CHAPTER 2

GENERAL PROVISIONS REGARDING EXPORTS AND IMPORTS

2.00 Policy

Policy relating to general provisions regarding exports and imports is given in Chapter-2 of FTP.

2.01 Coverage

This chapter covers procedure for various applications including their complete documentation. Procedure for applications for authorisations/ license/ permissions/ certificates for import/export and applications for benefits under FTP are spelt out.

2.02 Countries of Imports / Exports

Unless otherwise specifically provided, international trade (i.e. import into India and /or export from India) can take place from/to any country. Country specific prohibitions/limitations, if any, are specified in the FTP/ITC (HS).

Applications:

2.03 Filing of Application

(a) Applications seeking authorisation for import/export of "restricted" goods, for claiming benefits under the schemes in FTP or for seeking clarifications and for other purposes may be made to the Regional Authority (RA).

(b) Applicants may ensure while submitting documents that documents are either in English or Hindi. Documents in regional languages may be got translated into English or Hindi and the translated copy may be self-certified and submitted along with the Original copy.

2.04 Territorial Jurisdiction of RA

Territorial jurisdiction of RAs is given in **Appendix 1A** of Appendices and Aayat Niryat Forms. The address of applicant determines the jurisdiction of RA. Each application, unless otherwise specified, shall be submitted to jurisdictional RA .

2.05 Incomplete Application

(a) An incomplete or unauthorised application is liable to be rejected by the competent authority with specific reason for rejection. Such incomplete application may be re-opened on rectifying the deficiencies.

(b) If the deficiencies are not rectified by the applicant within a period of 90 days, the application will be deemed to have been withdrawn.

2.06 Application Fee

The scale of fee, mode of payment, procedure for refund of fee and categories of persons exempted from payment of fee are provided for in **Appendix-2K.**

Importer Exporter Code (IEC):

2.07 IEC Number Exempted Categories

(a) IEC is compulsory for import and /or exports. However, the following categories of importers or exporters are exempted from obtaining IEC.

Sl. No.	Categories Exempted from obtaining IEC
(i)	Importers covered by clause 3(1) [except sub- clauses (e) and (l)] and exporters covered by clause 3(2) [except sub-clauses (i) and (k)] of Foreign Trade (Exemption from application of Rules in certain cases) Order, 1993.

(ii)	Ministries /Departments of Central or State Government
(iii)	Persons importing or exporting goods for personal use not connected with trade or manufacture or agriculture.
(iv)	Persons importing/exporting goods from/to Nepal; Bhutan; Myanmar (through Indo-Myanmar border areas); and China (through Gunji, Namgaya Shipkila and Nathula ports), provided that the CIF value of single consignment of import/export of goods from/to Nepal; Bhutan and Myanmar (through Indo-Myanmar border areas) does not exceed Indian Rs. 25,000/-; and in the case of China, (a) for import/export of goods through Gunji and Namgaya Shipkila, CIF value of single consignment does not exceed Indian Rs.1,00,000/-;and (b) for import/export of goods through Nathula, CIF value of single consignment does not exceed Rs.2,00,000/-.

Further, exemption from obtaining IEC shall not be applicable for export of Special Chemicals, Organisms, Materials, Equipments and Technologies (SCOMET) as listed in Appendix - 3, Schedule 2 of ITC (HS) except in case of exports by category (ii) above.

(b) Following permanent IEC numbers shall be used by non – commercial PSUs and categories or importers / exporters mentioned against them for import / export purposes :

Sr. No.	**Permanent IEC**	**Categories of Importer / Exporter**
1	AMDCG0111E	All Ministries / Departments of Central Government and agencies wholly or partially owned by them.
2	ADSGA0129E	All Departments of any State Government and agencies wholly or partially owned by them.

3	DCUNO0137E	Diplomatic personnel, Counsellor officers in India and officials of UNO and its specialised agencies.
4	IABBR0145E	Indians returning from / going abroad and claiming benefit under Baggage Rules.
5	IIHIE0153E	Persons /Institutions /Hospitals importing or exporting goods for personal use, not connected with trade or manufacture or agriculture.
6	IIEGN0161E	Persons importing/exporting goods from /to Nepal
7	IIEGM0170E	Persons importing / exporting goods from / to Myanmar through Indo-Myanmar border areas
8	IFFIE0188E	Ford Foundation.
9	ATAEF1096E	Importers importing goods for display or use in fairs/ exhibitions or similar events under provisions of ATA carnet. This IEC number can also be used by importers importing for exhibitions/fairs as per **Paragraph 2.63** of Handbook of Procedures
10	IDNBG1100E	Director, National Blood Group
11	ICIRN1126E	Individuals /Charitable Institution /Registered NGOs importing goods, which have been exempted from Customs duty under Notification issued by Ministry of Finance for bonafide use by victims affected by natural calamity.
12	IIEGC1134E	Persons importing/exporting permissible goods as notified from time to time, from /to China through Gunji, Namgaya Shipkila and Nathula ports, subject to value ceilings of single consignment as given in **Paragraph 2.07 (iv**) above.
13	NCIEE1169E	Non-commercial imports and exports by entities who have been authorised by Reserve Bank of India.

2.08 Application for IEC

(a) Exports/ Importers shall file online application in ANF 2A format with applicable fee and requisite documents.

(b) IEC will be system auto generated and applicant will be informed through e-mail and sms that a computer generated e-IEC is available on its registered email id. Applicant can also view and print its e-IEC after completion of the submission process of application by logging into the IEC module.

(c) The applicant is required to submit online application with the following details/documents (scanned copies to be submitted/uploaded) along with the IEC application:

  (i) Cancelled cheque bearing entity's pre-printed name or Bank certificate in prescribed format ANF-2A(I);

  (ii) Address proof of the applicant entity as detailed in the application.

(d) RAs would conduct post-verification of online IECs as per the guidelines.[i]

2.09 IEC Format

An IEC will be issued in prescribed format (**ANF 2(A) (II)**). A copy of such IEC shall be endorsed to concerned banker (as per details given in **ANF 2A**). Such endorsement should ordinarily be done using emails.

2.10 Validity of IEC

An IEC allotted to an applicant shall have permanent validity unless cancelled by the competent authority. The IEC will cover all branches / divisions / units / factories of the applicant.

2.11 Validity of IEC for EOUs / SEZs

An IEC will remain valid irrespective of a firm's status as a DTA unit or an EOU or a SEZ/ EHTP/STP/BTP unit and the procedure to be followed in case a firm/unit is de-bonded and converted to DTA is as under:

(a) An unit which is an EOU or in SEZ/EHTP/STP/BTP after de-bonding will not surrender the IEC obtained from its jurisdictional DC, SEZ.

(b) The jurisdictional DC, SEZ will send the original IEC file to concerned RA of DGFT after de-bonding.

(c) RA becomes the custodian of such file and will allow de-bonded unit to make necessary modification in IEC.

(d) The de-bonded unit to be eligible for benefits from the RA as per FTP.

2.12 One PAN-One IEC

Only one IEC shall be issued against a single PAN. Multiple IECs against a single PAN stands deactivated suo-motu after 31.03.2015.

2.13 Surrender of IEC

If an IEC holder does not wish to operate allotted IEC, he may surrender the same to the issuing authority. On receipt, the issuing authority shall immediately cancel the IEC and electronically transmit it to DGFT and Customs authorities.

2.14 Modification of IEC

(a) Modifications in IECs / e-IEC's can be done online only. Applicants seeking modification in their IECs / e-IEC's may log on to dgft.nic.in and click on Importer Exporter Code (IEC) under Quick Links and select "Modify your IEC" to amend their e-IECs and IECs in physical format with applicable fees and requisite documents.

Applicant shall upload relevant document/s to substantiate the changes sought to be made, besides uploading the signed copy of the modification application. The modification application has to be signed by Proprietor/ Managing Partner/ Designated Partner /Director / Company Secretary in case of companies or Chief Executive of the Society/ Managing Trustee / Karta as the case may be, before uploading/submitting the online application.

However, request for (i) Cancellation of existing numeric IEC and (ii) PAN change in existing numeric IECs has to be made to the concerned jurisdictional Regional Authority. Once RAs have changed the PAN and the change is reflected on central server, such applicant can seek further modifications online, if any so desired.[ii]

(b) An application for modification may be made for change in details like name, address, constitution, ownership in Proprietorship firms, change in nature of the firm e.g. from proprietorship to partnership etc.

(c) RAs shall consider applications seeking modification in IEC **(all numeric**), involving change in PAN, by ensuring that liabilities of the previous applicant/applicant firm are transferred to the new applicant/applicant firm whose PAN will be reflecting in the modified IEC.

(d) In case of change in constitution of a PAN based IEC by way of merger, acquisition, liquidation, inheritance etc. such that PAN of the new entity so formed is different from the earlier one, an IEC can be availed against the new PAN, if not existing already. Previous IEC (s) can also be operationally linked to the PAN/IEC of the new entity.[iii]

(e) An application for linking the obligations under the old/ previous IEC may be submitted online to the jurisdictional RA of the new entity along with supporting documents. Concerned RA may sanction the given linkage after due scrutiny of the evidence provided by the applicant including submission of affidavits etc. After RA's approval, previous IEC (s) shall be treated as surrendered.[iv]

2.14 (A) Modifications / Change in Branch Office / Head Office / Registered Office Address in IEC involving a shift in jurisdictional RA.

When an IEC holder seeks modification/ change of Branch Office/ Head Office/ Registered Office address in its IEC and which involves a

shift in its jurisdictional RA, a request to that effect will have to be made to RA concerned under whose jurisdiction the applicant exists.

On the basis of this request, the RA (Custodian of the IEC File till now) will process such requests and amend IEC, if found appropriate, under intimation to the RA under whose jurisdiction the applicant wants transfer. The new RA shall allow the person in its new address to carry out necessary functions and also apply for eligible benefits as per FTP.

2.15 Profile of Importer / Exporter

(a) ANF-1 contains the profile of the importer/exporter. IEC Holder shall be responsible for updating the same as and when a change takes place immediately or in any case at least once in a year.

(b) Documents which are uploaded in the Importer-Exporter Profile are not required to be filed each time the importer/exporter applies for authorisations/scrips under different schemes of this FTP. However, persons seeking any benefit from any authority, by claiming status as manufacturer exporter, have to prove its credence for the same independently to that authority.

Issue of Authorisation:

2.16 Validity period of Authorisation/ Licence / Certificate / Authorisation / Permissions / CCPs

(a) Validity period of Import / Export Authorisations from the date of issue shall be as follows, unless specified otherwise:

Sr. No	Type of Authorisation	Validity Period
(i)	Export Authorisation for restricted (Non SCOMET) goods	24 months [v]

(ii)	Export Authorisation for SCOMET items	24 months
(iii)	Import Authorisations for restricted items and CCP	18 months
(iv)	EPCG Authorisation	24 months[vi]
(v)	Advance Authorisations (AA) for Deemed Export	Coterminous with contracted duration of project execution or 12 months, whichever is more.
(vi)	AA {except (v) above}, DFIA, Replenishment Authorisation for Gems & Jewellery as per Chapter 4 of FTP.	12 months from issue date.

However, EXIM Facilitation Committee (EFC) (for non-SCOMET items) and Inter Ministerial Working Group (IMWG) (for SCOMET items) may approve the grant of Export Authorisation for a shorter / longer duration in specific cases to meet contractual obligations/delivery schedule or on specific recommendation of the concerned Technical / Administrative Ministry / Department / or any other agency.

(b) DGFT may decide to issue specific authorisation/ class of authorisations for a longer/shorter validity period. Any extension /revalidation in such cases to be allowed only by DGFT.

2.17 Date of reckoning of Import / Export

(a) Date of reckoning of import is decided with reference to date of shipment / dispatch of goods from supplying country as given in **Paragraph 9.11** of Handbook of Procedures and not the date of arrival of goods at an Indian port.

(b) Date of reckoning of export is decided with reference to date of shipment / dispatch of goods from India as given in **Paragraph 9.12** of Handbook of Procedures. However, for benefit under FTP, Let Export Order (LEO) date shall be the date of reckoning of export.

2.18 Validity of Authorisation/ Licence for import/export

(a) Authorisations must be valid on the date of import.

(b) Similarly, export obligation period of an Authorization must be valid on the date of export.

2.19 Validity of Scrips

Scrips under Chapter 3 and 5 must be valid on the date on which actual debit of duty is made.

2.20 Revalidation of Import / Export Licence Certificate/ Authorisation / Permissions for Non-SCOMET and SCOMET items

(a) RA concerned may revalidate import authorisation on merits for six months from date of expiry of validity.

(b) Export Authorisation, including for SCOMET items, may be revalidated, on merits for a period of six months at a time and maximum upto 12 months by the DGFT (Hqrs).[vii]

(c) However, revalidation of freely transferable authorisation / duty credit scrips and stock and sale (excluding SCOMET items) authorisation shall not be permitted unless validity has expired while in custody of Customs Authority / RA / Government Authority.

(d) Revalidation of Authorisation/Duty Credit Scrip shall also be allowed without charging any fee for the period of delay (the period for which authorisation/scrip holder was unable to utilise the same) or six months, whichever is less, due to the following reasons:

(i) If Authorisation/Scrip or any amendment thereof could not be transmitted to Customs Server within fifteen working days from the date of issue/amendment;

(ii) If Authorisation/Scrip rejected by Customs server with error Code;

(iii) If request for issue of waiver of Bond/EODC was not considered within the period specified under Para 9.10 of HBP, 2015-2020

where complete application was submitted within the validity of the Authorisation.

In such cases, revalidation shall be allowed from the date of endorsement for the period of delay or six months, whichever is less. For example: Authorisation is issued having initial validity of 12 months on 01.04.2017. It was transmitted to Customs server on 01.04.2017 by DGFT server but it is accepted by Customs server on 31.10.2017. So the Authorisation holder loses 7 months (still 5 months validity is left). In such a case, RA shall allow revalidation for a period of 6 months (validity of 5 months is subsumed) from the date of endorsement.

The applicant shall submit request for endorsement of Authorisation/Scrip along with screen shot of DGFT server as well as Customs Server in support of his claim. RA shall verify the same before revalidation is allowed.

However, request must be made to RA concerned within a month from the date of final acceptance of Authorisation/Scrip in the Customs Server.

Notwithstanding anything contained above, these provisions of revalidation shall not apply wherever, the authorisation/scrip holder had clear 6 months period in hand for utilisation.

2.21 Authority to Revalidate

Such revalidation under **Paragraph 2.20** above would be permitted under specific orders of Head of concerned Office and such revalidation would be maximum up to the extent of custody period.

2.22 Application for Revalidation

An application for revalidation of authorisation, may be made to RA concerned. RA would consider such application as per FTP/ HBP. Where DGFT is concerned authority, original application shall be submitted to RA concerned and self-attested copy of same shall be submitted to DGFT.

Procedure for issuing Duplicate copies:

2.23 Duplicate copies of Export / Import Authorisation

Where an Authorisation/ Permissions/ CCPs / Licence / Certificate **/** is lost or misplaced, an application for issue of a duplicate may be made along with Self declaration, as given in **Appendix 2M**, to concerned RA where the original license was issued.

2.24 Documents required for duplicate copy of freely transferable Authorisation

Duplicate copy of freely transferable Authorisation may be issued against an application accompanied with following documents:

(i) An application with fee equivalent to 10% of duty saved or duty credit (of unutilized balance).

(ii) A copy of FIR reporting loss.

(iii) Self- declaration to indemnify revenue loss, which may be caused on account of issue of such duplicate.

2.25 Exception

When an Authorisation is lost by a Government agency and a proof to this effect is submitted, documents at serial nos. (i) to (iii) of **Paragraph 2.24** above shall not be required. In such cases, revalidation shall be for six months from date of endorsement.

2.26 Mechanism for issuing duplicates

RA concerned shall obtain a report regarding utilization of such Authorisation from Custom authority at port of registration before issuing duplicate, for balance unutilized.

2.27 Validity of duplicate Authorisation

Validity of duplicate Authorisation shall be co-terminus with original period. No request shall be entertained if validity has expired.

2.28 Applicability of the provision

Provision of **Paragraph 2.26 and 2.27** shall be applicable for cases covered under both **Paragraph 2.23 and 2.24**

Bank Guarantee /LUT:

2.29 Execution of BG/Legal undertaking for Advance Authorisation/ EPCG Authorisation

(a) Before clearance of goods through Customs, Authorisation holder shall execute a BG/LUT with Customs Authorities. In such cases, RA shall endorse the following condition on the licence/ Authorisation: "BG / LUT as applicable, to be executed with concerned Customs Authorities.

(b) In case of indigenous sourcing, Authorisation holder shall furnish BG/ LUT to RA as per Customs Circular No.58/2004 dated 31.10.04, as amended from time to time. In case, the firm has already executed BG/LUT for the full value of the licence/ certificate/ authorisation/ permission (covering the items indigenously procured) to the Customs and furnishes proof of the same to Regional Authority (RA), no BG/LUT shall be required to be executed with the RA. The RA concerned shall endorse on the authorisation that the Customs Authority shall release/redeem BG/LUT only after receipt of NOC or EODC from the RA concerned. RA shall endorse a copy of the same along with a forwarding letter to the Customs Authority at the Port of registration for their information and record.

