GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
UDYOG BHAVAN, NEW DELHI-110011

Policy Circular No. 98 (RE-2008) / 2004-2009 Dated: 10 August, 2009

To
All Licensing Authorities

All Customs Authorities

Subject: Modification of Policy Circular No. 51 (RE-2008) / 2004-2009 dated 6th January, 2009.

Attention is invited to Policy Circular No. 51 (RE-2008)/2004-2009 dated 6th January, 2009 wherein it was clarified that **'**the computation of entitlement is to be done on the FOB value of exports inclusive of commissions **and discounts, if any**'.

In this regard, it has been observed that discounts (offered to foreign buyers) do not form part of FOB value. Thus, FOB value on which the entitlement would be computed under Chapter 3 reward schemes would exclude 'discounts'. Hence the phrase 'the computation of entitlement is to be done on the FOB value of exports inclusive of commissions and discounts, if any.' in Policy Circular No. 51(RE-2008)/2004-2009 dated 6th January, 2009 is amended to read as **'**the computation of entitlement is to be done on the FOB value of exports inclusive of foreign agency commission'.

This issues with the approval of the DGFT.

Sd/
(A K Singh)
Joint Director General of Foreign Trade

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