



सत्यमेव जयते

# Handbook of Procedures (Vol. I)

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**GOVERNMENT OF INDIA**  
**MINISTRY OF COMMERCE AND INDUSTRY**

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**NEW DELHI, DATED THE 11<sup>th</sup> April, 2008**

In exercise of powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2004-09, the Director General of Foreign Trade hereby notifies Handbook of Procedures (Volume I) incorporating Annual Supplement as updated on 11<sup>th</sup> April 2008 as contained in annexure to this Public Notice and the Appendices to the Handbook of Procedures (Vol.I). This shall come into force from 1st April, 2008.

This issues in Public interest.



( R.S. Gujral)

Director General of Foreign Trade and  
Ex Officio Additional Secretary to the Government of India

(Issued from File No: 01/94/180/Handbook/AM09/ PC-I)



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## GLOSSARY (ACRONYMS)

|        |  |
|--------|--|
| ACC    | Assistant Commissioner of Customs                              |
| ACU    | Asian Clearing Union   |
| AEZ    | Agri Export Zone   |
| ANF    | Aayaat Niryaat Form  |
| ARO    | Advance Release Order  |
| ASIDE  | Assistance to States for Infrastructure Development of Exports |
| BG     | Bank Guarantee   |
| BIFR   | Board of Industrial and Financial Reconstruction               |
| BoA    | Board of Approval  |
| BoT    | Board of Trade   |
| BRC    | Bank Realisation Certificate                                   |
| BTP    | Bio Technology Park  |
| CBEC   | Central Board of Excise and Customs                            |
| CCP    | Customs Clearance Permit                                       |
| CEA    | Central Excise Authority                                       |
| CEC    | Chartered Engineer Certificate                                 |
| CIF    | Cost, Insurance & Freight                                      |
| CIS    | Commonwealth of Independent States                             |
| CoD    | Cash on Delivery   |
| CoO    | Certificate of Origin  |
| CVD    | Countervailing Duty  |
| DA     | Document against Acceptance                                    |
| DoBT   | Department of Bio Technology                                   |
| DC     | Development Commissioner                                       |
| DEPB   | Duty Entitlement Pass Book Scheme                              |
| DFIA   | Duty Free Import Authorisation                                 |
| DFRC   | Duty Free Replenishment Certificate                            |
| DGCI&S | Director General, Commercial Intelligence & Statistics         |
| DGFT   | Director General of Foreign Trade                              |
| DIPP   | Department of Industrial Policy & Promotion                    |
| DoC    | Department of Commerce   |
| DoE    | Department of Electronics                                      |
| DoIT   | Department of Information Technology                           |
| DoR    | Department of Revenue  |
| DoT    | Department of Tourism  |
| DTA    | Domestic Tariff Area   |

|            |   |
|------------|---|
| EDI        | Electronic Data Interchange   |
| EEFC       | Exchange Earners' Foreign Currency  |
| EFC        | Exim Facilitation Committee   |
| EFT        | Electronic Fund Transfer  |
| EH         | Export House  |
| EHTP       | Electronic Hardware Technology Park   |
| EIC        | Export Inspection Council   |
| EO         | Export Obligation   |
| EOP        | Export Obligation Period  |
| EOU        | Export Oriented Unit  |
| EPC        | Export Promotion Council  |
| EPCG       | Export Promotion Capital Goods  |
| EPO        | Engineering Process Outsourcing   |
| FDI        | Foreign Direct Investment   |
| FIEO       | Federation of Indian Export Organisation  |
| FIRC       | Foreign Exchange Inward Remittance Certificate  |
| FMS        | Focus Market Scheme   |
| FOB        | Free On Board   |
| FPS        | Focus Product Scheme  |
| FT(D&R)Act | Foreign Trade ( Development & Regulation) Act, 1992 (No. 22 of 1992)                                |
| FTDO       | Foreign Trade Development Officer   |
| FTP        | Foreign Trade Policy  |
| GATS       | General Agreement on Trade in Services  |
| GRC        | Grievance Redressal Committee   |
| HACCP      | Hazard Analysis And Critical Control Process  |
| HBP v1     | Hand Book of Procedures (Vol. 1)  |
| HBP v2     | Hand Book of Procedures (Vol. 2)  |
| ICD        | Inland Container Depot  |
| ICM        | Indian Commercial Mission   |
| IEC        | Importer Exporter Code  |
| ISO        | International Standards Organisation  |
| ITC (HS)   | Indian Trade Classification (Harmonised System) Classification for Export & Import Items, 2004-2009 |
| ITPO       | India Trade Promotion Organisation  |
| LoC        | Line of Credit  |
| LoI        | Letter of Intent  |
| LoP        | Letter of Permit  |
| LUT        | Legal Under Taking  |
| MAI        | Market Access Initiative  |



