TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY
PART-II, SECTION-3, SUB SECTION (ii)

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
NEW DELHI

NOTIFICATION NO 12 /(RE 2003)/2002-2007
Dated 22nd May , 2003

S.O. (E)- In exercise of powers conferred under Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with Paragraph 1.1 of the Export and Import Policy, 2002-2007, as amended from time to time, the Central Government hereby makes the following amendments in Exim Policy, 2002-07 (as amended upto 31.3.2003)

1. Paragraph 4.4.18 pertaining to the Diamond & Jewellery Dollar Accounts is amended as under:

Firms and companies dealing in the purchase/sale of rough or cut and polished diamonds/ **precious metal jewellery plain, minakari and/or studded with/without diamond and/or other stones** with a track record of at least 3 years in import or export of diamonds/ coloured gemstones/ **diamond and coloured gemstones studded jewellery/ plain gold jewellery** and having an average annual turnover of Rs. 5 crore or above during preceding three licensing years may also carry out their business through designated Diamond Dollar Accounts. The Diamond Dollar Account Scheme shall operate under the current licensing scheme of this chapter. This scheme shall be optional and those importers/exporters who wish to continue to use Rupee Accounts shall be allowed to do so under the existing policies.

Dollars in such accounts available from bank finance and/or export proceeds shall be used only for

(i) Import/purchase of rough diamonds from overseas/local sources,

(ii) Purchase of cut and polished diamonds, **coloured gemstones and plain gold jewellery** from local sources,

(iii) Import/purchase of gold from overseas/ nominated agencies and repayment of dollar loans from the bank; and

(iv) Transfer to the Rupee Account of the exporter. Details of this Diamond Dollar Accounts Scheme (DDAS) are given in the Handbook (Vol.1). The procedure outlined in the Handbook (Vol.1) shall also apply to diamond studded jewellery.

A non DDA holder is also permitted to supply cut and polished diamonds to DDA holder, receive payment in dollars and convert same into rupees within the period of 7 days and the **cut and polished diamonds** and **coloured gemstones** so supplied by non-DDA holder will also be counted towards the discharge of his export obligation and/or entitled him to replenishment licence as the case may be.

This issues in public interest.

(L. MANSINGH)
Director General of Foreign Trade and
Ex-Officio Additional Secretary to the Government of India

(01/94/180/13/AM04/ PC IV)