I STATEMENT
4 DBK-II STATEMENT
5 DBK-IIA STATEMENT
6 B/E’s along with import invoices
(with cross references in II/IIA)

7 DBK-III STATEMENT
8 DBK-IIIA STATEMENT
9. Invoices/RT-12 returns

(with cross references in III/IIIA)

10. Non-availment of MODVAT certificate
11. Supply Invoices/AR3A
12. Payment Certificate
13. ARO/DEEC
14. P.O./LOI/Contract
15. Working Sheet
16. Status of the buyer
17. Application under DBK Rule No. 6 or 7
18. Details of supplies
19. Periodicity option