|        |  |
|--------|--|
| MDA    | Market Development Assistance                                |
| MEA    | Ministry of External Affairs                                 |
| MoD    | Ministry of Defence  |
| MoF    | Ministry of Finance  |
| NC     | Norms Committee  |
| NFE    | Net Foreign Exchange   |
| NOC    | No Objection Certificate                                     |
| PRC    | Policy Relaxation Committee                                  |
| PTH    | Premier Trading House  |
| PSU    | Public Sector Undertaking                                    |
| R&D    | Research and Development                                     |
| RA     | Regional Authority   |
| RBI    | Reserve Bank of India  |
| REP    | Replenishment  |
| RCMC   | Registration-cum-Membership Certificate                      |
| RSCQC  | Regional Sub-Committee on Quality Complaints                 |
| S/B    | Shipping Bill  |
| SEH    | Star Export House  |
| SEI    | CMM Software Engineers Institute's Capability Maturity Model |
| SEZ    | Special Economic Zone  |
| SFIS   | Served from India Scheme                                     |
| SIA    | Secretariat for Industrial Assistance                        |
| SION   | Standard Input Output Norms                                  |
| SSI    | Small Scale Industry   |
| STE    | State Trading Enterprise                                     |
| STH    | Star Trading House   |
| STP    | Software Technology Park                                     |
| TEE    | Towns of Export Excellence                                   |
| TH     | Trading House  |
| TRQ    | Tariff Rate Quota  |
| VA     | Value Addition   |
| VKGUY  | Vishesh Krishi and Gram Udyog Yojana                         |
| WHOGMP | World Health Organisation Good Manufacturing Practices       |



## CHAPTER-1

### INTRODUCTION

- |                            |     |   |
|----------------------------|-----|---|
| <b><i>Notification</i></b> | 1.1 | In pursuance of the provisions of paragraph 2.4 FTP, the Director General of Foreign Trade (DGFT) hereby notifies the compilation known as HBP v1, HBP v2 and Schedule of DEPB rates. These compilations, as amended from time to time, shall remain in force until 31st March, 2009 except DEPB scheme which shall continue to be operative till May 2009. |
| <b><i>Objective</i></b>    | 1.2 | Objective is to implement provisions of FT (D&R) Act, Rules and Orders made thereunder and FTP (2004-09) by laying down simple, transparent and EDI compatible procedures which are easy to comply with and administer, for efficacious management of foreign trade.  |
| <b><i>Definition</i></b>   | 1.3 | For purpose of this Handbook, definitions and glossary contained in FT (D&R) Act, Rules and Orders made thereunder and the FTP (2004-09) shall apply.   |



## CHAPTER-2

### GENERAL PROVISIONS REGARDING EXPORTS AND IMPORTS

|   |     |  |
|---|-----|--|
| <b><i>Policy</i></b>  | 2.1 | Policy relating to general provisions regarding exports and imports is given in Chapter-2 of FTP.  |
| <b><i>Countries of Imports / Exports</i></b>                        | 2.2 | Unless otherwise specifically provided, import / export will be valid from / to any country.<br><br>Above provisions shall, however, be subject to all conditionality, or requirement of Authorisation as required under Schedule I and / or Schedule II of ITC (HS).  |
| <b><i>Application Fee</i></b>                                       | 2.3 | The scale of fee, mode of payment, procedure for refund of fee and categories of persons exempted from payment of fee are contained in Appendix-21B.   |
| <b><i>Territorial Jurisdiction of Regional Authorities (RA)</i></b> | 2.4 | Every application, unless otherwise specified, shall be submitted to RA concerned, as indicated in Appendix-1 of HBP v1.   |
| <b><i>Filing of Application</i></b>                                 | 2.5 | An incomplete or unauthorised application is liable to be rejected giving specific reason for rejection. In case of manual applications, applicant would furnish a soft copy of the application in MS word format.   |
| <b><i>Profile of Importer/ Exporter</i></b>                         | 2.6 | Each importer / exporter shall be required to file importer / exporter profile once with RA in ANF 1. RA shall enter such information in database so as to dispense with need for asking information again. In case of any change in information given in ANF 1, importer/ exporter shall intimate same to RA.   |
| <b><i>Self Addressed Stamped Envelope</i></b>                       | 2.7 | Applicant shall furnish a self-addressed envelope of 40 x 15 cm with required postal stamp affixed, for all documents required to be sent by Speed Post.   |
| <b><i>IEC No: Exempted Categories</i></b>                           | 2.8 | Following categories of importers or exporters are exempted from obtaining IEC number:<br><br>(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.<br><br>(ii) Ministries / Departments of Central or State Government.<br><br>(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, Myanmar through Indo-Myanmar border areas and China (through Gunji, Namgaya Shipkila and Nathula ports), provided CIF value of a single consignment does not exceed Indian Rs.25, 000. In case of Nathula port, the applicable value ceiling will be Rs. 100,000.