2.29A Any firm/ company coming under the NCLT proceedings shall make a summary of statement of outstanding export obligations/liabilities under the FTP schemes, indicating duty saved amounts and applicable interest till the date of start of proceedings before the National Company Law Tribunal (NCLT), any penalty imposed under FTD&R Act, any other dues such as fee etc., and submit the same to the RA concerned and to NCLT, before the start of NCLT proceedings

as part of the statutory filings. The statement of consumption of inputs/procurement of capital goods, attested by chartered engineer/chartered accountant, shall also be submitted along with other documentary details of any partial fulfilment of Export Obligation claimed towards offsetting the duty saved amount.[viii]

2.30 Corporate Guarantee

A status holder or a PSU may also submit Corporate Guarantee in lieu of Bank Guarantee/LUT in terms of the provisions of relevant Customs Circular in this regard.

2.31 Advance Payment

In case, payment is received in advance and export / deemed export takes place subsequently, application for an Authorisation shall be filed within specific period following the month during which exports/ deemed export is made, unless otherwise specified.

2.32 Import under Lease Financing

Import under lease financing shall be available under EOU/ SEZ scheme. Domestic supply of capital goods to eligible categories of deemed exports shall be eligible for benefits of deemed export as in paragraph 7.03 of FTP, even in cases where supplies are under lease financing.

In case of loss of Documents:

2.33 Issuance of scrips against lost EP copy of the Shipping Bills

Where EP copy of Shipping Bill is lost, claim for Scrips under Chapter 3 and Chapter 5 can be considered subject to submission of following documents:

(i) A duplicate /certified copy of relevant document issued by Customs Authority in lieu of original;

(ii) An application fee equivalent to 2% of relevant entitlement. However, no fee shall be charged when such document is lost by Government agencies and a documentary proof to this effect is submitted

(iii) Self-declaration by exporter about loss of document and an undertaking to surrender it immediately to concerned RA, if found subsequently

(iv) Self-declaration by exporter to effect that he would indemnify Government for financial loss if any on account of duty credit issued against lost Shipping Bills. Customs Authority, before allowing clearance, shall ensure that benefit / duty credit against such shipping bill has not been availed.

2.34 Claims against lost copy of shipping bill

Claim against lost Shipping Bill shall be preferred within a period of six months from date of release of duplicate copy of Shipping Bill. Any application received thereafter shall be rejected.

2.35 Submission of Certified Copies of Documents

Wherever original documents have been submitted to a different RA / nominated agencies or to a different division of same RA, applicant can furnish photocopy of documents duly certified by him in lieu of original.

Warehousing Facility:

2.36 Warehousing Facility

(a) Public / Private Customs Bonded Warehouses may be set up in DTA as per Chapter-IX of Customs Act, 1962, to import items in terms of **Paragraph 2.36** of FTP. On receipt of goods, such warehouses shall keep these goods for one year without payment of applicable customs duties. Goods can be cleared against Bill of Entry for home consumption, on payment of custom duty and on submission of Authorisation wherever required, after an order for clearance of

such goods for home consumption is issued by competent customs authorities. In case of clearance against duty free categories /concessional duty categories, exemption / concession from duty shall be allowed.

(b) Goods can be re-exported without payment of customs duty provided shipping bill or a bill of export is presented in respect of such goods; and order for export of such goods has been made by competent customs authorities.

Certificates:

2.37 Free Sale and Commerce Certificate

(a) (i) RAs may issue, on application, Free Sale and Commerce certificate for export of items not covered under Drugs & Cosmetics Act, 1940, which have usage in hospitals, nursing homes and clinics, for medical and surgical purposes and are not prohibited for export. Validity of such certificate shall be two years from date of issue unless otherwise specified.

(ii) An application for grant of Free Sale and Commerce Certificate may be made to RA concerned as per format in **ANF 2 H** of Appendices and Aayat Niryat Forms with Annexure A therein. RA shall issue Free Sale and Commerce Certificate as per Annexure B of ANF2H.

(b) (i) RAs may also issue, on application, Free Sale and Commerce Certificate for export of any other item which is not restricted or prohibited for export. Validity of such certificate shall be two year from date of issue unless otherwise specified.

(ii) An application for grant of Free Sale and Commerce Certificate for these items may be made to RA concerned as per format in **ANF 2H** of Appendices and Aayat Niryat Forms along with Annexure A therein. RA shall issue Free Sale and Commerce Certificate as per Annexure B of **ANF 2H**.

2.38 End User Certificate

In case of import of any freely importable item in India, if a foreign Government insists on certification of end user of the item, before permitting export of the same from their country, RA may issue such certificates as per **Appendix 2Q** of Appendices and Aayat Niryat Forms. The certificate shall be issued based on application made under **ANF 2 J** along with documents prescribed therein.

2.39 Imports under Indo-US Memorandum of Understanding

(a) Import of specified capital goods, raw materials and components, from United States of America (USA) is subject to US Export Control Regulations. US suppliers of such items are required to obtain an export authorisation based on import certificate issued in India. The following are designated Import Certificate Issuing Authorities (ICIA):

(i) Department of Electronics (DoE), for computer and computer based systems

(ii) Department of Industrial Policy and Promotion (DIPP), Technical Support Wing (TSW), for organised sector units registered under it, except for computers and computer based systems;

(iii) Ministry of Defence (MoD), for defence related items;

(iv) DGFT for small scale industries and entities not covered above as well as on behalf of any of the above;

(v) Embassy of India, Washington, DC, on behalf of any of the above.

(b) Application for an import certificate shall be made in **ANF 2K(i)**. Import certificate in **Appendix-2P(Ia)** may be issued by ICIA directly to importer with a copy to (i) Ministry of External Affairs (MEA) (AMS Section), New Delhi, (ii) DoE, New Delhi; and (iii) DGFT.

(c) However, this import certificate will not be regarded as a substitute for an import authorisation in respect of items mentioned as restricted in ITC (HS) and an import authorisation will have to be obtained for such items.

(d) India's import and export with regard to USA's unilateral export control items **[Crime Control** (CC) Items as listed in **Appendix 2P(iia)** and **Regional Security** (RS) items as listed in **Appendix 2P(iib)]** will be governed by the following regulations:

Items listed at both **Appendix 2P (iia)** and **Appendix 2P(iib)** will be allowed by DGFT for import from USA provided the importer submits the following documents in **ANF 2K(i)** :

(i) documentary proof of Bill of Lading indicating Port of USA,
(ii) legal undertaking that goods shall not be exported/ alienated; and
(iii) Import is with Actual User condition.

(e) In case the importer wants to subsequently export the imported items from USA,, or any part thereof, such export will require an authorisation from DGFT as per ANF 2K(ii) and Export certificate will be issued in the format **Appendix-2P(ib)**.

(f) Import /export of such items shall be allowed only through EDI enabled ports of India.

Imports:

2.40 Import of Consumer or Other goods as Gifts

(a) In terms of provisions contained in **Paragraph 2.25** of FTP, an application for grant of CCP for import as gifts of items appearing as restricted for imports in ITC (HS) shall be made to the DGFT as in **ANF 2M** along with documents prescribed therein.

(b) Where recipient of a gift is a charitable, religious or an educational institution registered under any law in force, and gift sought to be

imported has been exempted from payment of customs duty, such import shall be allowed by customs authorities without a CCP.

2.41 Import of Cheque Books /Ticket Forms etc.

Indian branches of foreign banks, insurance companies and travel agencies may import chequebooks, bank draft forms and travellers cheque forms without a CCP. Similarly, airlines / shipping companies operating in India, including persons authorised by such airlines / shipping companies, may import passenger ticket forms without a CCP.

2.42 Import of Reconditioned/ Second Hand Aircraft Spares

Import Authorisation for reconditioned / second hand aircraft spares is not needed on recommendation of Director General of Civil Aviation, Government of India (DGCA).

2.43 Import of Replacement Goods

Goods or parts thereof on being imported and found defective or otherwise unfit for use or which have been damaged after import, may be exported without an Authorisation, and goods in replacement thereof may be supplied free of charge by foreign suppliers or imported against a marine insurance or marine-cum-erection insurance claim settled by an insurance company. Such goods shall be allowed clearance by the customs authorities without an import Authorisation provided that:

(a) Shipment of replacement goods is made within 24 months from date of clearance of previously imported goods through Customs or within guarantee period in case of machines or parts thereof where such period is more than 24 months; and

(b) No remittance shall be allowed except for payment of insurance and freight charges where replacement of goods by foreign suppliers is subject to payment of insurance and / or freight by importer and documentary evidence to this effect is produced while making remittance.

2.44 Other Conditions for Import of Replacement Goods

(a) In case of short-shipment, short-landing or loss in transit, import of replacement goods will be permitted based on certificate issued by customs authorities without an import Authorisation.

(b) This procedure shall also apply to cases in which short shipment of goods is certified by foreign supplier, who has agreed to replace free of cost.

(c) Cases not covered by above provisions will be considered on merits by DGFT for grant of Authorisation for replacement of goods for which an application may be made as per paragraph 2.50 of HBP.

2.45 Import of Overseas Office Equipment

On winding up of overseas offices, set up with approval of RBI, used office equipments and other items may be imported without Authorisation.

2.46 Import of Ammunition by Licensed /Authorised Arms Dealers

(a) Import of following types of ammunition are allowed against an Authorisation by licensed arms dealers subject to conditions as may be specified:

(i) Shotgun Cartridges 28 bore;

(ii) Revolver Cartridges of .450, .455 and .45 bores;

(iii) Pistol Cartridges of .25, .30 Mauser, .450 and .45 bores;

(iv) Rifle Cartridges of 6.5 mm, .22 savage, .22 Hornet,300 Sherwood, 32/40, .256, .275, .280, 7m/m Mauser, 7 m/m Man Schoener, 9m/m Mauser, 9 m/m Man Schoener, 8x57, 8x57S, 9.3 m/m, 9.5 m/m, .375 Magnum, .405, .30.06, .270, .30/30 Winch, .318, .33 Winch,.275 Mag., .350 Mag.,400/350, .369 Purdey, .450/400, .470, .32 Win,.458 Win, .380 Rook, .220 Swift and .44 Win. bores.

(b) An import Authorisation shall be issued at 5% of value of annual average sales turnover of ammunition (whether indigenous or imported) during preceding three licensing years subject to a minimum of Rs. 2000.

(c) An application for grant of an Authorisation for items listed above may be made to RA in **ANF 2M** along with documents prescribed therein.

2.47 Duty Free Imports for specific Sectors:

(A) R&D Equipment for Pharmaceuticals and Bio- technology Sector

(i) Duty free import of goods (as specified in list 28 of Customs notification No.21/2012 dated 17.3.2012, as amended from time to time) upto 25% of FOB value of exports during preceding licensing year, shall be allowed.

(ii) The eligible unit may furnish an application given in Appendix-8A to RA concerned duly countersigned by Chartered Accountant.

(iii) In respect of duty free import of R&D equipment, units not registered with jurisdictional Customs authority shall be allowed to give Installation Certificate issued by an independent Chartered Engineer.

(B) Agro-Chemicals Sector :

(i) Duty free imports of goods as specified in list 28A of Customs notification No. 21/2012 dated 17.3.2012, upto 1% of FOB value of exports made during preceding licensing year, shall be allowed to agro chemicals sector unit having export turnover of Rs. 20 crore or above during preceding licensing year.

(ii) The eligible unit shall apply in form given in Appendix-8B to RA concerned duly countersigned by Chartered Accountant.

(iii) In respect of duty free import of R&D equipment, units not registered with jurisdictional Customs authority shall be

allowed to give Installation Certificate issued by an independent Chartered Engineer.

2.48 Import under Govt. to Govt. Agreements

Import of goods under Government to Government agreements may be allowed without an Authorisation or CCP on production of necessary evidence to satisfaction of Customs authorities.

2.49 Transfer of Imported Goods

(a) Cases where prior permission is required:

Transfer of imported goods which are subject to Actual User condition and have become surplus to needs of Actual User, shall be made only with prior permission of RA concerned. Following information alongwith supporting documents shall be furnished with request for grant of permission for transfer, to RA concerned:

(i) Reasons for transfer of imported material;

(ii) Name, address, IEC number and industrial Authorisation registration, if any, of transferee;

(iii) Description, quantity and value of goods imported and those sought to be transferred;

(iv) Copies of import Authorisation and bills of entry relating to imports made;

(v) Terms and conditions of transfer as agreed upon between buyer and seller.

(b) Cases where prior permission is not required

(i) in case of sale or otherwise by importer of freely importable goods;

(ii) for goods imported with Actual User condition, provided such good is freely importable without Actual User condition on date of transfer

(iii) for goods with AU Condition after a period of two years from the date of import.

(iv) for transfer of Imported Firearms (a) after 10 years of import or (b) on attaining the age of 60 years by such importer, subject to condition that transferee fulfils conditions as in Arms Act and Rules thereunder.

(v) for transfer of weapon/s (firearm/s) imported by a Renowned Shooter (as defined in Policy Condition 3 of Chapter 93 of ITC (HS) 2012) for the purpose of his/her pursuing shooting as a sport to any upcoming shooter as certified either by the National Rifle Association of India (NRAI) or the Department of Sports, Ministry of Youth Affairs & Sports after two years from the date of import. The transferee can subsequently transfer/resell to any buyer as certified by the NRAI or Department of Sports for the sole purpose of pursuing shooting as a sport after one year from the date of its first sale. Such transfer/sale is subject to the provisions of the Arms Act, 1959 and other rules/regulations by state/local police. NRAI/Department of Sports will maintain the required records.

Import of Restricted Items:

2.50 Import of Restricted Items

An application for grant of an Authorisation for import or export of items mentioned as 'Restricted' in ITC (HS) may be made to RA, with a copy to DGFT Hqrs in **ANF 2M** along with documents prescribed therein. Original application along with Treasury Receipt (TR) / Demand Draft shall be submitted to RA concerned and self-attested copy of same shall be submitted to DGFT in duplicate along with proof of submission of application to concerned RA.

2.51 EXIM Facilitation Committee

(a) Restricted item Authorisation may be granted by DGFT or any other RA authorised by him in this behalf. DGFT / RA may take

assistance and advice of a Facilitation Committee while granting authorisation. The Assistance of technical authorities may also be taken by seeking their comments in writing. Facilitation Committee will consist of representatives of Technical Authorities and Departments / Ministries concerned.

(b) Import authorisations for a restricted item, if so directed by the competent authority, shall be issued for import through one of the sea ports or air ports or ICDs or LCS, as per the option indicated, in writing, by the applicant. Authorisation holder shall register the import authorisation at the port specified in the Authorisation and thereafter all imports against said authorisation shall be made only through that port, unless the authorisation holder obtains permission from customs authority concerned to import through any other specified port.

(c) EXIM Facilitation Committee (EFC) shall normally meet once every month. Where a case has been deferred in EFC for want of comments from the Technical Authorities and Departments /Ministries concerned but subsequently, NOC(s) has / have been received from the concerned agency(ies) with no divergence in views, authorisation shall be issued with the approval of Chairman, EFC and the case shall be brought before EFC in its subsequent meeting for approval on ex-post facto basis.

2.52 Import of Restricted items required by Hotels, Restaurants, Travel Agents, Tour Operators and other Specified Categories

Items mentioned as restricted for imports in ITC (HS) required by hotels, restaurants, travel agents and tour operators may be allowed against an Authorisation, based on recommendation of Director General, Tourism, Government of India.

(a) Hotels, including tourist hotels, recognised by Director General of Tourism, Government of India or a State Government shall be entitled to import Authorisation upto a value of 25% of foreign exchange earned by them from foreign tourists during preceding

licensing year, for import of essential goods related to hotel and tourism industry.

(b) Travel agents, tour operators, restaurants, and tourist transport operators and other units for tourism, like adventure/ wildlife and convention units, recognized by Director General of Tourism, Government of India, shall be entitled to import authorisation up to a value of 10% of foreign exchange earned by them during preceding licensing year, for import of essential goods which are restricted for imports related to travel and tourism industry, including office and other equipment required for their own professional use.

(c) Import entitlement under paragraphs **2.52 (a)** and **2.52 (b**) of any one licensing year can be carried forward, either in full or in part, and added to import entitlement of two succeeding licensing years.

(d) Such imported goods may be transferred after 2 years with permission of DGFT. No permission for transfer will be required in case the imported goods are re-exported. However, re-export shall be subject to all conditionality, or requirement of licence, or permission, as may be required under Schedule II of ITC (HS).

(e) An application for grant of an Authorisation under paragraphs **2.52 (a)** and **2.52 (b)** may be made in **ANF 2 M** to DGFT through Director of Tourism, Government of India who will forward application to RA concerned along with their recommendations.

2.53 Import of Restricted items for R&D by units of Government

All restricted items and items permitted to be imported by STEs, except live animals, required for R&D purpose may be imported without an Authorisation by Government recognized Research and Development units.

2.54 Import of Metallic Waste and Scrap

Import of any form of metallic waste, scrap will be subject to the condition that it will not contain hazardous, toxic waste, radioactive contaminated waste / scrap containing radioactive material, any type of arms,

ammunition, mines, shells, live or used cartridge or any other explosive material in any form either used or otherwise.

