



STUDY NOTE - 9

OVERVIEW OF FOREIGN TRADE POLICY

This Study Note includes

- Background
- Policy Changes Since 1991
- Foreign Trade Policy 2004-09
- Administration of Policy by DGFT
- Import/Export Authorisation
- Export Promotion Councils
- Policy for Import of Goods
- Restriction on Exports

9.1 BACKGROUND

India had for long time adverse balance of payment position in international trade i.e. imports were more than exports; due to which there was shortage of foreign exchange in India. Foreign Exchange Regulation Act was introduced in 1947. This was later replaced with 'the Foreign Exchange Regulation Act, 1973' (FERA), which came into effect on 1st Jan., 1974 (Now FEMA is in force w.e.f. 1-6-2000).

The policy adopted was to restrict imports by licensing and heavy customs duty on imports.

Import Trade Controls were first introduced in early stages of Second World War by notification under Defense of India Rules. Later, Imports and Exports (Control) Act, 1947 was passed. Foreign exchange rate was artificially controlled by RBI.

India's poor export performance - India's share in total world export of goods and commercial services was 0.6% in 1995. It rose to 0.7% in 2001 and is 1% in 2007. China's share in world exports was 4.3% in 2001 which rose to 8.4% in 2007 [source - Economic Survey 2007-08 - Government of India].

India has adverse balance of trade i.e. imports are more than exports. In 2006-07, imports were 1,85,747 million USD and exports were 1,26,360 million USD.

9.2 POLICY CHANGES SINCE 1991

Government realised the ill effects of controls on imports and foreign exchange rates. Liberalisation of policies started in 1991. Restrictions on imports have been considerably reduced. Rupee has been made freely convertible on current account. Customs duty has been gradually reduced to almost international level.

Policy for Foreign Direct Investment (FDI) in India has been considerably liberalised. India has established a good lead in service exports - particularly in software sector.



Import and export free in majority of cases - As per WTO stipulations, Quantitative Restrictions (QR) on imports (i.e. import licence restrictions) have to be removed. Such restrictions are permitted only if country has difficult position of foreign exchange reserves. However, since India's foreign exchange position is comfortable, European countries, USA, Japan and Canada took a stand that import restrictions must be removed. Finally, India agreed to remove all import restrictions w.e.f. 1-4-2001.

Para 2.1 of FTP states that exports and imports shall be free, except in cases where these are regulated by provisions of FTP or any other law for the time being in force. The item-wise export and import policy shall be as specified in ITS (HS) [Import Trade Classification (Harmonised System)] published and notified by DGFT, as amended from time to time.

Most of non-agricultural goods are freely importable. Even import of gold and silver has been considerably liberalised.

However, there are some restrictions on imports of agricultural produce, old cars etc. There will be prohibition of import of animal skins, narcotics, drugs, environmentally dangerous goods etc. Such prohibitions are permissible under WTO.

FT(D&R) Act in August 1992

Imports and Exports (Control) Act, 1947 was stifling the foreign trade and was a road block. That Act was replaced by the present Foreign Trade (Development and Regulation) Act (FTDR Act) in August 1992.

As per preamble of the FT(D&R) Act, the Foreign Trade (Development and Regulation) Act (FTDR Act) is designed to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India; and for matters connected therewith.

Foreign Trade (Regulation), Rules 1993 have been framed under the FTDR Act. Foreign Trade Policy is announced from time to time under the Act. The Act is designed to authorise Central Government to formulate Export Import policy and change the policy as per changing situations. Authority is granted by Act to Government to implement the policy.

9.3 FOREIGN TRADE POLICY 2004-09

Section 5 of FT(D&R) Act authorises Central Government to formulate and announce Export and Import Policy and also amend the same from time to time, by notification in Official Gazette. The policy, which was earlier termed as Exim policy is now termed as 'Foreign Trade Policy'.

New Foreign Trade Policy for 2004-2009 (FTP) (earlier known as EXIM Policy) was announced on 31-8-2004. The policy is effective from 1-9-2004. Generally, it is amended every year in April (besides amendments done throughout the year). Annual amendments were made last year on 19-4-2007. This year, amended policy has been issued on 11-4-2008.