However, exemption from obtaining IEC number 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.

- (v) Following permanent IEC numbers shall be used by non-commercial PSUs and categories of importers / exporters mentioned against them for import / export purposes.

| <i>S.No</i> | <i>Code Number</i> | <i>Categories of Importers / Exporters</i>   |
|-------------|--------------------|--|
| 1.          | 0100000011         | All Ministries / Departments of Central Government and agencies wholly or partially owned by them.   |
| 2.          | 0100000029         | All Ministries / Departments of any State Government and agencies wholly or partially owned by them.                                       |
| 3.          | 0100000037         | Diplomatic personnel, Counselor officers in India and officials of UNO and its specialised agencies.                                       |
| 4.          | 0100000045         | Indians returning from / going abroad and claiming benefit under Baggage Rules.  |
| 5.          | 0100000053         | Persons / Institutions / Hospitals importing or exporting goods for personnel use, not connected with trade or manufacture or agriculture. |
| 6.          | 0100000061         | Persons importing / exporting goods from / to Nepal  |
| 7.          | 0100000070         | Persons importing / exporting goods from / to Myanmar through Indo-Myanmar border areas  |
| 8.          | 0100000088         | Ford Foundation  |

- |     |            |  |
|-----|------------|--|
| 9.  | 0100000096 | Importers importing goods for display or use in fairs / exhibitions or similar events under provisions of ATA carnet.  |
| 10. | 0100000100 | Director, National Blood Group Reference Laboratory, Bombay or their authorized offices.   |
| 11. | 0100000126 | 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. | 0100000134 | 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 para 2.8 (iv) above. |
| 13. |            | Deleted  |
| 14  | 0100000151 | The Directorate of Purchase and Stores, Department of Atomic Energy, Government of India   |
| 15  | 0100000169 | Non-commercial imports and exports by entities who have been authorized by Reserve Bank of India.  |

***Application for Grant of IEC Number***

- 2.9 An application for grant of IEC number shall be made by Registered / Head Office of applicant, except EOUs and SEZ units to concerned RA in ANF 2A with documents prescribed therein.

Only one IEC would be issued / allowed against a single PAN number.

***IEC Format and Statements***

- 2.9.1 RA concerned shall issue an IEC number in prescribed format (Appendix-18B). A copy of such IEC number shall be endorsed to concerned banker (as per details given in ANF 2A).

A consolidated statement (in Appendix 18 C) of IEC numbers issued by RA shall be sent to Exchange Control Department of RBI as given in Appendix-18D.

***Validity of IEC No.***

- 2.9.2 An IEC number allotted to an applicant shall be valid for all its branches / divisions / units / factories.

|   |       |   |
|---|-------|---|
| <b><i>Duplicate Copy of IEC Number</i></b>                          | 2.9.3 | Where an IEC Number is lost or misplaced, issuing authority may consider requests for grant of a duplicate copy of IEC number, on an affidavit.   |
| <b><i>Surrender of IEC Number</i></b>                               | 2.9.4 | If an IEC holder does not wish to operate allotted IEC number, he may surrender same by informing issuing authority. On receipt of such intimation, issuing authority shall immediately cancel it and electronically transmit it to DGFT and Customs authorities. |
|   | 2.9.5 | Deleted   |
| <b><i>Application for Import and Export of Restricted Items</i></b> | 2.10  | An application for grant of an Authorisation for import or export of items mentioned as restricted in ITC (HS) may be made to RA as specified under relevant Chapters of this Handbook.   |
| <b><i>Imports under Indo-US Memorandum of Understanding</i></b>     | 2.11  | 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.