(a) Import of following types of metallic waste and scrap will be free subject to conditions detailed below:

Sl.	Exim Code	Item description
1.	720410 00	Waste and scrap of cast iron
2.	72042190	Other
3.	72042920	Of High speed steel
4.	72042990	Other
5.	72043000	Waste and scrap of tinned iron or Steel
6.	72044100	Turnings, shavings, chips, milling waste, saw dust, fillings, trimmings and stampings, whether or not in bundles.
7.	72044900	Other
8.	72045000	Re-melting scrap ingots
9.	74040012	Copper scrap
10.	74040022	Brass scrap
11.	75030010	Nickel scrap
12.	76020010	Aluminium scrap
13.	79020010	Zinc scrap
14.	80020010	Tin scrap
15.	81042010	Magnesium scrap

(b) 'Freely' Importable metallic waste and scraps (shredded) as listed above shall be permitted through all ports of India subject to following conditions:

(i) At the time of the clearance of goods, importer shall furnish to the Customs pre-shipment inspection certificate as per the format to Appendix 2H from any of the Inspection & Certification agencies given in Appendix-2G, to the effect that the consignment was checked for radiation level and scrap does not contain radiation level (gamma and neutron) in excess of natural background. The certificate shall give the value of background radiation level at that place as also the maximum radiation level on the scrap; and

(ii) Importer shall also furnish copy of the contract with the exporter stipulating that the consignment does not contain any radioactive contaminated material in any form.

(c) Import from Hodaideh, Yemen and Bandar Abbas, Iran will be in shredded form only.

(d) Import of un-shredded compressed and loose form of metallic waste, scrap listed in paragraph 2.54(a) above in shall be subject to the following conditions:-

(i) At the time of the clearance of goods, importer shall furnish to the Customs pre-shipment inspection certificate as per the format in Appendix 2H from any of the Inspection& Certification agencies given in Appendix-2G to the effect that the consignment does not contain any type of arms, ammunition, mines, shells, cartridges, or any other explosive material in any form either used or otherwise, and that the consignment was checked for radiation level and it does not contain radiation level (gamma and neutron) in excess of natural background. The certificate shall give the value of background radiation level at that place as also the maximum radiation level on the scrap.

(ii) The imported item (s) is actually a metallic waste/ scrap /seconds /defective as per the internationally accepted parameters for such a classification.

(iii) Copy of the contract between the importer and the exporter stipulating that the consignment does not contain any type of arms, ammunition, mines, shells, cartridges, radioactive contaminated, or any other explosive material in any form either used or otherwise.

(iv) Import of scrap would take place only through following designated ports and no exceptions would be allowed even in case of EOUs, SEZs:-

1. Chennai, 2. Cochin, 3. Ennore, 4. JNPT, 5. Kandla, 6. Mormugao, 7. Mumbai, 8. New Mangalore, 9. Paradip, 10.

Tuticorin, 11.Vishakhapatnam, 12.Pipava 13.Mundra, 14. Kolkata 15. Krishnapatnam and 16. Kattupalli 17. Hazira and 18.Kamarajar. [ix]

(v) Only entry sea ports will be designated and notified for import of un- shredded Metallic Waste and Scrap subject to the following:

(i) Any sea port to be designated for import of un–shredded metallic scrap will be required to install Radiation Portal Monitors and Container Scanner with adequate security. The sea port having completed the above shall approach jurisdictional Customs for inspection and certification. Customs may give necessary clearance on receipt of certification from AERB. On getting clearance from Customs, DGFT will notify such a port as designated port for import of un–shredded scrap.

(ii) The existing designated sea ports namely Chennai, Cochin, Ennore, JNPT, Kandla, Mormugao, Mumbai, New Mangalore, Paradeep, Tuticorin, Vishakhapatnam, Pipava, Mundra and Kolkata will be allowed to import un-shredded scrap till 30.09.2022 by which time they are required to install and operationalize Radiation Portal Monitors and Container Scanner. Such sea ports which fail to meet the deadline will be derecognised for the purpose of import of un-shredded metallic scrap w.e.f 01.10.2022.[x]

(iii) Further, any ICD can handle clearance of un–shredded metallic scrap provided the same passes through any of the designated sea ports as mentioned above or any new ports to be notified/designated from time to time, where Radiation Portal Monitors and Container Scanner are in operation and the consignment is subjected to risk based scanning/ monitoring as per the protocol laid down by Customs.

(iv) Import consignments of metallic waste and scrap shall be subject to pre-shipment inspection certificate (PSIC) from the country of origin. However, metallic waste and scrap (both shredded and unshredded) imported from safe countries / region i.e. the USA, the UK, Canada, New Zeland, Australia and the EU will not require PSIC if consignments are cleared through these ten (10) ports namely, Chennai, Tuticorin, Kandla, JNPT, Mumbai Krishnapatnam, Mundra, Kattupalli, Hazira and Kamarajar. Consignments from these six countries / regions will be accompanied by certificate from the supplier / scrap yard authority to the effect that it does not contain any radioactive materials / explosives. These will however be subject to radiation and explosive checks through portal monitors and container scanner at these ports. Trans-shipments through these countries / regions will not be allowed this facility. Import through remaining eight (8) other ports (for both shredded and unshredded scrap / waste), irrespective of country of origin, will be subject to PSIC.[xi]

2.55 Recognition as Pre-shipment Inspection Agency (PSIA) and issuance of Pre- shipment Certificate (PSIC)

(a) Applications for recognition in respect of PSIAs have to be made in proforma prescribed in **ANF 2L.** The scanned copy of application in **ANF 2L**, along with relevant annexures and documents should be sent by e-mail to DGFT (at psia-dgft@nic.in), in addition to sending the same by post.

(b) For applicants based in India application fee will be Rs. 7500/- and for applicants based abroad the application fee will be US $200. The fees may be amended from time to time by DGFT.

(c) The applications will be considered by an Inter- Ministerial Committee.

(d) The recognized PSIAs will be notified under **Appendix 2G** for a period of three years. At the end of 3 years PSIA has to make a fresh application for further recognition.

(e) PSIA shall issue Pre-Shipment Inspection Certificate (PSIC) in the format given in **Appendix 2H**. PSIC would also carry uniquely numbered hologram of the PSIA.

(f) A PSIA can also carry out inspections in countries, where it does not have a full time equipped branch office but which falls within its area of operation, by deputing its Inspectors. However, for such inspections in other countries, the PSIA will be required to give prior intimation to DGFT by sending an email (at psia-travel-dgft@gov.in) and furnishing details of visit / inspection done by the Inspector in PSIC.

(g) The applicants may submit their applications initially without bank guarantee, as required under S.No.9 of **ANF-2L**. Their applications would not be rejected only on the ground of non-submission of bank guarantee. Applicants would, however, be required to submit bank guarantee or an equivalent financial instrument, before they are notified as PSIA, by the competent authority, as per FTP/HBP 2015-20.

2.56 Responsibility and Liability of PSIA and Importer

(a) In case of any mis-declaration in PSIC or mis-declaration in application form for recognition as PSIA, PSIA would be liable for penal action under Foreign Trade (Development & Regulation) Act, 1992, as amended, in addition to suspension/ cancellation of recognition.

(b) The importer and exporter would be jointly and severally responsible for ensuring that the material imported is in accordance with the declaration given in PSIC. In case of any mis-declaration, they shall be liable for penal action under Foreign Trade (Development & Regulation) Act, 1992, as amended.

(c) The scanned copy of the PSIC (in pdf format) shall have to be uploaded by the PSIA on DGFT website or emailed to DGFT (at

psic-dgft@gov.in). The certificate shall be issued in prescribed form **Appendix 2H**.

(d) The PSIA will also be required to take photographs or make video of the inspection carried out, duly capturing the following activities/details:

(i) Photograph(s) or video clipping of the place of inspection with PSIA inspector (mandatory) and representatives of exporter / importer, if available (optional); with time, date of the inspection (at least 1 photograph or video clipping);

(ii) Photograph(s) or video clipping of the testing instrument(s) used for inspection;

(iii) Photograph(s) or video clipping of the process of stuffing of containers showing the container number (at least 1 photograph or video clipping per container)

(iv) Photograph(s) or video clipping of the sealing process (at least 1 photograph or video clipping per container)

(e) The photographs and/or video clippings [as per 2.56 (d) above] and PSIC shall be uploaded on DGFT website by PSIA, through digital signatures or sent to psicdgft@gov.in through registered e-mail of PSIA. Till such time the DGFT website link is operationalized, the PSIC and photographs/videos will be e-mailed to the DGFT (at psicdgft@gov.in).

2.57 Import of other kinds of metallic waste and scraps

Import of other kinds of metallic waste and scrap will be allowed in terms of conditions of ITC (HS).

2.58 Imports of seconds and defectives

Import policy for second and defective, rags, PET bottles /waste, and ships is given in ITC (HS).

2.59 Services of Inspection and Certification Agencies

Customs or any other Central or State Government authority may avail of services of Inspection and Certification Agencies in **Appendix 2I** of the Appendices and Aayat Niryat Forms, for certifying residual life as well as valuation / purchase price of capital goods.

Tariff Rate Quota Scheme:

2.60 Procedure for import under the Tariff Rate Quota Scheme

(a) Imports under the Tariff Rate Quota Scheme is governed as per the Customs Notification No. 28/2020-Customs dated 23.06.2020 of Department of Revenue, Ministry of Finance, Government of India as amended from time to time. [xii]

(b) Tariff Rate Quota (TRQ) Imports shall be allocated during financial years 2022-23 and 2023-24, up to quantities per year as indicated below. The duty exemption under the said TRQs may be availed as per the Ministry of Finance (Department of Revenue) Notification No. 30/2022-Customs dated 24.05.2022.

Item Description	ITC(HS)	TRQ per Year (in MT)
Crude Soya-bean oil, whether or not degummed	1507 10 00	20,00,000
Crude Sunflower seed oil	1512 11 10	20,00,000[xiii]

2.61 Eligible entities for allocation of quota

(a) Milk Powder (Tariff Code No. 0402.10 or 0402.21) and White Butter, Butter oil, Anhydrous Milk Fat (0405): National Dairy Development Board (NDDB), State Trading Corporation (STC), National Cooperative Dairy Federation (NCDF), National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), Minerals and Metals Trading Corporation (MMTC), Projects & Equipment Corporation of India Limited (PEC) and Spices Trading Corporation Limited (STCL).

(b) Maize (corn)(Tariff Code No. 1005.90): National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED), State

Trading Corporation (STC), Minerals and Metals Trading Corporation (MMTC), Projects & Equipment Corporation of India Limited(PEC), Spices Trading Corporation Limited (STCL) and State Cooperative Marketing Federations

(c) Crude sunflower seed or safflower oil or fractions thereof (Tariff Code No. 1512.11) and Refined rape, colza, canola or mustard oil, other (Tariff Code No. 1514.19 or 1514.99): National Dairy Development Board (NDDB), State Trading Corporation (STC), National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED),Spices Trading Corporation Limited (STCL) and Central Warehousing Corporation (CWC), State Cooperative Marketing Federation & State Cooperative Civil Supplies Corporation.

(d) DGFT invites fresh applications for allocation of said Tariff Rate Quotas (TRQ) during FY 2022-23 with effect from 27.05.2022 and not later than **18.06.2022** as follows -

i. Applications where the date of issuance of their Importer-Exporter Code (IEC) is on or after the date of this Public Notice shall not be considered.
ii. The applications shall be considered on Actual User basis to processors/refiners only based upon their own processing capacity.
iii. For each processing unit, applicants shall provide a self-certified copy of documentary proof issued by Central/State Authorities, indicating its processing capacity. The certificate should be dated prior to 24.05.2022. The process capacity for Edible oils should be mentioned in the said certificate.[xiv]
iv. Applicants shall also provide a valid FSSAI License for the said categories.
v. Only one application against one IEC shall be considered.
vi. The TRQs shall be valid for 1 year from the date of issuance.[xv]
vii. Details of turnover for processing of Crude Edible Oils in the last three financial years, i.e., from 2019-20 to 2021-22, are to be submitted. Self-certified GST Returns shall be provided by the applicants.
viii. Imports made under TRQ are for domestic processing and consumption only. No part of the said TRQ Imports can be exported before or after processing.

ix. The TRQs issued for financial year 2022-23 shall be valid for clearance of import for a period of one year or till 30th June, 2023, whichever is earlier. TRQs issued for FY 2023-24 shall be valid for clearance of imports till 31st March, 2024

x. Import consignments landing at Indian Ports after the date of issuance of TRQ licence shall only be considered for clearance under TRQ. Any quantities lying at the Indian ports (under warehousing etc) before the date of issuance of the TRQ license shall not be considered for import clearance under TRQ.

xi. The un-utilized quantities i.e., quantities not imported by the TRQ Licencees by the end of the current import period, shall be deducted from their proposed allocations (in case allocation is considered) during the next TRQ period, i.e., 2023-24.[xvi]

2.62 Conditions applicable on availing quotas

All eligible entities are eligible to avail quotas subject to the conditions as detailed below:

(i) All eligible entities desiring availment of quota as mentioned above, may make application to EFC in **ANF 2M** to DGFT, Udyog Bhavan, New Delhi – 110 011. Completed application forms along with prescribed documents must reach on or before 1st March of each financial year preceding to the year of quota

(ii) Imports have to be completed before 31st March of financial year i.e. consignments must be cleared by customs authorities before this date.

(iii) Since import of maize (corn) is through STEs, the allottees of quota i.e. designated agencies in paragraph 2.61 (b) above for this item shall also be granted an import Authorisation for allotted quantities as indicated at Sl. No. 21 (b) of Customs Notification No. 21/2002 dated 1.3.2002 in terms of paragraph 2.20 of FTP, 2015-2020.

(iv) Application fee for these applications shall be paid according to procedure contained in **Appendix 2K** of **Appendices & Aayat Niryat Forms.**

(v) EFC in DGFT will evaluate and allot quota among applicants by 31st March of each financial year preceeding to year of quota.

Exhibits and Samples:

2.63 Exhibits Required for National and International Exhibitions or Fairs and Demonstration

(a) Import / export of exhibits, including the construction and decorative materials, except items in the 'Prohibited' or SCOMET List, required for the temporary stands of foreign / Indian exhibitors at exhibitions, fair or similar show or display for a period of six months on re-export / re-import basis, shall be allowed without an Authorisation on submission of a bond/ security to Customs or ATA Carnet.[xvii]

(b) Extension beyond six months for re-export / re-import will be considered by Customs authorities on merits. Consumables such as paints, printed material, pamphlets, literature etc. pertaining to exhibits need not be re-exported/re-imported.

2.64 Sale of Exhibits

(a) Restricted Items: Sale of exhibits of restricted items, mentioned in ITC (HS), imported for an international exhibition / fair may also be made, without an Authorisation within bond period allowed for re-export, on payment of applicable customs duties, subject to a ceiling limit of Rs.5 lakh (CIF) for such exhibits for each exhibitor.

(b) Freely importable items: However, sale of exhibits of items which are freely importable shall be allowed within bond period allowed for re-export on payment of applicable customs duties.

(c) If goods brought for exhibition are not re-exported or sold within bond period due to circumstances beyond control of importer, Customs Authorities may allow extension of bond period on merits.

2.65 Import of Samples

(a) No Authorisation shall be required for Import of bonafide technical and trade samples of items restricted in ITC (HS) except vegetable seeds, bees and new drugs. Samples of tea not exceeding Rs.2000 (CIF) in one consignment shall be allowed without an Authorisation by any person connected with Tea industry.

(b) Duty free import of samples upto Rs.3,00,000 for all exporters shall be allowed as per terms and conditions of Customs Notification.

2.66 Exports of Samples / Exhibits

(a) Exports of bonafide trade and technical samples of freely exportable item shall be allowed without any limit.

(b) An application for export of samples/exhibits, which are restricted for export, may be made to DGFT as per **ANF-2Q**.

Exports :

2.67 Export Policy

Policy relating to Exports is given in Chapter-2 of FTP. Further, Schedule 2, Appendix-1 of ITC (HS) specifies list of items, which may be exported without an Authorisation but subject to terms and conditions specified.

2.68 Gifts / Spares / Replacement Goods

For export of gifts, indigenous / imported warranty spares and replacement goods in excess of ceiling / period prescribed for exports of

Gifts; export of Spares and export of replacement goods in FTP, an application may be made to DGFT in **ANF 2Q.**

2.69 Export of Items Reserved for MSME Sector

Units other than small scale units are permitted to expand or create new capacities in respect of items reserved for small scale sector, subject to condition that they obtain an Industrial licence under the Industries (Development and Regulation) Act, 1951, with export obligation as may be specified. Such licensee is required to furnish a LUT to RA and DGFT in this regard. DGFT / RA concerned shall monitor export obligation.

2.70 Export by post

In case of export by post, exporter shall submit following documents in lieu of documents prescribed for export by sea/air:

(a) Bank Certificate of Export and Realisation as in e-BRC in Appendix2U
(b) Relevant postal receipt
(c) Invoice duly attested by Customs Authorities.