Contents of Foreign Trade Policy - The Foreign Trade Policy for the period 2004-2009 as announced on 31-8-2004 is a 5 volume document, as follows -



- Foreign Trade Policy having 9 chapters giving basic policy.
- Handbook of Procedures (HBP) Vol 1, containing 9 chapters, covering procedural aspects of policy. It also contains many Appendices, giving various forms, guidelines and lists.
- Vol 2 - Standard Input-Output Norms (SION) of various products for purpose of Duty Exemption Scheme
- ITC(HS) Classifications of Export and Import Items and policy in respect of each item.
- Handbook of DEPB Rates

Matters covered by Foreign Trade Policy

Following issues are covered under FTP -

- Policy for regulating import and export of goods and services.
- Export Promotional Measures
- Duty Remission and Duty Exemption schemes for promotion of exports
- Export Promotion Capital Goods (EPCG) scheme
- EOU/EHTP/STP and BTU schemes
- Special Economic Zones

9.4 ADMINISTRATION OF POLICY BY DGFT

The FTP is controlled and supervised by DGFT.

Central Government can appoint Director General of Foreign Trade (DGFT) and other officers like Additional Director, Joint Director, Deputy Director, Assistant Director, Export Commissioner etc. The DGFT advise Central Government in formulating policy and exercise specified powers under the Act [section 6 of FTDR].

Handbook of Procedures (HBP) – Para 2.4 of FTP empowers Director General of Foreign Trade (DGFT) to specify procedures to be followed by importer, exporter and licensing authority. Under these powers Handbook (Vol 1 and 2), Schedule of DEPB rates and ITS(HS) are published by Public Notice by DGFT. These are also amended by public notice.

Transitional provisions in case of midway policy changes – Policy in respect of import and import changes frequently. If some restriction or regulation is placed on import or export, shipment of export or import within original validity with respect to balance and time period of irrevocable letter of credit will be permitted, if such LC was established before date of restriction. However, time limit for operationalizing such LCs may be prescribed – para 1.5 of FTP.

Issue of authorisation by DGFT – DGFT issues ‘authorisation’ for import / export [earlier, it was termed as ‘license’]



The word 'license' has been replaced by 'authorisation' w.e.f. 1-4-2006. Thus, 'Advance License' will be known as 'Advance Authorisation', 'Advance License for Annual Requirements' will be known as 'Advance Authorisation for Annual Requirements' and EPCG license will be known as 'EPCG Authorisation'.

As per para 9.9.1 of FTP, 'Authorisation' means a permission as per section 2(g) of Foreign Trade (Development and Regulation) Act, 1992 [FT(D&R)] to import or export as per provisions of Foreign Trade Policy (FTP).

Regional Authority - DGFT has established Regional Authority (RA) [earlier known as Regional Licensing Authority (RLA) upto 31-3-2006] at various places under Joint Director General of Foreign Trade. As per para 9.49.1 of FTP, 'Regional Authority' means authority competent to grant an Authorisation under FTDR Act and Orders. Powers have been delegated to various regional offices to issue authorisation upto prescribed limits.

Interpretation of DGFT final and binding - Decision of Director General of Foreign Trade (DGFT) is final and binding in respect of (a) Interpretation of any provision of policy (b) Classification of any item in ITC(HS) or handbook Vol 1 or 2 (c) Schedule of DEPB rates (d) content, scope or issue of an authorisation issued under Policy. - Para 2.3 of Foreign Trade Policy.

Authorisation (earlier 'License') issued by DGFT or clarification issued by DGFT cannot be challenged by customs authorities. See case law discussed in an earlier chapter.

Committees – Following are some important committees – (i) Norms Committee to fix / modify norms under all schemes (ii) EPCG Committee for nexus with Capital Goods and benefits under EPCG (iii) Policy Relaxation Committee (PRC) for all other issues – para 2.5 of FTP.

Procedures for application, fees etc.

Handbook of Procedures (HBP) gives procedures for issue of authorisation. Objective of 'Handbook of Procedures' is to lay down simple and transparent procedures for easy compliance and administration. The Handbook contains provisions and procedures in respect of various heads under Foreign Trade Policy.

Filing of application forms - Electronic filing of application is permitted in many of the offices. Facility of clarification / interview through e-mail is provided. Digital signature has been introduced to facilitate online application. The website for filing e-application is [http:// dgft.gov.in](http://dgft.gov.in). [para 2.74 of HBP Vol 1].

Aayat-Niryat form – Aayat Niryat Forms ANF 1 to ANF 8 have been designed and notified for various purposes.