A request for an import certificate shall be made in ANF 2C. Import certificate in Appendix-31 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.

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.



**Validity Of Import  
 Licence / Certificate /  
 Authorisation /Permissions /  
 CCPs / Export licence**

2.12 Validity of import / export Authorisation from date of issue shall be as follows, unless specified otherwise:

- |       |  |   |
|-------|--|---|
| (i)   | Advance Authorisation / DFIA (including Advance Authorisation for annual requirement, and Replenishment Authorisation for Gem & Jewellery as per Chapter- 4 of FTP). | 24 months   |
| (ii)  | EPCG Authorisation (other than spares)   | 36 months   |
| (iii) | EPCG Authorisation for Spares, refractories, catalyst and consumables  | Co-terminus with EOP of EPCG Authorisation.   |
| (iv)  | Others including CCP and DEPB, unless otherwise specified  | 24 months   |
| (v)   | Advance Authorisation / DFIA for deemed export (including Advance Authorisation for annual requirement)  | 24 months or Co-terminus with contracted duration of project execution, whichever is later.   |
| (vi)  | Export Licence / Authorisation   | 12 months (However, EFC may decide to issue Export Authorisation for a longer duration in case of R&D studies based on recommendation of technical authority) |

2.12.1 Where an Authorisation expires during the month, such Authorisation shall be deemed to be valid until last day of concerned month.

This proviso would be applicable even for a revalidated Authorisation.

- 2.12.2 Validity of an import Authorisation is decided with reference to date of shipment / dispatch of goods from supplying country as given in Paragraph 9.11 A of HBP v1 and not the date of arrival of goods at an Indian port.
- 2.12.3 Provisions of paragraph 2.12.1 above shall not be applicable to DEPB, Service Providers under SFIS, VKGUY and duty credit scrips issued under FMS and FPS, which are duty credit entitlements and must be valid on date on which actual debit of duty is made.
- 2.12.4 Similarly, EOP shall be deemed to be valid until month end.
- Revalidation of Import / Export Licence / Certificate / Authorisation / Permissions***
- 2.13 RA concerned may revalidate import Authorisation on merits, for six months from date of expiry of validity. However, Export Licence may only be revalidated by RA concerned on recommendation of DGFT for six months at a time and maximum upto 12 months from date of expiry of validity.
- 2.13.1 However, revalidation of freely transferable Authorisation and stock and sale Authorisation shall not be permitted unless validity has expired while in custody of Customs authority / RA.
- 2.13.2 Such revalidation (under 2.13 and 2.13.1 above) would be permitted under specific orders of Head of concerned Office and would be maximum up to extent of custody period.
- 2.13.3 An application for revalidation (including for restricted items), may be made to RA concerned. RA would consider such application as per government rules / notifications. Where DGFT is concerned authority, original application shall be submitted to RA concerned and self-attested copy of same shall be submitted to DGFT.
- Duplicate Copies of Export-Import Licence / Certificate / Authorisation / Permissions / CCPs***
- 2.14 Where an Authorisation is lost or misplaced, an application for issue of a duplicate may be made along with an affidavit, as given in Appendix-24, to issuing RA. RA concerned may, on merits to be recorded, issue a duplicate after issuing an order for cancellation of original and informing customs authority where original was registered.
- 2.15 Duplicate copy of freely transferable Authorisation, may be issued against an application accompanied with following documents:
- a. An application with fee equivalent to 10% of duty saved or duty credit (of unutilized balance).
  - b. A copy of FIR reporting loss.
  - c. Original affidavit on notarised stamp paper.
  - d. Indemnity bond on a stamp paper undertaking to indemnify

revenue loss, which may be caused on account of issue of such duplicate.

- 2.15.1 When an Authorisation has been lost by a Government agency and a proof to this effect is submitted, documents at serial nos. (a) to (d) above shall not be required.

In such cases, revalidation shall be for six months from date of endorsement.

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

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

- 2.15.4 Deleted

- 2.15.5 Provision of paragraph 2.15.2 and 2.15.3 shall be applicable both for cases covered under paragraph 2.14 and 2.15.