2.71 Direct negotiation of export documents

In cases where exporter directly negotiates document (not through authorised dealer) with permission of RBI, he is required to submit following documents for availing of benefits under export promotion schemes:

(a) Permission from RBI allowing direct negotiation of documents (not required for status holders),

(b) Copy of Foreign Inward Remittance Certificate (FIRC) as per Form 10-H of Income Tax department in lieu of BRC, and

(c) Statement giving details of shipping bills / invoice against which FIRC was issued.

SCOMET:

2.72 Application for Grant of Export Authorisation/Certificate/ Permission for non-SCOMET Items

(a) An application for grant of Export Authorisation in respect of restricted items [other than Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET)] mentioned in Schedule 2 of ITC (HS) Classifications of Export and Import Items may be made in **ANF 2 N** to DGFT (Headquarters) along with documents prescribed therein. EFC shall consider applications on merits for issue of export Authorisation.

(b) If the exporter has been notified in writing by DGFT or he knows or has reason to believe that an item not covered in the SCOMET list has a potential risk of use in or diversion to weapons of mass destruction (WMD) or in their missile system or military end use (including by terrorists and non-state actors), the export of such an item may be denied or permitted subject to the grant of a license, as per the procedure provided for SCOMET items in Paragraph 2.73.

Note: **"Military use"** shall mean incorporation into items listed in SCOMET Categories 5D or 6 or for the use, development, or production of military items listed in these categories.'

2.73 Application for SCOMET Authorisation

(a) An application for grant of Export Authorisation in respect of SCOMET items mentioned in Appendix 3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items may be made in **ANF 2 O** to DGFT (Hqrs) along with documents prescribed therein.

(b) However, such applications are mandatorily to be filed through online system under the Icon E-COM on the website of DGFT. The Uniform Resource Locator [URL] for online application is http://dgft.gov.in/CallModule.asp?sch =SCOMET. While submitting the online application, all the required documents including End User Certificates (EUCs) are to be uploaded as PDF files. Manual submission of application is dispensed with except the original End User Certificate(s) in **Appendix 2 S** from all entities in the chain of supply viz. the foreign buyer, end user and intermediary/consignee (if they are different from the foreign buyer & end user), which is/are to be submitted in hard copy to SCOMET Section of DGFT (HQ), besides electronic submission.

(c) **Maintenance of Records:**

Every SCOMET authorisation holder shall maintain the following records in manual or electronic form for a period of 5 years from the date of export or import, as applicable:

a) All documents submitted while making an application for SCOMET Authorization.

b) Correspondence with buyer/consignee/end-user or DGFT or relevant Government agency;

c) Relevant Contracts;

d) Relevant Books of account;

e) Relevant Financial records;

f) Any communication from any government agency related to an application for authorization for any item on the SCOMET list or a commodity classification request;

g) Shipping documents including shipping bill, bill of entry and bill of lading.

2.74 Inter Ministerial Working Group

An Inter-Ministerial Working Group (IMWG) in DGFT (Hqrs.) shall consider applications for export of SCOMET items as specified in Appendix-3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items based on following guidelines:

I. Applications for Authorisation to export items or technology on SCOMET List are considered on the basis of following general criteria:

(a) Credential of end-user, credibility of declaration of end-use of the item or technology, integrity of chain of transmission of item from supplier to end-user, and on potential of the item or technology, including timing of its export, to contribute to end-uses that are not in conformity with India's national security or foreign policy goals and objectives, goals and objectives of global non-proliferation, or India's obligations under International treaties/Agreements to which it is a State party.

(b) Assessed risk that exported items will fall into hands of terrorists, terrorist groups, and non-State actors;

(c) Export control measures instituted by the recipient State;

(d) Capabilities and objectives of programmes of the recipient State relating to weapons and their delivery;

(e) Assessment of end-use(s) of item(s);

(f) Applicability of provisions of relevant bilateral or multilateral Agreements and Arrangements, to which India is a party, or adherent. This is including but not limited to control lists of the Nuclear Suppliers Group, Missile Technology Control Regime, Australia Group (and its Warning List or Awareness Raising Guidelines) and Wassenaar Arrangement (and its Sensitive List and Very Sensitive List) as updated from time to time.[xviii]

II. Application shall be accompanied by an end user certificate as per **Appendix 2S, c**ertifying that:

(a) The item will be used only for stated purpose and that such use will not be changed, nor items modified or replicated without consent of Government of India;

(b) Neither the items nor replicas nor derivatives thereof will be re-transferred without consent of Government of India;

(c) End-user shall facilitate such verifications as are required by Government of India.

III. The end-user certificate will indicate the name of the item to be exported, the name of the importer, the specific end-use of the subject goods and details of Purchase Order/Contract.

IV. Government of India may also require additional formal assurances, as deemed appropriate, including those on end-use and non-retransfer, from the State of the recipient.

V. (a) Licensing authority for items in Category 0 and Note 2 of the 'Commodity Identification Note' in Appendix 3 to Schedule 2 of ITC (HS) is Department of Atomic Energy. Applicable guidelines are notified by the Department of Atomic Energy under Atomic Energy Act,1962. For certain items in Category 0, formal assurances from the recipient State will include non-use in any nuclear explosive device. Authorisations for export of certain items in Category 0 will not be granted unless transfer is additionally under adequate physical protection and is covered by appropriate International Atomic Energy Agency (IAEA) safeguards, or any other mutually agreed controls on transferred items.

(b) Licensing authority for items in Category 6 in Appendix 3 to Schedule 2 of ITC (HS) is Department of Defence Production. Export of items in Category 6 is governed by the extant Standard Operating Procedure issued by the Department of Defence Production in the Ministry of Defence. Export of items covered in Note 3 of the 'Commodity Identification Note' in Appendix 3 to Schedule 2 of ITC (HS) is prohibited.

VI. Additional end-use conditions may be stipulated in Authorisations for export of items or technology that bear possibility of diversion to or use in development or manufacture of, or use as, systems capable of delivery of weapons of mass destruction.

VII. Authorisations for export of items in SCOMET List (other than those under Category 0, 1 and 2) solely for purposes of display or exhibition shall not require any end-use or end-user certification. However, no export Authorisation for display or exhibition shall be issued for 'Technology' in any category. IMWG would seek comments from technical agencies as deemed necessary.

VIII. Authorization for export of items in Categories 0, 3 (other than 3D), 4, 5 and 7 of the SCOMET list to Iran would be subject to the relevant provisions contained in Annex B to the UN Security Council resolution 2231 (2015). The licensing authority, i.e. DGFT or Department of Atomic Energy, as the case may be, on completion of the IMWG process or the applicable internal process, shall seek the concurrence of Disarmament and International Security Affairs (D&ISA) Division in the Ministry of External Affairs, as required.

IX. The Inter Ministerial Working Group shall normally meet once every month. Where a case has been deferred in the IMWG and subsequently, NOC(s) has / have been received from all concerned agencies with no divergence in views, authorisation shall be issued with the approval of Chairman, IMWG and the case shall be brought before IMWG in its subsequent meeting for approval on ex-post facto basis. Case(s) where a decision could not be arrived at in IMWG shall be placed before Director General of Foreign Trade for appropriate decision on grant of authorization.

2.75 Applicability of WMD Act

Export of items not on SCOMET List may also be regulated under provisions of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005.

Note 1: Export or attempt to export in violation of any of conditions of Authorisation shall invite civil and/or criminal prosecution.

Note 2: Authorisations for export of items in SCOMET List for display or exhibition abroad are subject to a condition of re-import within a period not exceeding six months. Exporters are entitled to apply for an export authorisation for such items exhibited abroad. If exhibitor intends to offer that item for sale during exhibition abroad, such sale shall not take place without a valid Authorisation.

Note 3: Export of items in Category 2 of SCOMET list may also be controlled by other applicable guidelines issued from time-to time.

Note 4: Exporters are entitled to request that only such conditions need be imposed as are subject of government-to-government instruments of accord over export of items on SCOMET List.

Note 5: 'Technology' (see also entry 'Technology' in glossary in Appendix-3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items): Approval of export of an item on the SCOMET List also authorizes the export to same end-user of minimum 'technology' required for installation, operation, maintenance and repair of the item.

2.76 Supply of SCOMET Items from DTA to SEZ

No export authorisation is required for supply of SCOMET items from DTA to SEZ/EOU. Export Authorisation is, however, required if the SCOMET items are to be physically exported outside the country from SEZ/EOU, i.e. to another country (Refer Rule 26 of the SEZ Rules, 2006). All suppliers of SCOMET items from DTA to SEZ/EOU will be reported to the Development Commissioner (DC) of the respective SEZ/EOU by the supplier in the prescribed proforma [Annexure 1 to Appendix-3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items] within one week of the supplies getting effected. An annual report of such supplies from DTA to SEZ/EOU shall be reported to SCOMET Section, DGFT (Hqrs), Udyog Bhawan, New Delhi-110011, by the DC of the respective SEZ/EOU in the prescribed

proforma [Annexure 2 to Appendix-3 to Schedule 2 of ITC (HS) Classifications of Export and Import Items] by 15th May of every financial year, in respect of supplies effected from DTA to SEZ/EOU during the preceding financial year. [xix]

2.77 Outreach Programmes on SCOMET Export Control System

DGFT in association with Administrative Ministries/ Departments and Trade Associations will organize Industry Outreach Programme on regular basis for an effective awareness among the exporters/ importers dealing with trade, in particular, in SCOMET items.

2.78 Procedure/ Guidelines for filing / Evaluation of Applications for Entering into an Arrangement or Understanding for Site Visits, On-site Verification and Access to Records / Documentation

An application for entering into an arrangement or understanding involving site visit, on-site verification or access to records/documentation by a foreign government or a foreign third party either acting directly or through an Indian party as mentioned in Appendix 3 of Schedule 2 of ITC (HS) Classifications of Export and Import Items shall be made in **ANF 2 P** to DGFT (Hqrs.), New Delhi along with documents prescribed therein. These applications shall be considered by an Inter-Ministerial Working Group (IMWG) in DGFT (Hqrs.) based on following guidelines/general criteria:

I. Following factors, among others, will be taken into account in the evaluation of applications for entering into an arrangement or understanding for site visits, on-site verification and access to records/ documentation:

   (a) Purpose for which arrangement / understanding is proposed under which site visit or on-site verification or access to records/documentation is to be undertaken.

   (b) Credentials and details of the parties involved.

   (c) Credentials of end-user, credibility of declarations of end-use of the items or technology, the integrity of chain of transmission of the item from the supplier to the end-user, and on the

potential of the item or technology, including the timing of its export, to contribute to end-uses that are not in conformity with India's national security or foreign policy goals and objectives, the objectives of global non-proliferation, or its obligations under treaties to which it is a State party.

(d) The assessed risk that the arrangement / understanding could lead to dual-use items and technology falling into the hands of terrorists, terrorist groups and non-State actors.

(e) In case site visit, on-site verification or access to records/ documentation is to be carried out by a foreign government or its representative(s), the following shall be taken into consideration :-

(i) Export control measures instituted by the foreign government;

(ii) Capabilities and objectives of programs of the foreign government relating to weapons and their delivery.

(f) Applicability of relevant bilateral and multilateral agreements to which India is a party.

(g) Assessment of any threat that such site visit, on-site verification or access to records/ documentation may pose to India's national security, and relations with any other country.

(h) Assessment of possible links of the foreign parties with terrorist organizations and non-state actors within their own country or in any other country.

II. Permission for arrangement or understanding involving site visit, on-site verification or access to records / documentation will be subject to the following conditions:

(a) Site visit, on-site verification or access to records /documentation will be confined to the purpose, sites and activity for which permission given/which have been mentioned in the authorisation.

(b) Site visit, on-site verification or access to records/ documentation will be allowed only to individuals mentioned in the authorisation.

(c) Site visit, on-site verification or access to records/ documentation shall be concluded during the period mentioned in the authorisation.

(d) Exporter/Importer will keep a record of site visit, on site verification or access to records/documentation alongwith detail of individuals who visited the premises during this visit and produce the same as and when required to do so by the Government of India.

(e) No exchange of goods, services and technologies and any documentation including drawings, specification sheets etc. will take place during the visit.

(f) Exporter/importer may be required to give any additional assurance that the Government of India may require.

(g) Any other condition that may be stipulated in the permission.

III. Provisions of Weapons of Mass Destruction Act, 2005 shall also apply to an arrangement or understanding that involves site visit, on-site verification or access to records/ documentation.

IV. Any violation of any condition of the license shall invite civil/ criminal prosecution as per law.

2.79 Issue of authorisation for repeat orders

Applications for grant of authorizations for repeat orders to the applicant exporter for export of same SCOMET items to the same country/ entities shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of repeat orders for export of same SCOMET item to different country/ entities, approval will be granted by Chairman, IMWG after verification of the credentials of foreign buyer/ consignee/ end user only.

The approval will be subject to the fulfillment of the following criteria:

(i) Same SCOMET items would imply that the products, along with the technical specifications, are exactly the same for which export authorization has been issued to the applicant exporter earlier after due consultation/verification;

(ii) Same country/entities would imply that (a) the foreign buyer (b) the consignee or the intermediaries, if any (c) the end user and (d) the end use are exactly the same for which export authorization has been issued to the applicant exporter earlier after due consultation/verification;

(iii) Only the applications submitted within three years from the date of issue of original SCOMET authorization, after due verification/consultation process, will be eligible for repeat authorization;

(iv) The cumulative quantity permitted against repeat export authorizations shall be commensurate with the operational capacity of the end user in respect of the relevant product, as certified by the end user. A certificate to this effect from the end user shall be submitted by the exporter alongwith the application for a repeat authorization;

(v) A declaration by the authorized signatory on the qualifying conditions as per (i) to (iv) above shall be submitted by the exporter along with the application for consideration under the repeat order route;

(vi) The authorizations(s) for repeat orders shall be liable for recall/termination by the DGFT on receipt of an adverse report in respect of any of the export consignments;

(vii) All authorizations for repeat orders shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis, and the IMWG would reserve its right to refuse further repeat authorizations based on its assessment of proliferation concerns. [xx]

2.79A Issue of export authorisation for "Stock and Sale" of SCOMET items

Application for grant of authorization for bulk export of SCOMET items (excluding Category 0, Category 3A4001, Category 6 and transfer of technology under any category) from an Indian exporter to an entity abroad (hereinafter referred to as 'stockist') for subsequent transfer to the ultimate end users shall be considered by IMWG, on the following conditions:

Applicability and scope of policy

a. 'Stockist' refers to the entity abroad to whom the SCOMET items are originally exported by Indian principal/wholly owned subsidiary. The Stockist entity should be a subsidiary/principal company abroad of the Indian exporter;

b. Export shall be permitted only from the principal company/the wholly owned subsidiary in India (exporter) to their subsidiaries/principal company abroad (stockist) on the basis of an End Use declaration from the stockist, through the specified End User Certificate (EUC) for 'stock & sale' purpose;

Application for export to stockist abroad and transfer to end users in specific countries

c. The exporter shall submit application in prescribed proforma (ANF-2 O) alongwith following documents from the stockist:
   i. Documentary proof regarding corporate relationship between the Indian exporter and stockist;
   ii. End-use/End-user certificate from stockist entity abroad in Appendix-2S (iii);
   iii. List of countries (in the EUC) to which the items imported from India would be exported by the stockist;
   iv. Purchase Order (s) or a document in lieu thereof;
   v. Technical specifications of the product(s);

vi. Copy of Internal Compliance Program (if applicant exporter/ stockist entity has one)

In-Principle approval for export to the stockist , and, for sale by stockist within the country of the stockist, and, for re-export by stockist to end user in other countries

d. The application would be assessed for grant of authorization for export to the stockist, and, for grant of in-principle approval for re-export to specified countries of ultimate end use approved by the IMWG;

e. No authorization would be required for transfer from the stockist to the ultimate end user(s) within the country of the stockist and for re-export to end users in such approved countries;

f. Re-export to such approved countries would be subject to the export control regulations of the country of the stockist;

g. Country would denote an independent sovereign entity which is a distinct national entity in political geography. Hence, transfers within an economic union or a customs union would not qualify as "same country transfers";

Post-reporting for same country transfer and re-export to pre-approved countries by the stockist

h. In case of sale/transfer by the stockist within the same country and for re-export/re-transfer to the end users in countries, for which, in-principle approval has been granted, the Indian exporter/licensee shall submit details of all such transfers to SCOMET Division of DGFT (Hqrs) in ANF-2 O(a),including EUCs [Appendix-2S (i)/2S(ii), as applicable] from all ultimate end users and Bill of Entry into the ultimate destination countries (for export outside the country of stockist), within 3 months of every such transfer;

Application for re-export ot other countries (other than pre-approved)

i. In respect of re-export/re-transfer of items from the stockist entity to the end users outside the country of the stockist, for which, in-principle approval has not been granted at the initial stage, the Indian exporter (stock and sale authorization holder) shall submit application for re-export/re-transfer to SCOMET Division in DGFT (Hqrs), in ANF 2O(a), through email (scomet-dgft@nic.in), after obtaining following documents from the stockist entity

   i) End-use/End-user Certificate from each link in the supply chain as per Appendix-2S (i)/2S(ii), as applicable;
   ii) Purchase Order (s)/Invoice(s) or a document in lieu thereof;
   iii) Technical specifications of the product ot be transferred (only if there is any value addition in the product by the stockist)

j. IMWG shall consider export authorizations for allowing such re-export/re-transfer based on end use/end user verification;

Repeat Order cases

k. Applications for re-export/re-transfer of SCOMET items from the stockist entity to the end-users for repeat orders shall be considered by IMWG in accordance with paragraph 2.79 of HBP;

Annual reporting on inventory of the stockist and transfers/re-exports

l. The Indian exporter (Stock & Sale Authorization holder) shall submit a statement of exports made from India to the stockist, transferes made by the stockist to the final end-users and inventory with the stockist, as on 31st December of each calendar year, by 31st January of the following year. A failure to do so may entail imposition of penalty and / or cancellation of authorization under the stock and sale policy;

m. The items exported to the stockist entity under the stock and sale authorization should be transferred to hte final end-user (s) within the validity period of the authorization as in paragraph 2.16 of HBP;
n. The authorization may be revalidated as per the procedure mentioned in paragraph 2.80 of HBP;[xxi]

2.79B Issue of export authorisation for spare parts of SCOMET items under stock and sale

At the request of the applicant, export permission for spare parts covered under SCOMET may be considered by IMWG along with the application for the main item/ equipment which shall be considered on the same conditions, as applicable for main item/component. Accordingly, the applicant seeking permission for export of spares parts, under stock and sales arrangement, may indicate the requirement of spares parts in the application for main item/equipment after judicious and reasonable assessment thereof, and provide the justification for the same.[xxii]

2.79C Issue of authorizations for repair/replacement of SCOMET items

A. <u>Authorization for export of imported SCOMET items for repair /replacement</u>:

i. <u>Conditions to be fulfilled:</u>

(a) The SCOMET items were imported to Indiaand are to be exported for the purpose of repair and replacement, on being defective;

(b) There has beenno change to the original characteristics/specifications of the SCOMET item(s);

(c) The SCOMET items are to be exported to the same entity from which they have been imported or to the OEM (including, agency[1]authorized by OEM);

[1]Agency can include' Approved Repair Centre' (facility approved by the original equipment manufacturer to repair the goods being exported under license).

