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Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhawan, New Delhi

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Subject: Procedure to deal with the pending applications for issuance of Duty Free Import Authorisation(s) (DFIA) and their transferability.

Several references have been received in this Directorate from Trade and Industry and Regional Authorities of DGFT regarding the manner of processing pending applications where DFIA's are yet to be issued and the manner of processing applications for transferability where DFIA's have already been issued. Therefore, in exercise of powers conferred under paragraph 1.03 of the Foreign Trade Policy, 2015-2020, the Director General of Foreign Trade hereby notifies procedure to be followed for issuance of DFIA and their transferability as under:

1. Pre-Export DFIA with AU condition and subsequent transferability on completion of export was available in the FTP 2009-14. Exemption from various duties was available as per Para 4.2.2 (d)&(e) read with para 4.2.6 of FTP 2009-14. In [FTP 2015-20](#) the Duty Free import Authorisation (DFIA) with AU condition has been dispensed with w.e.f 1.04.2015. Now DFIA scheme is available only on Post Export basis with eligible exemption only from basic customs duty as per para 4.26 of [FTP 2015-20](#).
2. As per Para 4.28 of HBP 2015-20 (relevant Para 4.12.1 of HBP 2009-14) "Exports/supplies made in anticipation of grant of Advance Authorisation shall be entirely on risk and responsibility of the exporter."
Moreover, the exporter has also been given the option under Para 4.29 of HBP 2015-20 (relevant para 4.12.2 of HBP 2009-14) to get conversion of duty free shipping bills to drawback shipping bills in case application of Advance Authorisation is rejected or modified by RA for allowing drawback to the exporter, if admissible.
3. Vide Notification No.5/2015-20 dated 1.05.2015, import of "raw sugar" under Duty Free Import Authorization (DFIA) scheme was withdrawn with immediate effect. Therefore,

no benefit of DFIA scheme can be allowed for import of “raw sugar “on DFIA issued on or after 1.05.2015.

4. The manner of dealing with the requests for issuance of DFIA and transferability will be as per paragraphs given below:

4.1 Cases where Authorisation (DFIA) could not be issued up to 1.04.2015:

- a. **Cases where DFIA applications were filed on line to Regional Authorities (RAs) before 1.04.2015 by exporters but no exports have been made by exporter before 1.04.2015-** In such situations, application will be treated as valid application and RA may issue DFIA based on Post Export basis only as per [FTP 2015-20](#) and HBP 2015-20.
- b. **Cases where DFIA applications were filed on line to Regional Authorities (RAs) before 1.04.2015 by exporters** and exports have been made partially/fully up to 31.03.2015- In such situation, RA may issue DFIA based on Post Export basis only as per [FTP 2015-20](#) and HBP 2015-20 as per admissibility.
- c. **Cases where DFIA applications were filed on line to Regional Authorities (RAs) before 1.05.2015 by exporters and exports have been made partially/fully up to 30.04.2015 and exporter has used “raw sugar” as input as per SION-** In such situations, DFIA will be allowed as per [FTP 2015-20](#) to the extent of the entitlement of “raw sugar” on the export consignments for which Let Export Orders (LEOs) have been issued till 2400 hrs on Thursday 30.4.2015. Any shipments having LEO on or after 1.05.2015, where raw sugar has been used as an input will not be eligible for grant of DFIA. Exporter will have option to avail facility to get his Shipping Bills converted to Drawback Scheme as per para 4.29 of HBP 2015-20

4.2 Cases where DFIA (not involving import of raw sugar as an input) was issued as per provisions of [FTP 2009-14](#) but request for transferability could not be considered up to 30.03.2015.

In such cases Transferability request may be considered by RA as per the terms and conditions of DFIA issued during FTP 2009-14, provided all documents are in order.

4.3 Cases involving import of raw sugar where request for transferability could not be considered.

- a. **Request for transferability in respect of DFIA which were already issued in earlier [FTP 2009-14](#) and involve raw sugar as an input** – Requests of transferability in such cases of DFIA may be considered by RA, as per [FTP 2009-14](#) , by allowing entitlement of raw sugar for export consignments for which Let Export Orders (LEOs) have been issued till

2400 hrs on Thursday 30.4.2015. Any exports with LEO on or after 1.05.2015 will not be eligible for DFIA benefit in view of Notification No. 5/2015-20. Exporter will have option to avail facility to get his Shipping Bills converted to Drawback Scheme as per para 4.29 of HBP 2015-20.

b. Requests for transferable DFIA as per [FTP 2015-20](#) on the exports made from 1.04.2015 till 30.04.2015 where raw sugar is an input- RA may grant transferable DFIA as per [FTP 2015-20](#) by allowing entitlement of raw sugar for export consignments made from 1.04.2015 up to 30.04.2015 for which Let Export Orders (LEOs) have been issued till 2400 hrs on Thursday 30.4.2015. Any exports with LEO on or after 1.05.2015 will not be eligible for grant of DFIA benefit in view of Notification No. 5/2015-20. Exporter will have option to avail facility to get his Shipping Bills converted to Drawback Scheme as per para 4.29 of HBP 2015-20.

5. **Effects of this Public Notice:** Procedure for processing pending applications in RA for issuance and transferability of DFIA has been issued.

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