### ***Identity Cards***

- 2.16 To facilitate collection of Authorisation and other documents from DGFT Head Quarters and RA, identity cards (as in Appendix 20B, valid for 3 years) may be issued to proprietor / partners / directors and authorised employees (not more than three), of importers and exporters, upon application as in Appendix 20A.

In addition, Identity Card may also be issued by the applicant firms on their letter head to the concerned employees. These Identity Cards may be countersigned by the concerned RA. However, application for identity card in Appendix 20B will require to be made by the applicant and all other parameters would need to be met.

However, 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 affidavit.

Common directors / partners, of a group company or in any other similar cases, RA may issue multiple identity cards after recording reasons in writing.

### ***Interviews with authorised Officers***

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

### ***Export of Items Reserved for SSI Sector***

- 2.18 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.

***Warehousing Facility*** 2.19

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 2.28 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 applicable 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.

In case of clearance against DEPB and other duty credit scrips customs duty on imports may be adjusted.

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

***Execution of Bank  
Guarantee / Legal  
Undertaking for Advance  
Authorisation / DFIA and  
EPCG Authorisation*** 2.20

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.”

In case of indigenous sourcing, Authorisation holder shall furnish BG / LUT to RA as per Customs Circular No.58/2004 dated 31.10.04.

***Corporate Guarantee*** 2.20.1

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. In case of a group company, if one company of a Group is a status holder, Corporate Guarantee may be given for another company by this company, which is not a status holder.

***Certificate of Origin  
(CoO)***

2.21 Certificate of Origin (CoO) is an instrument to establish evidence on origin of goods imported into any country. There are two categories of CoO viz. (1) Preferential and (2) Non preferential.

***Preferential***

2.21.1 Preferential arrangement / schemes under which India is receiving tariff preferences for its exports are Generalised System of Preferences (GSP), Global System Of Trade Preferences (GSTP), SAARC Preferential Trading Agreement (SAPTA), Asia-Pacific Trade Agreement (APTA), India–Sri Lanka Free Trade Agreement (ISLFTA) and Indo- Thailand Free Trade Agreement. These arrangements / agreements prescribe Rules of Origin which have to be met for exports to be eligible for tariff preference.

Authorised agencies shall 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. Export Inspection Council (EIC) is agency authorised to print blank certificates. Authorised agencies may charge a fee, as approved by DoC, for services rendered.

***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<br>of America, | (ii) New<br>Zealand | (iii) Belarus                    |
| (iv) European<br>Union           | (v) Japan           | (vi) Russia                      |
| (vii) Canada,                    | (viii) Norway       | (ix) Australia<br>(only to LDCs) |
| (x) Switzerland                  | (xi) Bulgaria       |                                  |

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-4A.

***Global System of  
Trade Preference  
(GSTP)***

(b) Under agreement establishing GSTP, tariff concessions are exchanged among developing countries, who have signed agreement. Presently, 46 countries are members of GSTP and India has exchanged tariff concessions with 12

***SAARC Preferential  
Trading Agreement  
(SAPTA)***

***Asia- Pacific Trade  
Agreement  
(APTA)***

***India-Sri Lanka Free  
Trade Agreement  
(ISLFTA)***

***India Afghanistan  
Preferential Trade  
Agreement***

***Indo – Thailand Frame  
work Agreement for  
Free Trade Area***

***Non Preferential***

countries on a limited number of products. EIC is sole agency authorised to issue CoO under GSTP.

- (c) SAPTA was signed by seven SAARC members namely India, Pakistan, Nepal, Bhutan, Bangladesh, Sri Lanka and Maldives in 1993 and came into operation in 1995. Four rounds of trade negotiations have been completed and more than 3000 tariff lines are under tariff concessions among SAARC countries. List of agencies, authorised to issue CoO under SAPTA are notified under Appendix – 4B.
- (d) APTA is a preferential trading arrangement designed to liberalise and expand trade in goods progressively in Economic and Social Commission for Asia and Pacific (ESCAP) region through liberalization of tariff and non-tariff barriers. At present, Bangladesh, Sri Lanka, South Korea, India and China are exchanging tariff concessions under APTA. Agencies authorised to issue CoO under APTA are listed in Appendix – 4B.
- (e) Free Trade Agreement (FTA) between India and Sri Lanka was signed on 20.12.1998 and was operationalised in March, 2000 following notification of required Customs tariff concessions by Government of Sri Lanka and India. EIC is sole agency to issue CoO under ISLFTA.
- (f) A Preferential Trade Agreement between Transitional Islamic State of Afghanistan and Republic of India was signed on 6.3.2003 and was operationalised with issuance of Customs Notification No 76/2003 dated 13.5.2003. EIC is sole agency to issue CoO under India Afghanistan Preferential Trade Agreement.
- (g) India and Thailand have signed protocol to implement Early Harvest Scheme under India- Thailand Free Trade Agreement on 01.09.2004. Tariff preferences for imports on items of Early Harvest Scheme would be available only to those products, which satisfy Rules of Origin Criteria, notified by Department of Revenue, Ministry of Finance, vide notification No.101/2004-Customs dated 31.08.2004. EIC would be sole agency to issue CoO under Early Harvest Scheme of Framework Agreement on India-Thailand Free Trade Agreement.