(d) No Export Authorisation would be granted if the initial export authorisation has been suspended, modified or revoked by the exporting country;

(e) No Export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time; and

(f) No 'End Use' and 'End Use Certificate' would be required.

ii. <u>Documents required:</u>

1. **<u>Proof of import of the item(s)</u>**:
   a. Bill of entry containing details of the items to be repaired/replaced;
   b. Export License(if applicable) issued by the foreign country for original import of the items to India;
   c. Documentary proof and/or self declaration that the item exempted from license requirement or place under no license requirement for India.

2. **<u>Proof of obligation for replacement or repair of defective/damaged items</u>**:

   Any of the applicable document(s):

   a. Contract agreement with the supplier/OEM(including agencyauthorized by OEM);or
   b. Purchase order containing terms of import;or
   c. Warranty policy/conditionson replacement/repair of defective/damaged items;

3. **<u>An Undertaking from the applicant firm</u>**;

   An Undertaking from the applicant exporter (on the letter head of the firm duly signed and stamped by the authorizedsignatory) stating:

   a. Details of imported items to be exported after repair alongwith their SCOMET Category /Sub-category number(s), quantity, item description and ECCN of foreign country;
   a. That item (s) are being exported to the entity from which it was imported or to the OEM (including agency authorized by OEM) (whichever is applicable) for replacement/ repair;

   b. That there has been no change to the original characteristics/specifications of the item(s) after import;

c. That the replacement or repair of defective/damaged items (whichever is applicable) is allowed under the conditions of import or contractual agreement;

d. That the defective/damaged item(s)after repair/replacement shall be brought back to India within 90 days of its export;

e. That, in case the defective/damaged item(s)cannot be imported due to any reason (beyond repair, testing failure analysis etc.), evidenceof destruction in the importing country shall be submitted to DGFT within 90 days of export.

f. That, in case time beyond 90 days is required for repair of imported defective/damaged item(s) before re-import, permission from DGFT shall have to be obtained in advance indicating detailed justification for seeking extension of time.

iii. Applications for grant of authorizations for export to the entity from which it was imported or to the OEM (including agency authorized by OEM) shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of export to an entity other than the OEM(including agencyauthorized by OEM), approval will be granted by Chairman, IMWG after verification of the credentials of the foreign entity to which the item(s) are to be exported.

B. <u>Authorizationfor re-export of indigenousSCOMET items after repair/replacement</u>:

i. <u>Conditions to be fulfilled:</u>

(a) The SCOMET items manufactured in India,were exported and brought back to India for repair or being replaced, on being found defective/damaged;

(b) The items are to be re-exported after repair/replacementto the same entity to which the item(s) were originally exported by the applicant exporter;

(c) Therehas been no change to the original characteristics/specifications of SCOMET item(s);

(d) That the defective/damaged item(s)has/have already been brought back or would be brought back to India within 90 days of its replacement(if applicable);

(e) No authorization for re-export would be granted if the original licence has been suspended, modified or revoked.

(f) No Export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time;and

(g) No 'End Use' and 'End Use Certificate' would be required;

ii. <u>Documents Required</u>

1. <u>Proof of the original export of the item(s):</u>

a. Copy of the SCOMET License issued for the export of the items to be replaced/repaired;
b. Shipping bills containing the details of the initial export of these items;
c. Bill of Entry containing details of the items imported for replacement or repair;

2. **<u>Proof of obligation for replacement or repair of defective/damaged items</u>**:

Letter from the foreign buyer on its letter head, duly signed and stamped, raising the demand for the repair or replacement of the item(s) to be exported and the reason thereof and any of the applicable document(s):

a. Contract agreement of the Indian exporter/OEM(including agency authorized by OEM) with the foreign buyer; **or**
b. Purchase order containing terms of replacement/repair;**or**
c. Warrantypolicy/conditions on replacement/repair of defective/damaged items;

3. **<u>An Undertaking from the applicant firm</u>**;

An Undertaking from the applicant exporter (on the letter head of the firm duly signed and stamped by the authorizedsignatory) stating:

a. Details of items to be exported as replacement or after repair alongwith their SCOMET Category /Sub-category number(s);
b. That there has been no change to the original characteristics/specifications of the item(s) after repair (if imported and repaired) or is of the same specifications as of the item(s) being replaced;

c. That they are being exportedto the same entity (ultimate end user) after repair or as replacement (as applicable) to which it was exported earlier;

d. That replacement/repair(whichever is applicable) is allowed under the conditions of export or purchase order or contractual agreement;

e. That the defective/damaged item(s)has/have already been brought back or would be brought back to India within 90 days of its replacement (in case of replacement);

f. That, in case the defective/damaged item(s)cannot be imported due to any reason (beyond repair, testing failure analysis etc.), evidenceof destruction in the importing country shall be submitted to DGFT within 90 days of export of replacement.

iii. Applications for grant of authorizations to export the replaced/repaired item(s) to/through the same entity (ies), as specified in the original SCOMET license, shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of export through a new entity (consignee), approval will be granted by Chairman, IMWG after verification of the credentials of the new foreign entity (ies)through which the item(s) are to be exported.

C. <u>Authorizationfor export of imported SCOMET items to same entity abroad, or anyauthorised entity after repair in India:</u>

i. <u>Conditions to be fulfilled:</u>

(a) The SCOMETitems were imported to a designated/authorized repair facility in Indiafor the purpose of repair under a contract agreement/Master Service agreement (MSA);***or***
Imported under a contract agreement between Indian exporter, entities of repair facility (if different from exporter)and entity abroad defining 'Statement of Work (SOW)'/ 'Scope of Work' including conditions for undertaking repair in India;

(b) The items are to be exportedto the same entity abroad from which the item(s) has/have been imported or to the OEM (including agency[2] authorised by OEM);

(c) There has been no change to the original characteristics/specifications of the SCOMET item(s) after repair;

(d) No Export Authorisation would be granted when the initial export authorisation has been suspended, modified or revoked by country of import;

(e) No Export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time;

(f) No details of 'End Use' and 'End Use Certificate' would be required;

ii. Documents Required

1. **Proof of import of the item(s)**:

   a. Bill of entry containing details of the items to be repaired;
   b. Export License(if applicable) issued by the foreign country for original import of the items to India;
   c. Documentary proof and/or self declaration that the item exempted from license requirement or place under no license requirement for India.

2. **Proof of obligation for repair of defective/damaged items**:

   Contract agreement and/or 'Statement of Work (SOW)'/ Master Service agreement(MSA) between Indian exporter and entities of repair facility (if different from exporter)with theentity abroad /OEM(including agencyauthorized byOEM)definingconditionsfor undertaking repair inIndia.

[2]Agency can include' Approved Repair Centre' (facility approved by the original equipment manufacturer to repair the goods being exported under license).

3. **<u>An Undertaking from the Indianexporter</u>**;

An Undertaking from the applicant exporter (on the letter head of the firm duly signed and stamped by the authorizedsignatory) stating:

a. Details of imported items to be exported after repair alongwith their SCOMET Category /Sub-category number(s), quantity, item description and ECCN of foreign country;

b. That item(s) are being exported to the same entity from which it was originally imported for repairand return purpose or to the OEM (including agency authorized by OEM);

c. That there has been no change to the original characteristics/specifications of the item(s) after import;

d. That the repair of defective/damaged items is allowed under the conditions of import or contractual agreement between Indian exporter, entities of repair facility (if different from exporter) and theentity abroad /OEM(including agencyauthorized byOEM)(name and address);

iii. Applications for grant of authorizations for export to the entity from which it was imported or to the OEM (including agency authorized by OEM) shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of export to an entity other than the OEM(including agencyauthorized by OEM), approval will be granted by Chairman, IMWG after verification of the credentials of the foreign entity to which the item(s) are to be exported.

3. All such authorizations shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis.[xxiii]

2.79D Issue of export authorizations for demo/display/exhibition/ tenders/RFP/RFQ/NIT of SCOMET items

(A) <u>Authorization for export of indigenous/imported SCOMET item(s) for demo/display/exhibition/tender/RFP/RFQ/NIT abroad</u>

Authorizations for export of items in SCOMET List (other than those under Category 0, 1, 2 and 6 or 'Technology' or 'Software' in any category) solely for purposes of (a) Demo (b) Display (c) Exhibition

(d) Tenders/RFP/RFQ/NIT shall be considered by Chairman IMWG, on the following conditions:

(a) Such cases would be considered purely on temporary export basis for a specified time period;

(b) No end user certificate would be insisted upon in such cases;

(c) There shall not be any commercial transaction in the form of selling/buying/renting/leasing;

(d) The number of item(s) should be commensurate with the nature of export items and the purpose for which the application is being made;

(e) There shall not be any exchange/disclosure of information which could lead to transfer of technology;

(f) No export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time;

(g) The application is accompanied with the following additional documents (depending on whichever is applicable):

(i) <u>Proof of event (Demo/Display/Exhibition/ Tenders/RFP/RFQ/NIT)</u>

Invitation letter / Advertisement/Notice for RFP/RFQ/NIT or any other document to authenticate (i) the event or purpose of participation (ii) schedule (in case dates not decided, probable time period) (iii) specific location of event [venue, city, country etc.];

(ii) <u>Proof of participation</u> :

Documents confirming participation of applicant in the event (demo/display/exhibition/tender/RFP/RFQ/NIT);

(iii) **<u>An undertaking from the applicant firm</u>**:

An Undertaking on the letter head of the firm duly signed and stamped by the authorized signatory stating:

a. Purpose of export, details of invitee alongwith schedule and specific location of event;

b. Details of items to be exported for Demo/Display/Exhibition/tender/RFP/RFQ/NIT alongwith their SCOMET Category/Sub-category number (s), quantity and item description.

c. that the exported items will be in the custody of the exporter during the entire period of export;

d. that the exported items shall be brought back to India within 90 days after the event gets over or within the extended time, as allowed by DGFT;

e. that the Bill of Entry confirming the return back of the exported items to India shall be submitted to DGFT;

(h) Applications for grant of authorizations shall be approved by Chairman, IMWG after verifying the credentials of the event/organizer.

(B) <u>Authorization for export of imported SCOMET items after participation in demo/display/exhibition/tenders/RFP/RFQ/NIT in India</u>

Application of grant of authorization for export of imported SCOME items to the entity from which it has been originally imported or to its OEM(including agency authorized by OEM), after Demo/Display/Exhibition/tender/RFP/RFQ/NIT, shall be considered by Chairman IMWG, on the following conditions:

a) The SCOMET item(s) were imported in India for the purpose of demo/display/exhibition/tender/RFP/RFQ/NIT under a contract agreement between Indian exporter and supplier/OEM (including agency authorized by OEM);

b) The export should only be to the entity from which the item(s) has/have been imported or to the OEM (including agency authorized by OEM);

c) No details on 'End Use' and 'End Use Certificate' would be required;

d) No export authorisation would be granted for UNSC sanctioned destinations or countries/entities of high risk, as assessed by the IMWG, from time to time;

e) The application is accompanied with the following additional documents (depending on whichever is applicable/appropriate):

i. **Proof of import of the item(s):**

a. Bill of entry containing details of the items being exported after completion of Demo/Display/Exhibition/tender/RFP/ RFQ/NIT;
b. Export License (if applicable) issued by the foreign country for original import of the items to India;

ii. **Proof of event/participation (Exhibition/Demo/Display/ Tenders/RFP/RFQ/NIT)**
Invitation letter/Advertisement/Notice for RFP/RFQ/NIT or any other document to authenticate (i) the event or purpose of participation (ii) schedule (iii) specific location of event [venue, city etc.] iv) Documents confirming participation of applicant in the event exhibition/display/demo/tender/RFP/RFQ/NIT

iii. **An Undertaking from the applicant firm;**

An Undertaking on the letter head of the firm duly signed and stamped by the authorized signatory stating:

a. Purpose of import of item in India, invitee alongwith schedule and specific location of event;

b. Details of imported items to be exported after Demo/Display/Exhibition tenders/ RFP/RFQ/NIT alongwith their SCOMET Category /Sub-category number(s), quantity, item description and ECCN of foreign country;

c. That item (s) are being exported to the entity from which it was originally imported or to the OEM (including agency authorized by OEM) (whichever is applicable) for Demo/Display/Exhibition/tenders/RFP/RFQ/NIT;

d. That there has been no change in the specifications of the item(s) after import;

e. That the Demo/Display/Exhibition tenders/RFP/RFQ/NIT items (whichever is applicable) is allowed under the conditions of import or contractual agreement;

f. That the export of the imported item(s) is allowed under the conditions of import or contractual agreement between Indian exporter and entity abroad/OEM (including agency authorized by OEM).

f) Applications for grant of authorizations for export to the entity from which it was originally imported or to the OEM (including agency authorized by OEM) shall be approved by Chairman IMWG, without any consultation with IMWG members. However, in cases of export ot an entity other than the original supplier or OEM (including agency authorized by OEM), approval will be granted by Chairman, IMWG after verification of the credentials of the foreign entity to which the item(s) are to be exported.

3. All such authorizations shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis.

Note:-

- RFP refers to Request for Proposal
- RFQ refers to Request for Quotation
- NIT refers to Notice Inviting Tender[xxiv]

2.79E Issue of export authorizations for re-export/return of imported SCOMET items to the same foreign entity or to its OEM (including agencies authorized by OEM)

Application for grant of authorization for re-export/return of imported SCOMET items to the foreign entity from which it has been originally imported or to its OEM (including agency authorized by OEM), for reasons such as obsolescene of technology of imported items; cancellation of order by the Indian buyer / end user; dead on arrival etc., shall be considered by Chairman IMWG, on the following conditions:

(a) The export should only be to the entity from which the items(s) has/have been imported or to the OEM (including agency/ies authorized by OEM);

(b) No details on 'End Use Certificate' would be required;

(c) No export authorisation would be granted for UNSC sanctioned destinations or countries/ entities of high risk, as assessed by the IMWG, from time to time;

(d) The application is accompanied with the following additional documents (depending on whichever is applicable/appropriate):

i. **<u>Proof of import of the item(s):</u>**
   a. Documentary proof that the item(s) originally imported, match with intended item(s) of re-export/return;
   b. Bill of entry containing details of the items to be returned;
   c. Export License (if applicable) or any other documents showing that export regulation of the country of export does not have any restriction on re-export/return from India;

d. In case of any such restriction, the exporter will provide a letter of explanation detailing the list of countries/entities, to which re-export/return is restricted/regulated;

ii. <u>Proof of obsolescence/cancellation of order for intended items:</u>

Any of the applicable document(s):

a. Proof of obsolescence of technology of imported items;
b. Cancellation of order by Indian importer;
c. Inspection report in case of dead on arrival etc;
d. Any other document in support of the claim for return

iii. <u>Proof of obligation for re-export/return for intended items:</u>

Any of the applicable document(s):

a. Contract agreement between exporter and the supplier/OEM (including agency authorized by OEM) for re-export/return;
b. Purchase order containing terms of import with specific mention of re-export/return due to any of the reasons explained above;
c. Warranty policy/conditions on replacement of damaged/dead on arrival items;

iv. <u>An Undertaking from the applicant firm;</u>

An Undertaking on the letter head of the firm duly signed and stamped by the authorized signatory stating:

a. Details of imported items to be re-exported/returned alongwith their SCOMET Category/ Sub-category number(s);
b. That item (s) are being exported to the same foreign entity from which it was originally imported or to the OEM [including agency(ies) authorized by OEM] (whichever is applicable);
c. That there has been no change in the specifications of the item(s) after import in India;

d. That the re-export/return of items due to reasons such as obsolescene of technology of imported items; cancellation of order by Indian buyer/end user; dead on arrival etc. (whichever is applicable) is allowed under the conditions of import or contractual agreement.

