

**Government of India
Ministry of Commerce & Industry
(Director General of Foreign Trade
(PC-IV Division)**

Policy Circular No.33(RE-00)/2000-2001 dated 15th Nov, 2000

**ALL LICENSING AUTHORITY
ALL COMMISSIONER OF CUSTOMS**

Subject: Importability of cars, microbuses etc. by travel agents, tour operators of tourist transport operators under 5% EPCG Scheme.

Attention is invited to Policy Circular No. 17 dated 14th July, 2000 containing the guidelines for the import of cars, microbuses etc by the Hotel industry and the Tourism Industry under 5% EPCG scheme. Under the present dispensation, both the Hotel and the Tourism Industry are required to execute the bank guarantee (BG), to the extent of 100% of the duty saved amount on import of car under the 5% EPCG Scheme, irrespective of the status of the licence holder.

Some representation have been received in this office from the Hotel Industry requesting this office to grant exemption from the execution of BG on availing the 5% EPCG Scheme for the import of car, microbuses etc. to those hotels which are status holders. The issue has been examined in this office and in view of the fact that the Hotels holding status certificates were exempted from the execution of BG on import of car even under the erstwhile 0%/10% EPCG Scheme, it has been decided to modify the aforementioned Policy Circular so as to extend the facility of exemption from execution of BG to hotels holding status certificates, on import of car, microbuses etc. under the 5% EPCG Scheme.

2. It has also come to the notice of this office that the Policy Circular No. 17 dated 14th July, 2000 is interpreted by some of the RLAs as if only status holders may apply for the import of cars under 5% EPCG Scheme. In this context, it is clarified that both status and non-status holders amongst the Hotel and the Tourism industry may apply for the import of car etc under the 5% EPCG scheme. However, the licence holders shall be required to submit the BG equivalent to 100% of the duty saved amount except in cases provided above at serial no. 1.

This issues with the approval of DGFT.

(Ajay Sahai)
Jt. Director General of Foreign Trade