2.21.2 Government has also nominated certain agencies to issue Non Preferential CoO in accordance with Article II of International Convention Relating to Simplification of Customs formalities, 1923. These CoOs evidence origin of goods and do not bestow

any right to preferential tariffs. List of notified agencies is provided in Appendix – 4C. In addition, agencies authorized to issue Preferential CoO as per Para 2.21.1 of HBP v1 are also authorized to issue Non-Preferential CoO.

All exporters who are required to submit CoO (Non Preferential) would have to apply to any of agencies enlisted in Appendix–4C with following documents:

- (a) Details of quantum / origin of inputs / consumables used in export product.
- (b) Two copies of invoices.
- (c) Packing list in duplicate for concerned invoice.
- (d) Fee not exceeding Rs.100 per certificate as may be prescribed by concerned agency.

The agency would ensure that goods are of Indian origin as per general principles governing rules of origin before granting CoO (non preferential). Certificate would be issued as per Format given in Annexure-II to Appendix–4C. It should be ensured that no correction/re-type is made on certificate.

Any agency desirous of enlistment in Appendix–4C may submit their application as per Annexure I to Appendix 4C to the concerned RA.

In case of tea, all exporters who are required to submit CoO (Non-Preferential) shall apply to Tea Board or any Inspection Agency authorized by Tea Board and enlisted in Appendix-4C of HBP v1 with documents listed above.

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| <b><i>Automatic Licence / Certificate / Authorisation / Permission</i></b> | 2.22 | Status holders shall be issued Authorisation automatically within stipulated time period. Deficiency, if any, informed through covering letter, shall be required to be rectified by status holders within 10 days from date of communication of deficiency.        |
| <b><i>Submission of Certified Copies of Documents</i></b>                  | 2.23 | 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.   |
| <b><i>Advance Payment</i></b>  | 2.24 | In case, payment is received in advance and export / deemed exports takes place subsequently, application for an Authorisation shall be filed within specific period following the month during which exports / deemed exports are made, unless otherwise specified |

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| <b><i>Payment through ECGC cover</i></b>             | 2.25.1 | Payment through ECGC cover would count for benefits under FTP.   |
| <b><i>Payment through General Insurance</i></b>      | 2.25.2 | Amount of General Insurance Cover for transit loss would be treated as payment realized for exports under various export promotion schemes.  |
| <b><i>Irrevocable Letter of Credit</i></b>           | 2.25.3 | In case where applicant applies for duty credit scrip / DEPB / DFIA / 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 be realized. For Status Holders, irrevocable letter of credit would suffice.  |
| <b><i>Export by post</i></b>                         | 2.26   | In case of export by post, exporter shall submit following documents in lieu of documents prescribed for export by sea / air:<br><br><ol style="list-style-type: none"><li>1) Bank Certificate of Export and Realisation as in Appendix-22A.</li><li>2) Relevant postal receipt</li><li>3) Invoice duly attested by Customs authorities.</li></ol>   |
| <b><i>Import/ Export through Courier Service</i></b> | 2.26.1 | Imports / Exports through a registered courier service is permitted as per Notification issued by DoR. However, importability / exportability of such items shall be regulated in accordance with FTP.   |
| <b><i>Direct negotiation of export documents</i></b> | 2.26.2 | 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:<br><br><ol style="list-style-type: none"><li>a. Permission from RBI allowing direct negotiation of documents (not required for status holders),</li><li>b. Copy of Foreign Inward Remittance Certificate (FIRC) as per Form 10-H of Income Tax department in lieu of BRC and</li><li>c. Statement giving details of shipping bills / invoice against which FIRC was issued.</li></ol> |
| <b><i>Import/Export of Samples</i></b>               | 2.27   | 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.   |