(e) Applications for grant of authorizations for export to the entity from which it was originally imported or to the OEM (including agency authorized by OEM) shall be approved by Chairmen IMWG, without any consultation with IMWG members. However, in cases of re-export/return to an entity other than the OEM (including agencies authorized by OEM), approval will be granted by Chairmen, IMWG after verification of the credentials of the foreign entity to which the item(s) are to be exported.

(f) All such authorizations shall be brought before IMWG in its subsequent meeting for confirmation of approval, on ex-post facto basis.[xxv]

2.79F Global Authorisation for Intra-Company Transfers (GAICT) OF SCOMET[1] Items/Software/Technology

A. <u>Scope and Eligibility:</u> Pre-export authorization will not be required for re-export of imported SCOMET items, software and technology [excluding items under SCOMET Categories 0, 1B, 1C[2], 3A401, 5 and 6] under following conditions:

i. where the re-export is an Intra-company transfer from an Indian subsidiary (applicant exporter) to its foreign parent company and/or to subsidiaries of the foreign parent company for re-export of imported SCOMET items (covered under para 2.A above) from India and;

ii. where the transfer fulfils the conditions mentioned at (a) to (g) below:

a) The items/software/technology to be re-exported, by Indian subsidiary, have been imported under a License Exception available in the country of the parent company abroad or from subsidiaries of the parent company abroad;

Note: The licence exception should clarify the control list classification, equivalent to the SCOMET item number and whether the licence exception is available for the subsidiaries of the parent company abroad;

b) The items/software/technology to be re-exported is based on a Master Service Agreement/Contact between the parent company and the Indian subsidiaries for carrying out certain services including design/encryption/research/development /delivery /validation/testing;

Note: As a result of the service carried out by the Indian exporter, the items/software/technology should not undergo change in functionality and classification.

c) These items/software/technology to be re-exported to the foreign parent company and /or subsidiaries of foreign parent company;

d) The applicant exporter declares that the re-exported items would be used for the purposes for which it is intended by the parent company and/or its subsidiaries;

e) The exporter furnishes either a certified/approved Internal Compliance Programme (ICP) or demonstrates compliance to the ICP of the parent company;

f) The exporter agrees to allow on-site inspection, if required by the DGFT or authorised representatives of Government of India;

g) The exporter is granted a Global Authorisation for Intra-Company Transfers (GAICT) as per procedure mentioned in para 2.B below.

B. Procedure for grant of Global Authorization for Intra-Company Transfers (GAICT)

Filling and Assessment of application

a. In respect of re-export of SCOMET items/software/technology against Licence Exception which has been granted by the export control licensing authority of the country of parent company, the Indian exporter shall submit application for GAICT through online SCOMET portal and attach information in proforma -ANF 2O(b);

b. The application would be assessed for the issue of GAICT by Inter-Ministerial Working Group (IMWG) based on the submission of the application and other supporting documents by the Indian exporter in the prescribed proforma:

   i. Documentary proof of the corporate relationship between the foreign parent company and /or its subsidiaries abroad with the Indian subsidiaries (applicant exporter);
   ii. Copy of Master Service Agreement (MSA)/Contract and other related documents (if any), as may be relevant, between the foreign parent company and the Indian subsidiary;
   iii. Classification of item/software/technology in SCOMET (indicating SCOMET category and sub-category);
   iv. Detailed description of the item intended to be re-exported with relevant technical details, such as model, part number, etc. and in case of software/technology, details of encryption algorithm, key length encryption functionality, eligibility under cryptography note etc. to be provided;
   v. Documentary proof of licence exception granted by the export control licensing authority of country of the foreign parent company and the subsidiaries of the parent company in different countries where it is valid;
   vi. Certified/approved ICP of the exporter or self-certified copy of the ICP of the parent company being adopted by Indian subsidiary/exporter along with an undertaking thereon;
   vii. Additional details, if any sought by DGFT.

A. <u>Post reporting for re-export of items/software/technology under GAICT</u>

a. The Indian exporter shall submit post-shipment details of each transfer/consignment of exports of SCOMET

items/software/technology under GAICT to the SCOMET Division of DGFT (Hqrs), New Delhi, via E-mail (scomet-dgft-pr@nic.in) on quarterly basis (March/ June/ September/ December), by the end of subsequent month of each quarter, in respect of the exports made in the previous quarter;

b. The post-shipment details shall be submitted in proforma ANF 2O(c) alongwith a copy of EUC in Appendix 2S (iv), from the parent company abroad;

c. Failure to do so may entail imposition of penalty and/or suspension/revocation of GAICT.

Note: ANF (Aryat Niryat Form) -ANF 2O(b), ANF 2O(c) and End Use Certificate proforma Appendix 2S(iv) would be notified separately.

D. Record Keeping

The exporter will be required to keep records of all the export documents, in manual or electronic form, in terms of Para 2.73 (c) of HBP, for a period of 5 years from the date of GAICT issued by DGFT.

E. General conditions

a. GAICT would not be issued in case of item/software and/or technology to be used to design, develop, acquire, manufacture, possess, transport, transfer and / or used for chemical, biological, nuclear weapons or for missiles capable of delivering weapons of mass destruction and their delivery system;

b. GAICT would not be issued for countries or entities covered under UNSC embargo or sanctions list or to the countries or entities assessed for risk of proliferation concern, based on national security and foreign policy considerations;

c. IMWG shall reserve the right to deny issue of GAICT without assigning any reason(s).

F. **<u>Subsequent re-exporters /re-transfer of the item/software/ technology from the foreign parent company or its subsidiaries to end users in other countries</u>**

Further re-expert/re-transfer of the item/software/technology from the foreign parent company or its subsidiaries to end users in other countries would be subject to the export control regulations of the country of the foreign parent company or its subsidiary.

G. **<u>Validity</u>**

a) GAICT issued for intra-company transfers of SCOMET items/software/technology shall be valid for a period of **three years** from the date of issue of GAICT by DGFT and shall be further subject to the following validity time line, whichever is earlier:

i. Till the validity of license exception of foreign parent company for that product (items/Software/technology); or

ii. Till the validity of license exception of foreign parent company for subsidiaries of the parent company abroad; or

iii. Till the validity of Master Service Agreement (MSA) /Contract with the foreign parent company and the Indian subsidiary.

b) GAICT cannot be revalidated in terms of Paragraph 2.80 of HBP of FTP 2015-20.

H. **<u>Suspension / Revocation</u>**

GAICT issued shall be liable to be suspended/revoked by the DGFT on receipt of an adverse report on proliferation concern or for non-submission of mandatory reports within the prescribed time lines or for non-compliance with the conditions of this Public Notice.[xxvi]

2.79G General Authorisation for Export of Chemicals and related equipment (GAEC) under SCOMET List

A. Procedure for grant of General Authorization for Export of Chemicals and related equipment (GAEC)

I. In respect of export/re-export of SCOMET items under the Categories / Sub Categories of 1C, 1D,1E, 3D001 and 3D004 (excluding software and technology), the applicant exporter shall submit an application for GAEC through online SCOMET portal and attach information in proforma -ANF 2O;

II. The application would be reviewed/examined for the issuance of GAEC by Inter-Ministerial Working Group (IMWG) based on the submitted application and other supporting documents submitted by the applicant exporter in the prescribed proforma including;

a. Detailed description of the items that are intended to be exported under this authorization with relevant technical details / specifications, such as model, part number, etc. to be provided (as applicable); In case of first intended export of items under the above Categories / Sub Categories, details of the entire supply chain (buyer, consignee, end user, etc.) of an intended export is to be provided. In case of previous exports of items under the above Categories / Sub Categories having been carried out, details of past exports including the EUC is to be provided.

b. Undertaking on the letterhead of the firm duly signed and stamped by the authorized signatory stating the following:

i. Any on-site inspection will be allowed by the applicant exporter, if required by the DGFT or authorized representatives of Government of India;

ii. The applicant exporter declares that the items that are intended to be exported shall not be used for any purpose other than the purpose(s) stated in the EUC and that such use shall not be changed nor the items modified or replicated without the prior consent of the Government of India.;

iii. The applicant exporter declares that subsequent to issue of export authorisation, if the licensee has been notified in writing by DGFT or if they know or has reason to believe that an item may be intended for military end use or has a potential risk of use in or diversion to weapons of mass destruction (WMD) or in their missile system, the exporter would not be eligible for GAEC for export of

that/those item(s) and would apply separately to DGFT for a fresh authorization in terms of regular policy.

iv. Action will be taken against the exporter under FT (D & R) Act, 1992 for any mis-declaration.

c. After issuance of GAEC authorization and before actual export, the applicant exporter must ensure the following:

i. They shall notify the relevant government authorities in the online portal of DGFT, within 30 days of such export in the prescribed format [Aayat Niryat Form (ANF) - 2O], along with the End-Use Certificate (EUC) in the prescribed proforma [Appendix 2S(ii)] and a copy of the bill of entry into the destination country within 30 days of delivery at destination point.

ii. They have an agreement or a purchase order, excerpt of contract from entity (consignee / end user) receiving the items which states that the export is for a permitted use / an end use as declared in the EUC before actual export;

iii. They possess documents include the name, contact number and email id of the authority signing the EUC before actual export.

iv. Additional details, if any sought by DGFT

B. Post reporting for export / re-export of items under GAEC

a. The Indian exporter shall submit post-shipment details of each export/ re-export of SCOMET items under the above Categories/ sub-categories under GAEC, as mentioned above at II.c. (i) and within the timelines specified therein;

b. Failure to do so may entail imposition of penalty and / or suspension/revocation of GAEC.

C. Record Keeping

The exporter will be required to keep records of all the export documents, in manual or electronic form, in terms of Para 2.73 (c) of HBP, for a period of 5 years from the date of GAEC issued by DGFT.

D. General Conditions & Exclusions

a. GAEC would not be issued in case of items to be used to design, develop, acquire, manufacture, possess, transport, transfer and / or used for chemical, biological, nuclear weapons or for missiles capable of delivering weapons of mass destruction and their delivery system;
b. GAEC would not be issued for countries or entities covered under UNSC embargo or sanctions list or on assessment of proliferation concerns, or national security and foreign policy considerations, etc.;
c. IMWG shall reserve the right to deny issue of GAEC without assigning any reason(s).

E. Validity

a. GAEC issued for export / re-export of SCOMET items under the above Categories / Sub Categories (excluding software and technology) shall be valid for a period of **five years** from the date of issue of GAEC subject to subsequent post reporting(s) on quarterly basis to be reported within 30 days from the last quarter;
b. GAEC cannot be revalidated in terms of Paragraph 2.80 of HBP of FTP 2015-20.

F. Suspension / Revocation

GAEC issued shall be liable to be suspended / revoked by the DGFT on receipt of an adverse report on proliferation concern or for non-submission of mandatory post-shipment details / reports / documents within the prescribed timelines or for non-compliance with the conditions of the proposed policy.[xxvii]

2.80 Revalidation of SCOMET Authorisation

Export license for SCOMET items may be revalidated by RA concerned as per para 2.20 (b) of HBP.

2.81 Export of SCOMET Category 6 items

Notwithstanding anything contained in Paragraphs 2.73 to 2.80, Export of SCOMET Category 6 items will be permitted against an authorisation issued by Department of Defence Production. The grant of authorisation will be

governed by the Standard Operating Procedure (SOP) issued for the purpose by Department of Defence Production.

2.82 Timeline for comments/NOC

The members of IMWG will endeavour to furnish their written comments/views/No Objection to DGFT within 30 days from the date of forwarding of applications by DGFT (Hqrs.). If no comments/views/No Objection is received within the stipulated period. The cases will be placed before IMWG for taking a decision as deemed appropriate.

Export through State Trading Enterprises (STE):

2.83 Export of Items under (STE)

An application under **ANF 2N** for export of items mentioned in ITC (HS), 2012 under STE regime may be made to DGFT as per paragraph 2.20 of FTP.

Provisions for exporters/other provisions for doing trade and business:

2.84 Free of Cost Exports for status holders

Status holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of Rs.10 lakh or 2% of average annual export realisation during preceding three licensing years whichever is lower. For Pharma exports, the annual limit would be 2% of the annual export realisation during preceding three licensing years. In case of government supplies and supplies of vaccines and lifesaving drugs to health programmes of international agencies such as UN and WHO-PAHO, the annual limit shall be upto 8% of the average annual export realisation during preceding three licensing years. Such free of cost supplies shall not be entitled to Duty Drawback or any other export incentive under any export promotion scheme.

2.85 Admissibility of benefits on payment through insurance cover

(I) Payment through ECGC cover would count for benefits under FTP.

(II) Payment through General/ Private Insurance companies:

Amount of Insurance Cover for transit loss by General Insurance and Private Approved Insurance Companies in India would be treated as payment realized for exports under various export promotion schemes.

(a) An applicant realizing export proceeds through Insurance Agency will approach the concerned RA with the proof of payment issued by the concerned Insurance Agency. RA after satisfying itself of the bona fide of the claim, will obtain approval of Additional DGFT (EDI) and then will upload the value (in lieu of e BRC value) in EDI system of DGFT for processing of the case.

(b) If the proof of payment issued by the Insurance Agency mentions claim value both in foreign exchange and INR, RA will use the foreign exchange value for processing. If the claim value is mentioned only in equivalent INR, RA will convert this INR value in equivalent US$ using the exchange rate (published by CBEC) applicable on the date of settlement of insurance claim".

2.86 Irrevocable Letter of Credit

In case where applicant applies for duty credit scrip / discharge of EO against confirmed irrevocable letter of credit (or bill of exchange which is unconditionally Avalised / Co-Accepted / Guaranteed by a bank) and this is confirmed and certified by exporter's bank in relevant Bank Certificate of Export and Realization, payment of export proceeds shall be deemed to have been realized. For Status Holders, irrevocable letter of credit would suffice.

2.87 RBI write-off on export proceeds realization

Realization of export proceeds shall not be insisted under Foreign Trade Policy, if the Reserve Bank of India (RBI) or any "Authorised Bank" (authorised by RBI for this purpose) writes off the requirement of realization of export proceeds on merits and the exporter produces a certificate from the concerned Foreign Mission of India about the fact of

non-recovery of export proceeds from the buyer. However, this would not be applicable in self – write off cases.

2.88 Conversion of E.P. copy of shipping bill from one Scheme to another

If Customs Authorities, after recording reasons in writing, permit conversion of an E.P. copy of any scheme-shipping bill on which benefit of that scheme has not been availed, exporter would be entitled to benefit under scheme in which shipment is subsequently converted.

2.89 Offsetting of Export Proceeds

Subject to specific approval of RBI, any payables, or equity investment made by an Authorisation holder under any export promotion scheme, can be used to offset receipts of his export proceeds. In such cases, offsetting would be equal to realisation of export proceeds and exporter would have to submit following additional documents:

(a) **Appendix-2L** in lieu of Bank Realisation Certificate.

(b) Specific permission of RBI.

Provisions related to Quality Certification:

2.90 Quality Certification

It has been a constant endeavour to promote quality standards in export product / units manufacturing export product.

Agencies authorised to grant Quality Certification:

(a) List of such agencies authorised to grant quality certification is given in **Appendix-2I**

(b) For ISO 9000 (Series) and for ISO 14000 (Series), the Agencies accredited with National Accreditation Board for Certification Bodies (NABCB) under Quality Council of India shall be deemed to be authorised under this Policy. List of such accredited agencies is

available on the web site www.qcin.org and also provided under **Appendix 2I**

(c) The agencies for ISO (9000) Series & ISO 14000 Series have been accredited on further classification of:

(i) Quality Management System(QMS)- http://www.qcin.org/nabcb/accreditation/reg.bod qms.php for Quality Management Systems

(ii) Environmental Management System(EMS) - http://www.qcin.org/nabcb/accreditation/reg bod ems.php for Environmental Management system .

These agencies are listed in **Appendix 2I** of the AANF.

(d) Any agency desirous of enlistment in **Appendix 2I** may submit their application as per Annexure I to **Appendix 2I** to the DGFT.

