

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE

POLICY CIRCULAR NO 16 /2002-2007

Dated: 24th December, 2002

To

All Licensing Authorities
All Commissioners of Customs,

Subject: Acceptance of Third Party Exports under various Export Promotion Schemes

The issue of availment of benefits under the various export promotion schemes in the different Exim Policy(s) for third party exports has been raised from certain quarters of the trade and industry.

The inclusion of the provision of third party exports as under the definition under para 9.55 of the Exim Policy and its applicability as per para 2.34 of the Exim Policy has been a conscious decision. Third party exports are intended to service the manufacturer exporters who may not be able to export directly and would therefore avail of the services of a third party namely merchant exporters. The third party thus in effect acts a marketing wing in the entire export transaction and the intention of policy is to remit/ exempt duty on the inputs used in the export product.

Both the provisions under para 2.34 and 9.55 of the Exim Policy clearly imply that third party exports are applicable for all the export promotion schemes of the Exim Policy provided the name of the manufacturer and the third party are mentioned on the shipping bill.

Hence it is clarified that in terms of Section 13 of the General Clauses Act, 1987, third party exports are permitted under various Exim Policy(s) for all the export promotion schemes. All the past cases of third party exports may be regularised on submission of supporting documentation to the Licencing Authority.

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)