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|   |        | Duty free import of samples upto Rs 100,000 for all exporters (Rs.300,000 for gems and jewellery sector) shall be allowed as per terms and conditions of Customs notification.  |
|   |        | Exports of bonafide trade and technical samples of freely exportable item shall be allowed without any limit.   |
| <b><i>Import under Lease Financing</i></b>  | 2.28   | Import under lease financing shall be available under EPCG Scheme, EOU / SEZ scheme. Domestic supplier of capital goods to eligible categories of deemed exports shall be eligible for benefits of deemed exports as in paragraph 8.3 of FTP, even in cases where supplies are under lease financing.   |
| <b><i>Exhibits Required for National and International Exhibitions or Fairs and Demonstration</i></b> | 2.29   | <p>Import / export of exhibits, including construction and decorative materials 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 certificate from an officer of a rank not below that of an Under Secretary/ Deputy DGFT in DoC / DGFT or an officer of Indian Trade Promotion Organization (ITPO) duly authorised by its Chairman in this behalf, to effect that such exhibition, fair or similar show or display</p> <p>(i) has been approved or sponsored by DoC or ITPO; and</p> <p>(ii) is being held in public interest.</p> <p>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.</p> |
| <b><i>Import Policy</i></b>   | 2.30   | Policy relating to general provisions regarding import of capital goods, raw materials, intermediates, components, consumables, spares, parts, accessories, instruments and other goods is given in Chapter 2 of FTP.   |
| <b><i>General Procedure for Licensing of Restricted Goods</i></b>                                     | 2.31   | Wherever an import Authorisation, including CCP, is required under FTP, procedure contained in this chapter shall be applicable.  |
|   | 2.32   | Import of Metallic Waste and Scrap  |
|   | 2.32.1 | 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.   |

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

| <i>Sl.No.</i> | <i>Exim code</i> | <i>Item description</i>  |
|---------------|------------------|--|
| 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         | Remelting scrap ingots   |
| 9.            | 74040010         | 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  |

Shredded form: Import of metallic waste and scrap listed in para 2.32.2 above in shredded form shall be permitted through all ports of India. Import from Hodaideh, Yemen and Bandar Abbas, Iran will be in shredded form only.

Unshredded compressed and loose form: Import of metallic waste, scrap listed in para 2.32.2 above in unshredded compressed and loose form shall be subject to following conditions:-

- a. Importer shall furnish the following documents to the Customs at the time of clearance of goods:
- D) Pre-shipment inspection certificate as per the format in Annexure-I to Appendix 5 from any Inspection &

Certification agencies given in Appendix-5 to the effect that:

- i) The consignment does not contain any type of arms, ammunition, mines, shells, cartridges, radio active contaminated or any other explosive material in any form either used or otherwise.
- ii) The imported item (s) is actually a metallic waste/ scrap/seconds/defective as per the internationally accepted parameters for such a classification.

II) 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, radio active contaminated, or any other explosive material in any form either used or otherwise.

b 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. ICD Loni, Ghaziabad, 13. Pipava, 14. Mundra, 15. Kolkata, 16. ICD Ludhiana, 17. ICD Dadri (Greater Noida), 18. ICD Nagpur, 19. ICD Jodhpur, 20. ICD Jaipur, 21. ICD Udaipur, 22. CFS Mulund, 23. ICD Kanpur, 24. ICD Ahmedabad, 25. ICD Pitampur and 26. ICD Malanpur”.

c. Deleted

2.32.2.A In case any agency wishes to be enlisted under Appendix 5, they may furnish an application to the office of Director General of Foreign Trade with the following documents:-

- (a) A brief on the activities of the agency, its history, membership, organizational structure, manpower, etc.
- (b) Infrastructural setup, logistics, testing labs etc. for carrying out the inspection of metallic scrap.
- (c) List of companies/agencies for which testing has been carried out.

2.32.3 However, import of other kinds of metallic waste and scrap will be allowed in terms of conditions of ITC (HS).

***Import of Second  
Hand Capital Goods***

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

2.33 Import of second hand capital goods including refurbished / reconditioned spares, except those of personal computers/laptops, shall be allowed freely, subject to conditions for following categories:

Import of second hand computers including personal computers/laptops and refurbished / reconditioned spares thereof is restricted.