2.90 A Track and Trace system for export of drug formulations

Procedure for Implementation of the Track and Trace system for export of drug formulations will be as under :

i. The manufacturer or the exporter of drug formulations will print the barcode as per **GS1 Global Standard** at different packaging levels to facilitate tracking and tracing of their products. The details are as follows:

a) Primary Level:

Incorporation of two dimensional (2D) barcode encoding unique and **universal global product identification** code in the format of 14 digits Global Trade Item Number (GTIN) along with batch number, expiry date and a unique serial number of the primary pack. The bar code labeling at primary level is exempted till further notification; however, the above mentioned details are required to be printed in human readable form on **optional basis** till further notification.

b) Secondary level:

Incorporation of one or two dimensional (1D or 2D) barcode encoding unique and universal global product identification code in the format of 14 digits Global Trade Item Number (GTIN) along with batch number, expiry date and a unique serial number of the secondary pack. However, incase of monocartons manufacturer or exporter shall affix bar code on mono carton containing one primary pack on optional basis till further notification.

c) Tertiary Level:

Incorporation of one dimensional (1D) barcode encoding unique and universal global product identification code in the format of 14 digits Global Trade Item Number (GTIN) along with batch number, expiry date and a unique serial number of the tertiary pack i.e. Serial Shipping Container Code (SSCC).

ii. Parent–Child Relationship for SSI and Non-SSI Manufacturers:

The manufacturer or exporter shall maintain the data in the parent-child relationship for three levels of packaging i.e. Primary, Secondary and Tertiary packaging and their movement in its supply chain.

iii. Maintenance of data of Parent-Child relationship:

The data mentioned in (ii) above shall be uploaded on the central portal of the Government of India (http://dava.gov.in) by the manufacturer or exporter or its designated agency before release of the drug formulations for sale or distribution.

iv. The responsibility of the correctness, completeness and ensuring timely upload of data on the central portal shall be with the manufacturer or exporter.

v. In case, the Government of the importing country has mandated a specific requirement, the exporter has the option of adhering to the

same and in such a case, it would not be necessary to comply with the stipulation under sub para (i) to (iv) above and if an exporter is seeking to avail such exemption from bar coding prescribed by the Government of India as above, the exporter is given the option to move an application to the Pharmaceutical Export Promotion Council of India (Pharmexcil) for this purpose, clearly specifying the nature of such an exemption in the interest of the exports from the country. Pharmexcil shall dispose of such applications on case to case basis with prior approval of Government. However, the tertiary level of packaging will have additional printing of barcode as per Para 2 (i) (c) in addition to importing country's requirement, if any.

vi. Export of drugs manufactured by SSI and non-SSI units and having manufacturing date on or before 01.04.2022[xxviii] are exempted from maintenance of data in the Parent-Child relationship for three levels of packaging and its uploading on Central Portal (http://dava.gov.in).[xxix]

vii All drugs manufactured by SSI or non SSI units and having manufacturing date after 01.04.2022[xxx] can be exported only if both tertiary and secondary packaging carry barcoding as applicable and the relevant data as prescribed by DGFT is uploaded on the Central Portal.[xxxi]

Explanation:

(a) For the purpose of this rule,

(i) Drug formulation means a formulation manufactured with a license from Drug Control Authority under the provisions of Drugs & Cosmetics Act and Rules made there under and registered as "Drug" with the FDA of importing country.

(ii) Primary packaging means the package which is in direct physical contact with the active ingredient.

(iii) Secondary packaging means a carton containing one or more primary packs and includes a mono carton containing one primary pack.

(iv) Tertiary packaging means a shipper containing one or more secondary packs.

(b) All relevant guidelines regarding grant of specific exemption(s) if any, procedure of data requirement / maintenance / upload on central portal and clarifications issued under this notification etc. will be available on the central portal i.e. http://dava.gov.in

(c) It will be the responsibility of the drug manufactures/exporters as the case may be, to satisfy the customs authorities that the export consignment satisfies the conditions of the Notification.

Export Promotion Council (EPC)/ Commodity Boards:

2.91 Registering Authorities

(a) Registering Authority is a body notified by DGFT in this regard to register importers/ exporters as its members by issuing RCMC.

(b) The list of notified Registering Authorities is at **Appendix-2 T.**

(c) EPCs acting as the Registering Authorities for RCMC at present will continue to act as Registering Authorities and issue RCMC to their members till 31st March, 2016. EPCs wishing to continue as Registering Authority for their product group thereafter shall have to comply and fulfil the conditions as specified in Paragraph 2.92 below before 31st March, 2016.

2.92 Criteria for EPCs as Registering Authorities

In order to make the EPCs truly democratic and participative in nature and for better governance and transparency, the criteria for them to function as Registering Authority are being laid down as under:

(a) **e-Voting**: Electronic Voting would be mandatory for election to the posts of Vice Chairman/Vice President and Executive Committee members with a view to ensuring wider participation.

(b) **Tenure of Elected Heads**: The tenure of an elected head shall not be for more than two years. The election of Chairman/President of the EPC shall be via Vice Chairman/Vice President route. However, any member having held the post of Chairman/President and/or Vice Chairman/Vice President may come back as Vice Chairman/Vice President in the same council after a gap of not less than 4 years.

(c) **Directions of the Central Government:** EPCs acting as the Registering Authorities shall abide by all directions of the Central Government in respect of promotion and development of international trade.

2.93 Registration- cum- Membership Certificate (RCMC)

(a) An exporter may, on application given in **ANF 2C** register and become a member of EPC. On being admitted to membership, applicant shall be granted forthwith Registration-cum-Membership Certificate (RCMC) of EPC concerned, in format given in **Appendix 2R**. In case an exporter desires to get registration as a manufacturer exporter, he shall furnish evidence to that effect.

(b) Prospective / potential exporters may also, on application, register and become an associate member of an EPC.

2.94 Applying for RCMC

(a) While applying for RCMC, an exporter has to declare his main line of business in the application. The exporter is required to obtain RCMC from the Council which is concerned with the product of his main line of business.

(b) In case an export product is not covered by any Export Promotion Council/Commodity Board etc., RCMC in respect thereof is to be obtained from FIEO. Further, in case of multi product exporters, not registered with any EPC, where main line of business is yet to be settled, the exporter has an option to obtain RCMC from Federation of Indian Exporters Organization (FIEO).

(c) In respect of multi product exporters having their head office/ registered office in the North Eastern States, RCMC may be obtained from Shellac & Forest Products Export Promotion Council (except for the products looked after by APEDA, Spices Board and Tea Board).

(d) In respect of exporters of handicrafts and handloom products from the State of Jammu & Kashmir, Director, Handicrafts, Government of Jammu & Kashmir is authorised to issue Registration Cum Membership Certificate (RCMC).

2.95 Validity Period of RCMC

RCMC shall be deemed to be valid from 1st April of licensing year in which it was issued and shall be valid for five years ending 31st March of the licensing year, unless otherwise specified.

2.96 Intimation Regarding Change in Constitution of Business of RCMC holder

(a) In case of change in ownership, constitution, name or address of an exporter, it shall be obligatory on part of RCMC holder to intimate such change to registering authority within a period of one month from date of such change. Registering authority, however, may condone delays on merits.

2.97 De- Registration

Registering authority may de-register an RCMC holder for a specified period for violation of conditions of registration. Before such de-registration, RCMC holder shall be given a show cause notice by registering authority, and an adequate and reasonable opportunity to make a

representation against the proposed de-registration. Upon de–registration, concerned EPC shall intimate the same to all RAs.

2.98 Appeal Against De-registration

A person aggrieved by a decision of registering authority in respect of any matter connected with issue of RCMC may prefer an appeal to DGFT or an officer designated in this behalf within 45 days against said decision and decision of appellate authority shall be final.

2.99 Directives of DGFT

DGFT may direct any registering authority to register or deregister an exporter or otherwise issue such other directions to them consistent with and in order to implement provisions of FT (D&R) Act, Rules and Orders made there under, FTP or this Handbook.

Other General Provisions:

2.100 Identity Cards for Importers /Exporters

(a) To facilitate collection of Authorisation and other documents from DGFT Head Quarters and RA, identity cards (as in **Appendix 2W** valid for 3 years) may be issued to proprietor/ partners / directors and authorised employees (not more than three), of importers and exporters, upon application in **ANF 2B**

(b) In addition, Identity Card may also be issued by the applicant firms on their letterhead to the concerned employees. These Identity Cards may be countersigned by the concerned RA. However, application for identity card in **ANF 2 B** will require to be made by the applicant and all other parameters would need to be met.

(c) In case of limited companies, RA may approve allotment of more than three identity cards per company. In case of loss of an identity card, a duplicate card may be issued on the basis of an self-declaration . RA may issue multiple identity cards, after recording reasons in writing, in cases of Directors/Partners of companies.

2.101 Interview with authorised Officers

Officers may grant interview at their discretion to authorised representative of importer / exporter. Interviews /clarifications may also be sought through E-mails.

2.102 Authorised signatory

Any communication from the Exporter/Importer to DGFT's office including the RA's must have the name, signature, email id of the person duly authorised by the firm/company to send such communications.

Preferential Trade Agreements:

2.103 Free Trade Agreements (FTAs) / Preferential Trade Agreements (PTAs)

(a) India has always stood for a transparent, equitable, inclusive, predictable, non-discriminatory and rules based international trading system. In this context, India's trade agreements may be seen as a measured and calibrated exposure of the Indian economy to international competition. As of October, 2014; India has signed 10 FTAs and 6 limited Preferential Trade Agreements (PTAs). India is also negotiating around 18 other FTAs.

(b) The list of the FTAs that have been signed by India are:

(i) India - Sri Lanka FTA
(ii) Agreement on South Asian Free Trade Agreement (SAFTA)
(iii) Revised Agreement of Cooperation between Government of India and Nepal to control unauthorised trade
(iv) India - Bhutan Agreement on Trade Commerce and Transit
(v) India - Thailand FTA - Early Harvest Scheme (EHS)
(vi) India - Singapore Comprehensive Economic Cooperation Agreement (CECA)

(vii) India – ASEAN CECA (Goods, Services and Investment)
(viii) India - South Korea Comprehensive Economic Partnership Agreement (CEPA)
(ix) India - Japan CEPA
(x) India - Malaysia CECA

(c) The list of Preferential Trade Agreements (PTAs) signed by India are:
(i) Asia Pacific Trade Agreement (APTA)
(ii) Global System of Trade Preferences (GSTP)
(iii) India - Afghanistan PTA
(iv) India - MERCOSUR PTA
(v) India - Chile PTA
(vi) SAARC Preferential Trading Arrangement (SAPTA)

(d) The list of these agreements with the participating countries as well as their entry into force is given in **Appendix 2A.**

(e) Fees chargeable for issuance of preferential Certificate of Origin is as detailed in Appendix – 2K. The same would also be applicable as verification fee for Rules of Origin Certificate issued under any Free Trade Agreements, in case of verification as detailed in Appendix – 2K. However, the provision of Tatkal certificate of origin as being provided by some of the agencies would be discontinued. The Certificate of origin will be delivered within 24 hours/1(one) working day of the application made.[xxxii]

2.104 Unilateral Tariff Preferences

Under these schemes, both developed and developing countries grant unilateral tariff preferences to exports from developing countries including Least Developed Countries (LDCs). Some of these schemes are:

(A) Generalised System of Preferences (GSP):

(a) GSP is a non-contractual instrument by which industrialized (developed) countries unilaterally and based on non-reciprocity extend tariff concessions to developing countries.

Following countries extend tariff preferences under their GSP Scheme: (i) United States of America (ii) New Zealand (iii) Belarus (iv) European Union (v) Japan (vi) Russia (vii) Canada (viii) Norway (ix) Australia (only to LDCs) and (x) Switzerland

(b) GSP schemes of these countries detail sectors / products and tariff lines under which benefits are available, including conditions and procedures governing benefits. These schemes are renewed and modified from time to time. Normally Customs of GSP offering countries require information in Form 'A' (prescribed for GSP Rules Of Origin) duly filled by exporters of beneficiary countries and certified by authorised agencies. List of agencies authorised to issue GSP CoO is given in **Appendix-2 C**.

(c) (i)The European Union (EU) has introduced a self-certification scheme for certifying the rules of origin under GSP from 1.1.2017 onwards. Under the Registered Exporter System (REX), exporters with a REX number are able to self-certify the Statement on Origin of their goods being exported to EU under the GSP Scheme. The registration on REX is without any fee or charges. The details of the scheme are at Annex 1 to Appendix 2C.

(ii) The competent Local Authorities would undertake post verification of self certified Certificate of Origin based on the request of the importers/customs agencies of the importing country and the fee to be changed is detailed in Appendix 2K. Agencies may charge TA and DA, as per government rates, separately from the unit.

(iii) Further, as per the conditions required to avail GSP benefit under self certification system, the beneficiary country needs to have a verification system of such self certified certificates of origin. The standard operating procedure for verification of the self certified eCoOs, to be followed by all Authorized

agencies/Local Administrators is detailed in Annex II to Appendix 2C.[xxxiii]

(B) Duty Free Tariff Preference (DFTP) Scheme for LDCs:

(a) The mandate for Duty Free Quota Free (DFQF) access to Least Developed Countries (LDCs) came from Paragraph 47 of the Hong Kong Ministerial Declaration of December 2005. India became the first developing country to extend this facility to LDCs through its Duty Free Tariff Preference (DFTP) Scheme for LDCs which came into effect in August, 2008 with tariff reductions spread over five years. The Scheme provided preferential market access on tariff lines that comprise 92.5% of global exports of all LDCs.

(b) Subsequently in 2014, the Scheme was modified both with reference to increase in coverage as well as its simplification. This was in response to requests from several LDCs for additional product coverage on lines of of their export interest and simplification of the Rules of Origin procedures. Under the new expanded DFTP Scheme, India is granting duty free access on 96.4% of the total tariff lines, thereby retaining only about 3.6% of lines in the Exclusion and Positive Lists.For details Department of Commerce's website: http://commerce.gov.in/ trade/ international_tpp_DFTP.pdf. and Customs' Notification No.8/2014 dated 1st April, 2014 may also be referred to in this regard.

2.105 Certificates of Origin (CoO)

(a) Certificate of Origin (CoO) is an instrument to establish evidence on origin of goods imported into any country.

(b) There are two categories of CoO viz.

(i) Preferential and
(ii) Non preferential

2.106 Rules of Origin (Preferential)

(a) The rules of origin are the rules that determine the origin of a good for the purpose of exports to a trading partner. Under an FTA, PTA or a unilateral tariff concession, the tariff concessions are granted by an importing country only when these prescribed rules of origin are adhered to. Rules of origin also facilitate in computation of trade statistics and for determination and imposition of trade remedial measures.

(b) Some of the key criteria used in the determination of the rules of origin are:

(i) Wholly obtained
(ii) Change in tariff classification
(iii) Value addition
(iv) Non minimal operations

(c) For exports under India's FTAs, PTAs and GSP, specified agencies are authorised to issue the certificates of origin, They shall also provide services relating to issue of CoO, including details regarding rules of origin, list of items covered by an agreement, extent of tariff preference, verification and certification of eligibility. The list of these agencies authorised under the various FTAs/ PTAs is given in **Appendix 2B**

(d) Export Inspection Council (EIC) is the agency authorised to print blank certificates. The website of the EIC (www.eicindia.gov.in) provides procedural details (including fee) for issuance of the certificate of origin.

