

GOVERNMENT OF INDIA
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
UDYOG BHAWAN, NEW DELHI – 110 011

Policy Circular No. 77 (RE-2008)/2004-2009 Dated: 31st March, '09.

To

All Regional Authorities;
All Commissioners of Customs;
Exporting Community

Subject:- Guidelines for import of Precious Metal by the Nominated agencies - regarding.

Attention is invited to Notification No. 88 dated 26.2.2009 wherein additional Nominated Agencies had been notified under Paragraph 4A.4 of FTP for the purpose of direct import of precious metal for making it available to all concerned, in particular, the exporting community requiring precious metal for manufacture of its product. In terms of Paragraph 4A.4 of FTP, at present, the following agencies / entities are entitled for direct import of precious metal

- I. Designated Banks notified by RBI;
- II. Agencies / entities notified by Department of Commerce;

- (a) MMTC Limited;
- (b) State Trading Corporation (STC);
- (c) The Projects & Equipment Corporation of India Limited;
- (d) Handicraft and Handloom Export Corporation (HHEC);
- (e) EOU and SEZ Gems & Jewellery Units for their own consumption;
- (f) STCL Limited;
- (g) MSTC Limited;
- (h) Diamond India Limited (DIL);
- (i) Gems & Jewellery Export Promotion Council (G&JEPC);
- (j) Premier Trading Houses; &
- (k) Star Trading Houses (only for Gems & Jewellery Sector).

2. For the Premier Trading Houses and the Star Trading Houses (only for Gems & Jewellery exporters), the Certificate holder shall be required to request to the concerned Regional Authority (RA) (who had issued the Status Certificate / the Registered office is located) enclosing therewith a self-attested copy of the valid Status Certificate. RA, in turn, shall issue a Certificate to the Status Certificate Holder in the format appended to this Policy Circular as Annexure I. This Certificate shall be valid for one year starting from 1st Day of the Financial Year of filing application. This Certificate shall be renewed every year based on the validity of the Status Certificate and the performance of the Nominated Agency on annual basis.

3. **Monitoring Mechanism:-** The following guidelines for monitoring the import of precious metal and its distribution and / or own use by the Nominated Agencies (other than the designated banks nominated by RBI) :

- (a) All these Nominated agencies shall be required to maintain records of imports of precious metal (both quantity and value) and its distribution for the purpose of exports of value added product as well as for the purpose of domestic consumption as per the format appended to this Policy Circular as Annexure II.

- (b) Periodic filing of returns on monthly basis to the Gems & Jewellery EPC Registered Office at Mumbai. G&J EPC, in turn, shall compile the figures and forward it to DGFT (Hdqs.) by 15th of the subsequent month;
- (c) At least 10% of the imports of each entity shall be supplied to the exporters;
- (d) Performance to be reviewed on annual basis.

4. The Policy and Procedure for import of precious metal shall be as per the guidelines stated in Foreign Trade Policy (FTP) and the relevant RBI Guidelines.

5. Clearance of import consignment shall be allowed by the Customs Authority as per the Procedure laid down by them for the Nominated Agencies by way of Customs Notification and / or Circular issued by them from time to time.

6. Any difficulty in operation of the aforesaid provisions shall be brought to the notice of this Directorate immediately.

This issues with the approval of Competent Authority.

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ANNEXURE I

Appended to Policy Circular No. 77 dated 31.3.09.

This is to certify that M/s _____, holder of a Valid _____ (mention the category of Status certificate Holder) Certificate bearing Number _____ Dated _____ issued by Regional Authority _____ (Mention the name of the Regional Authority) and having Importer - Exporter Code Number _____, has been designated as Nominated Agency under Paragraph 4A.4 of Foreign Trade Policy (RE 2008), as amended from time to time for the purpose of Direct Import of Precious Metal. This is subject to provisions of FTP and the Procedure laid thereunder, RBI Guidelines and the Customs Rules and Regulations.

This permission shall be valid from _____ to _____ (Mention specific Date).

Name of RA:

Date:

(S I G N A T U R E)
Asstt. Director General of Foreign Trade /
Foreign Trade Development Officer

(OFFICE SEAL)

ANNEXURE IIAppended to Policy Circular No. 77 dated 31.3.09.**Statement of Precious Metal imported during the month ended**

Name of the Nominated Agency (Other than Designated Banks) in terms of paragraph 4A.4 of FTP:

Date of Statement:

Name of Precious Metal: Gold / Silver / Platinum (Strike which is not applicable)

		Number of Transaction	Value of Gold Imported		Quantity of Gold Imported	
			(US D million)	(Rs. Crore)		
Sl. No.	Mode of Import					
(i)	Delivery Against Payment Basis					
(ii)	Supplier's Credit Basis					
(iii)	Consignment Basis					
(iv)	Unfixed Price Basis					

Note:

1. Full details of transactions may be provided in cases where the number of transactions in respect of a single importer exceeds ten transactions in a month or the aggregate value of imports exceeds US Dollar 50 million.
2. Details of EOUs / Units in SEZ and Nominated Agencies should be given separately.
3. Separate statement in the aforesaid format shall also be furnished for other precious metal as well (i.e. silver, platinum etc.).
4. Nominated Agencies may refer the RBI Guidelines as stated in A.P. (DIR Series) Circular No. 2 Dated July 9, 2004, Paragraph B 15 of part III of Master Circular of RBI, as amended from time to time.