Import of refurbished / reconditioned spares of capital goods, other than those of personal computers/laptops will be allowed on production of a Chartered Engineer certificate that such spares have atleast 80% residual life of original spare.

2.33.1 Notwithstanding provisions of Para 2.33 above, second hand computers, laptops and computer peripherals including printer, plotter, scanner, monitor, keyboard and storage units can be imported freely as donations by following category of donees:

- (i) Schools run by Central or State Government or a local body,
- (ii) Educational Institution run on non- commercial basis by any organization,
- (iii) Registered Charitable Hospital,
- (iv) Public Library,
- (v) Public funded Research and Development Establishment,
- (vi) Community Information Centre run by Central or State Government or local bodies,
- (vii) Adult Education Centre run by Central or State Government or a local body,
- (viii) Organization of Central or State Government or a Union Territory.

Imports under this sub Para would be subject to the condition that goods shall not be used for any commercial purpose, is non transferable and complies with all terms and conditions of relevant Customs Rules and Regulations.

2.33A Customs or any other Central or State Government authority may avail of services of Inspection and Certification Agencies in Appendix 5 of the HBP v1, for certifying residual life as well as valuation / purchase price of capital good.

***Import of  
Ammunition  
by Licensed  
Arms Dealers***

- 2.34 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.

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.

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

***Restricted Items  
Required By Hotels,  
Restaurants, Travel  
Agents, Tour  
Operators And Other  
Specified Categories***

- 2.35 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.
- 2.35.1 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.
- 2.35.2 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.

- 2.35.3 Import entitlement under paragraphs 2.35.1 and 2.35.2 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 and shall not be transferable except within the group company or to managed hotels.
- 2.35.4 Deleted
- 2.35.5 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).
- 2.35.6 An application for grant of an Authorisation under paragraphs 2.35.1 and 2.35.2 may be made in ANF 2B to DGFT through Director of Tourism, Government of India who will forward application to RA concerned along with their recommendations.
- Import of Other Restricted Items*** 2.36 ITC (HS) contains list of restricted items. An application for import of such items may be made, in ANF 2B 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.
- EXIM Facilitation Committee*** 2.37 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. 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.
- Gifts of Consumer or Other Goods*** 2.38 In terms of provisions contained in paragraph 2.19 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 2B along with documents prescribed therein.
- 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.
- Import under Govt. to Govt. Agreements*** 2.39 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

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| <b><i>Import of Cheque Books / Ticket Forms etc.</i></b>           | 2.40   | 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.   |
| <b><i>Import of Reconditioned/ Second Hand Aircraft Spares</i></b> | 2.41   | Import Authorisation for reconditioned / second hand aircraft spares is not needed on recommendation of Director General of Civil Aviation, Government of India (DGCA).   |
| <b><i>Import of Replacement Goods</i></b>                          | 2.42   | <p>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:</p> <ul style="list-style-type: none"><li>(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</li><li>(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.</li></ul> |
|  | 2.42.1 | <p>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.</p> <p>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.</p>  |
|  | 2.42.2 | 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 in ANF.   |
| <b><i>Transfer of Imported Goods</i></b>                           | 2.43   | Freely importable goods can be transferred by sale or otherwise by importer freely. 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 along with 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.

2.43.1 Prior permission of RA shall not, however, be necessary for transfer or disposal of goods, which were imported with Actual User condition, provided such goods are freely importable without Actual User condition on date of transfer.

2.43.2 Prior permission of RA shall also not be required for transfer or disposal of imported goods after a period of two years from the date of import. However, transfer of imported firearms by the importer / Authorisation holder shall be permitted only after 10 years of import with approval of DGFT.

“Renowned Shooters” for 3 consecutive years are allowed to sell their imported weapons after three years from date of import of the respective weapon. Other “Renowned Shooters” are allowed to sell their weapons after 5 years from the date of import. The sale shall be subject to approval from DGFT.

### ***Sale of Exhibits***

2.44 (i) Sale of exhibits of restricted items, mentioned in ITC (HS), imported for an international exhibition / fair organized / approved / sponsored by ITPO 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 lakhs (CIF) for such exhibits for each exhibitor.

However, sale of exhibits of items, which were freely imported shall be made, without an Authorisation, within bond period allowed for re-export on payment of applicable customs duties.

(ii) If goods brought for exhibition are not re-exported or sold within bond period due to circumstances beyond control









































































































































































































