2.107 TRQ under FTA/CECA

Government, from time to time, undertakes commitments for import under Tariff Rate Quota (TRQ) in various FTA/CECA. Accordingly, DGFT notifies

the procedure for administration of TRQ from time to time. The Tariff Rate Quotas as existing is as under:

Descrip-tion	**HS No.**	**In/out of quota rate (%) as per WTO**	**In/out of quota rate (%) As per Indian Tariff**	**Notification**	**TRQ**
Crude soya oil from Paraguay under India- Mercosur Trade Agreement	1507 10 00	-	10%	57/2009 dated 30/05/2009	30,000 MT
Vanaspati, bakery shortening and margarine from **Sri Lanka**	1516, 1517 or 1518 (other than 15161000, 15171010, 15179030 and 15180040 which are prohibited for import)	**-**	**-**	No.2/2007-Customs dated 5th January 2007	*2,50,000 MT
Pepper from **Sri Lanka**	0904	**-**	**-**	No.2/2007-Customs dated 5th January 2007	*2500 MT
Desiccated Coconut from **Sri Lanka**	08011100	**-**	**-**	No.2/2007-Customs dated 5th January 2007	*500 MT
Articles of apparel and clothing accessories imported from **Sri Lanka**	61, 62	-	5%/10 %	26/2000-Cus List 3	8 million pieces

Tea and preparagraphtions thereof imported from **Sri Lanka**	2101	-	15%/30 %	26/2000-Cus List 4	15 million kgs.
Vegetable fats (Vanaspati) from **Nepal**				22/2007-Cus 5th June 2007	1 Lakh MT
Acrylic Yarn from **Nepal**				-do-	10,000 MT
Copper products from **Nepal**	Chapter 74 of ITC(HS) and 8544			-do-	10,000 MT
Zinc Oxide from **Nepal**				-do-	2500MT
The following items are permitted under the TRQ under India-Mauritius CECPA#					
Fresh : -- Other	06031900	-	30%	No. 25/2021-Customs dated 31st March, 2021	15 tons
Pineapples	08043000	-	10%		1000 tons
Lichi	08109060	-	10%		250 tons
Vanilla : Neither crushed nor ground	09051000	-	10%		15 tons
Vanilla : Crushed or ground	09052000	-	10%		1 ton
Tunas	16041410	-	0%		7000 tons
Other	16041490	-	0%		7000 tons
Other prepared or preserved fish	16042000	-	0%		7000 tons
Other (Specialty Sugar)	17011490	-	10%		15000 tons
Beer made from malt.	22030000	-	25%		2,000,000 litres
Fruit Wine: Other fermented beverages (for example, cider, perry, mead, sake);mixtures of fermented beverages and mixtures of fermented beverages and non-	22060000	-	0%		5000 litres

alcoholic beverages, not elsewhere specified or included.					
In containers holding 2 l or less: ----Rum	22084011	-	0%	No. 25/2021-Customs dated 31st March, 2021	1.50 million litres
In containers holding 2 l or less: ----Other	22084012	-	0%		1.50 million litres
Other: ---- Rum	22084091	-	0%		1.50 million litres
Other: ---- other	22084092	-	0%		1.50 million litres
Articles of Apparel and Clothing Accessories.	6102; 6103; 6104; 6105; 6106; 6109;6110; 6111; 6112 6203; 6304;	-	-	Details of the HS Codes as in Table 3 of the above Notification	7.5 million pieces$

Imports of Items under the TRQ of the India- UAE CEPA

HS 8 Code	Description	Effective Rate (%)	Tariff Modality Offered	Schedule of Tariff Rate Concessions (%)									
39011010	Linear low-density polyethylene (LLDPE), in which ethylene monomer unit contributes 95% or	7.5	TR of 50% in 5 years with specified year-wise TRQs	7.0 (TRQ - 45,000 MT)	6.5 (TRQ - 50,500 MT)	6.0 (TRQ - 56,000 MT)	5.0 (TRQ - 61,500 MT)	3.75 (TRQ - 67,500 MT)	3.75 (TRQ - 86,300 MT)	3.75 (TRQ - 105,000 MT)	3.75 (TRQ - 105,000 MT)	3.75 (TRQ - 105,000 MT)	3.75 (TRQ - 105,000 MT)

	more by weight of the total polymer content												
3901 1020	Low density polyethylene (LDPE)	7.5											
3901 1090	Other Polyethylene having a specific gravity of less than 0.94	7.5											
3901 2000	Polyethylene having a specific gravity of 0.94 or more	7.5	TR of 50% in 5 years with specified year-wise TRQs	7.0 (TRQ - 150,000 MT)	6.5 (TRQ - 168,000 MT)	6.0 (TRQ - 186,000 MT)	5.0 (TRQ - 204,000 MT)	3.75 (TRQ - 222,000 MT)	3.75 (TRQ - 252,000 MT)	3.75 (TRQ - 285,000 MT)	3.75 (TRQ - 285,000 MT)	3.75 (TRQ - 285,000 MT)	3.75 (TRQ - 285,000 MT)
3901 4010	Linear low-density polyethylene (	7.5	TR of 50% in 5 years with specified ye	7.0 (TRQ - 45,000 MT)	6.5 (TRQ - 50,500 MT)	6.0 (TRQ - 56,000 MT)	5.0 (TRQ - 61,500 MT)	3.75 (TRQ - 67,500 MT)	3.75 (TRQ - 86,300 MT)	3.75 (TRQ - 105,000 MT)	3.75 (TRQ - 105,000 MT)	3.75 (TRQ - 105,000 MT)	3.75 (TRQ - 105,000 MT)

	LLDPE), in which ethylene monomer unit contributes less than 95 % by weight of the total polymer content		ar-wise TRQs										
39014090	Other Ethylene-alpha-olefin copolymers, having a specific gravity of less than 0.94	7.5											
39019000	Other polymers of ethylene, in primary sourc	7.5		7.0 (TRQ - 11,000 MT)	6.5 (TRQ - 12,000 MT)	6.0 (TRQ - 13,000 MT)	5.0 (TRQ - 14,000 MT)	3.75 (TRQ - 16,000 MT)	3.75 (TRQ - 20,600 MT)	3.75 (TRQ - 25,000 MT)	3.75 (TRQ - 25,000 MT)	3.75 (TRQ - 25,000 MT)	3.75 (TRQ - 25,000 MT)

	es												
3902 1000	Polypropylene	7.5		7.0 (TRQ - 70,000 MT)	6.5 (TRQ - 77,500 MT)	6.0 (TRQ - 85,000 MT)	5.0 (TRQ - 92,500 MT)	3.75 (TRQ - 100,000 MT)	3.75 (TRQ - 129,200 MT)	3.75 (TRQ - 158,500 MT)	3.75 (TRQ - 158,500 MT)	3.75 (TRQ - 158,500 MT)	3.75 (TRQ - 158,500 MT)
3902 3000	Propylene copolymers	7.5		7.0 (TRQ - 50,000 MT)	6.5 (TRQ - 55,000 MT)	6.0 (TRQ - 60,000 MT)	5.0 (TRQ - 65,000 MT)	3.75 (TRQ - 70,000 MT)	3.75 (TRQ - 90,900 MT)	3.75 (TRQ - 112,000 MT)	3.75 (TRQ - 112,000 MT)	3.75 (TRQ - 112,000 MT)	3.75 (TRQ - 112,000 MT)
3902 9000	Other polymers of propylene or of other olefins, in primary forms	7.5		7.0 (TRQ - 4,000 MT)	6.5 (TRQ - 4,500 MT)	6.0 (TRQ - 5,000 MT)	5.0 (TRQ - 5,500 MT)	3.75 (TRQ - 6,000 MT)	3.75 (TRQ - 7,700 MT)	3.75 (TRQ - 9,500 MT)	3.75 (TRQ - 9,500 MT)	3.75 (TRQ - 9,500 MT)	3.75 (TRQ - 9,500 MT)
3904 1010	Emulsion grade PVC resin / PVC Pasteresin/ PVC dispersion resin	10	TR (Cumulative Annual TRQ of 60,000 MT)	9	8	7	6	5	5	5	5	5	5
3904 1020	Suspension grade PVC resin	10		9	8	7	6	5	5	5	5	5	5

39041090	Other Poly (vinyl chloride), not mixed with any other substances	10		9	8	7	6	5	5	5	5	5	5
39042100	Non-plasticised poly (vinyl chloride), mixed with other substances	10		9	8	7	6	5	5	5	5	5	5
39043010	Poly(vinyl derivatives)	10		9	8	7	6	5	5	5	5	5	5
39043090	Other Vinyl chloride-vinyl acetate copolymers	10		9	8	7	6	5	5	5	5	5	5
39046910	Poly (vinyl fluori	7.5		7	6.5	6	5	3.75	3.75	3.75	3.75	3.75	3.75

	de), in one of the forms mentioned in Note 6(b) to this Chapter												
39049010	Chlorinated polyvinyl chloride (CPVC) resin	10		9	8	7	6	5	5	5	5	5	5
39049090	Other Polymers of vinyl chloride or of other halogenated olefins, in primary forms	7.5		7	6.5	6	5	3.75	3.75	3.75	3.75	3.75	3.75
71081100	Non-monetary gold powder	10	TR (Tariff concession/relief of 1% in	1% absolute duty reduction over the appli	1% absolute duty reduction over the appli	1% absolute duty reduction over the appli	1% absolute duty reduction over the appli	1% absolute duty reduction over the appli	1% absolute duty reduction over the appli	1% absolute duty reduction over the appli	1% absolute duty reduction over the appli	1% absolute duty reduction over the appli	1% absolute duty reduction over the appli

7108 1200	Other unwr ought form s of n on-m oneta ry gol d	10	absolu te perc entage terms, TRQ of 200 tons p hased i n 5 ye ars)	ed rate (TRQ o f 120 to nnes)	ed rate (TRQ o f 140 to nnes)	ed rate (TRQ o f 160 to nnes)	ed rate (TRQ o f 180 to nnes)	ed rate (TRQ o f 200 to nnes)	ed rate (TRQ o f 200 to nnes)	ed rate(TRQ of 200 to nnes)	ed rate(TRQ of 200 to nnes)	ed rate(TRQ of 200 to nnes)	ed rate(TRQ of 200 to nnes)
7108 1300	Other semi- manu factur ed for ms of non- mone tary g old	10											
7113 1910	Articl es of j ewell ery of gold, unstu dded	20	TR (T RQ of 2.5 To nnes)	19 (TRQ o f 2100 kg)	18 (TR Q of 22 00 kg)	17 (TRQ o f 2300 kg)	16 (TRQ o f 2400 kg)	15 (TR Q of 25 00 kg)	15 (T RQ of 2500 k g)	15 (T RQ of 2500 k g)	15 (TRQ o f 2500 kg)	15 (TRQ o f 2500 kg)	15 (TRQ o f 2500 kg)
7113 1920	Articl es of j ewell ery of gold, set w ith pe arls	20											
7113 1930	Articl es of j ewell ery of gold set wi th dia mond	20											

	s												
71131940	Articles of jewllery of gold, set with other precious and semi-precious stones	20											
74081110	Copper weld wire, cross sectional dimension > 6mm	5	TEP over 5 years (TRQ of 150% of 3 years moving average volume)	4.0 (TRQ - 85,000 MT)	3.0 (TRQ - 95,000 MT)	2.0 (TRQ - 105,000 MT)	1.0 (TRQ - 115,000 MT)	0.0 (TRQ - 125,000 MT)	0.0 (TRQ - Moving Average of Years 2 to 4 in MT)	0.0 (TRQ - Moving Average of Years 3 to 5 in MT)	0.0 (TRQ - Moving Average of Years 4 to 6 in MT)	0.0 (TRQ - Moving Average of Years 5 to 7 in MT)	0.0 (TRQ - Moving Average of Years 6 to 8 in MT)
74081190	Other wire of refined copper, which the maximum cross-sectional dimension exceeds 6 mm	5											

74081910	Copper weld wire, cross sectional dimension < 6mm	5	TEP over 5 years (TRQ of 150% of 3 years moving average volume)	4.0 (TRQ - 270 MT)	3.0 (TRQ - 302.5 MT)	2.0 (TRQ - 335 MT)	1.0 (TRQ - 367.5 MT)	0.0 (TRQ - 400 MT)	0.0 (TRQ - Moving Average of Years 2 to 4 in MT)	0.0 (TRQ - Moving Average of Years 3 to 5 in MT)	0.0 (TRQ - Moving Average of Years 4 to 6 in MT)	0.0 (TRQ - Moving Average of Years 5 to 7 in MT)	0.0 (TRQ - Moving Average of Years 6 to 8 in MT)
74081920	Welding wire of copper, cross sectional dimension < 6mm	5											
74081990	Other wire of refined copper, cross sectional dimension < 6mm	5											

Imports will be permitted subject to the arrangements / Procedure as laid down in **Annexure-I, II , III[xxxiv] & IV [xxxv] of Appendix-2A.**

2.108 Rules of Origin (Non-Preferential)

(a) Rules of Origin (Non-Preferential) criteria are as under:

(I) Goods are to be manufactured by the exporting entity as per the definition of "Manufacture" in Paragraph 9.31 of FTP; and

(II) If imported inputs (Duty Paid or Duty Free) have been used for the production of export product, the export product can be considered to be originating in India (Non Preferential) only if the imported inputs undergo the processing/ operations that exceed the following:

(i) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting;

(ii) changes of packing and breaking up and assembly of consignments;

(iii) simple cutting, slicing and repacking or placing in bottles, flasks, bags, boxes, fixing on cards or boards, and all other simple packing operations;

(iv) operations to ensure the preservation of products in good condition during transport and storage (such as drying, freezing, keeping in brine, ventilation, spreading out, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);

(v) affixing of marks, labels or other like distinguishing signs on products or their packaging;

(vi) simple mixing of products ;

(vii) simple assembly of parts of products to constitute a complete product;

(viii) disassembly;

(ix) slaughter which means the mere killing of animals; and

(x) mere dilution with water or another substance that does not materially alter the characteristics of the products.

(b) Government has also nominated certain agencies to issue Non-Preferential Certificate of Origin (CoO). These CoOs evidence origin of goods and do not bestow any right to preferential tariffs. List of notified agencies is provided in **Appendix–2 E.** In addition, agencies authorised to issue Preferential CoO are also authorised to issue Non-Preferential CoO.

(c) All exporters who are required to submit CoO (Non Preferential) would have to apply to any of agencies enlisted in **Appendix–2 E** with following documents:

(i) Details of quantum / origin of inputs / consumables used in export product.
(ii) Two copies of invoices.
(iii) Packing list in duplicate for concerned invoice.
(iv) Fee of Rs.200/- per certificate.[xxxvi]

(d) The agency would ensure that goods are of Indian origin as per criteria defined in (a) above before granting CoO (non preferential). Certificate would be issued as per format given in **Annexure-II** to **Appendix 2 E**. It should be ensured that no correction/re-type is made on certificate. Any agency desirous of enlistment in **Appendix–2 E** may submit their application as per **Annexure-I** to **Appendix 2 E** to DGFT.

(e) **Non-preferential - Self Certification:** Manufacturer exporters who are also Status Holders shall be eligible to self-certify their goods as originating from India, if goods qualify the criteria, as laid down in (a) above, as per **Annexure –III** to **Appendix 2 E**.

2.109 Approved Exporter Scheme (AES) for self -certification

Details of the Scheme are provided in Appendix 2F of AANF.

Policy Interpretation and Relaxations:

2.110 Application to PIC

Application for seeking interpretation of any policy provision shall be made in ANF-2F to Policy Interpretation Committee (in the Hqrs.) under Para 2.57(b) of FTP.

2.111 Application to PRC

(a) Application to the Policy Relaxation Committee (PRC) under Para 2.58 FTP is to be made in ANF-2D with the prescribed fee and documents with a copy to the RA concerned for its comments. Similarly, under Para 2.59 of FTP, application for review of decision of any committee or a decision/order by any subordinate Authority in the Directorate General of Foreign Trade is required to be submitted in ANF-2E.

(b) Director General of Foreign Trade shall be the Chairman of PRC with all Additional DGFTs, all Joint DGFTs in charge of Policy Divisions in Hqrs as members. The Joint DGFT (PRC) shall act as Member Secretary; and the Committee can Co-opt member/s with specific expertise/experience as and when required.

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[i] Amended vide Public Notice No. 27/2015-2020, dated 08.08.2018.
[ii] Amended vide Public Notice No. 27/2015-2020, dated 08.08.2018.
[iii] Amended vide Public Notice No. 34/2015-2020 dated 24.12.2020.
[iv] Amended vide Public Notice No. 34/2015-2020 dated 24.12.2020.
[v] Amended vide Public Notice No. 01/2015-20, dated 04.04.2019.
[vi] Amended vide Public Notice No. 47/2015-2020, dated 16.11.2018.
[vii] Amended vide Public Notice No. 10/2015-2020 dated 08.06.2020.
[viii] Inserted vide public Notice No. 39/2015-2020 dated 18.10.2019.
[ix] Inserted vide Public Notice No. 15/2015-2020, dated 20.07.2021.
[x] Amended vide Public Notice No. 51/2015-2020, dated 23.03.2022.
[xi] Amended vide Public Notice No. 46/2015-2020, dated 14.01.2022.

[xii] Amended vide Public Notice No. 32/2015-2020, dated 16.12.2020.
[xiii] Inserted vide Public Notice No. 10/2015-2020, dated 24.05.2022.
[xiv] Amended vide Public Notice No. 15/2015-2020 dated 14.06.2022.
[xv] Inserted vide Public Notice No. 10/2015-2020, dated 24.05.2022.
[xvi] Inserted vide Public Notice No. 15/2015-2020 dated 14.06.2022.

[xvii] Amended vide Public Notice No. 58/2015-2020, dated 12.12.2018.
[xviii] Amended vide Public Notice No. 19/2015-2020, dated 03.07.2018.
[xix] Amended vide Public Notice No. 32/2015-2020, dated 29.10.2021.
[xx] Amended vide Public Notice No. 20/2015-2020, dated 12.07.2018.
[xxi] Amended vide Public Notice No. 46/2015-2020, dated 15.11.2018.

[xxii] Amended vide Public Notice No. 46/2015-2020, dated 15.11.2018.

[xxiii] Amended vide Public Notice No. 36/2015-2020, dated 27.09.2019.
[xxiv] Amended vide Public Notice No. 50/2015-2020, dated 27.12.2019.
[xxv] Inserted vide Public Notice No. 59/2015-2020, dated 12.12.2018
[xxvi] Inserted vide Public Notice No. 20/2015-2020, dated 24.07.2019
[xxvii] Inserted vide Public Notice No. 45/2015-2020 dated 13.01.2022.
[xxviii] Amended vide Public Notice No. 46/2015-2020, dated 30.03.2021.
[xxix] Amended vide Public Notice No. 05/2015-2020, dated 09.05.2018.
[xxx] Amended vide Public Notice No. 46/2015-2020, dated 30.03.2021.
[xxxi] Amended vide Public Notice No. 05/2015-2020, dated 09.05.2018.

[xxxii] Inserted vide Public Notice No. 53/2015-2020, dated 30.11.2018.
[xxxiii] Amended vide Public Notice No. 39/2015-2020, dated 15.02.2021.

[xxxiv] Inserted vide Public Notice No. 23/2015-2020, dated 07.09.2021.
[xxxv] Amended vide Pubic Notice No. 06/2015-2020, dated 01.05.2022.
[xxxvi] Amended vide Public Notice No. 05/2015-2020, dated 27.05.2021.