Certificate of realisation of export proceeds – In case of imports made under export obligation, the importer is required to issue certificate from Bank regarding export realisation. The certificate should be in form given in Appendix 22A of HBP Vol 1. In case of domestic supplies, Bank certificate should be in form given in Appendix 22B of HBP Vol 1.

If RBI has permitted offsetting of export proceeds against import payables / equity investment / loan repayment etc., certificate for offsetting export proceeds should be in form given in Appen-



dix 22D of HBP Vol 1 to DGFT. The certificate should be duly certified by CA / Cost Accountant.

Payment through ECGC cover will be counted for benefits under FTP – para 2.25.1 of HBP Vol 1 (inserted w.e.f. 1-4-2008).

Payment of general insurance cover for transit loss would be treated as payment realised for exports under various export promotion schemes – para 2.25.2 of HBP Vol 1.

Late fee and supplementary claims – If application is filed after last date for submission but within six months from last date, application will be considered on payment of late cut @ 2% on entitlement. For delay between 6 months and one year, late cut will be 5% – para 9.3 of HBP Vol 1. Supplementary claim may also be considered after imposing a cut @ 2% on entitlement – para 9.4 of HBP Vol 1. (Till 31-3-2008, it was 10%, which was too high).

9.4.1 Import/Export Code Number

Every importer and exporter must obtain a 'Importer Exporter Code Number' (IEC) from DGFT (Director General of Foreign Trade) or officer authorised by him, by applying in prescribed form (section 7 of FT(D&R) Act).

Import and export without IEC number is not permitted, unless specifically exempted [para 2.12 of FTP].

Application for IEC number - Application for IEC number has to be made to DGFT in prescribed form ANF 2A, with fees of Rs. 250 (It was Rs 1,000 upto 11-4-2008).

Format of bank certificate is given in Appendix 18A of HBP Vol 1. Profile of importer / exporter should be given in form ANF 1.

Declaration of IEC number on import/export documents – IEC number will be declared on Bill of Entry, Shipping Bill and other documents relating to customs [Rule 13 Foreign Trade (Regulation) Rules, 1993].

Application for IEC number has to be made to DGFT in prescribed form with specified documents, with fees of Rs. 1,000 in prescribed form.

Change in name, address and Constitution – Change in name/ address/ constitution should be incorporated within 90 days. Delay may be condoned on payment of penalty of Rs 1,000 – para 9.1 of HBP Vol 1.

9.5 IMPORT/EXPORT AUTHORISATION

Application for licence for import or export has to be made to DGFT. Application fees are payable as prescribed. [section 8(1) of FT(D&R) Act].

Licence can be granted or refused. Refusal can be only by recording reasons in writing [section 8(2) of FT(D&R) Act].



Licence can be suspended or cancelled by giving notice and giving him opportunity of being heard.

If licence is refused, not renewed, suspended or cancelled, appeal against such order can be filed u/s 15 of FT(D&R) Act [section 9(5) of FT(D&R) Act].

Application for authorisation is to be made in form ANF 2B for import of restricted items, and in form ANF 2D for export of restricted items and ANF 2E for export of SCOMET items.

Two copies of authorisation - Authorisation (earlier termed as License) is issued in two originals - one is 'Exchange Control Copy' (which has to be submitted to bank for remitting foreign exchange) and other 'Customs Copy' to be submitted to customs authorities for permitting imports.

Denomination of import authorisation and EO – CIF value of Import authorisation and FOB value of Export Obligation (EO) will be denominated in free foreign currency as well as in Rupees. However, control will be on basis of foreign exchange amount and not on basis of Rupees. Export Obligation in case of intermediate supply and for deemed export shall be denominated in Indian Rupees – para 9.2 of HBP Vol 1.

Application fees for authorisation - Application fees payable are prescribed in Schedule to Foreign Trade (Regulation) Rules, 1993. Fee is not payable if application is by Government, local authority, institutions setup for educational, charitable or missionary purpose for import of goods, or import of goods (other than motor vehicle) for personal use - [rule 5(3) of Foreign Trade (Regulation) Rules, 1993].

9.6 EXPORT PROMOTION COUNCILS

19 Export Promotion Councils have been set up to promote and develop export of the country. These EPCs (Export Promotion Councils) are expected to monitor and encourage exports and to assist and guide the exporters. Their main aim is to project India's image abroad as a reliable supplier of high quality goods and services.

EPC are non-profit autonomous organisations – para 2.65 of HBP Vol 1.

Each Council is responsible for promotion of a particular group or products like Engineering Export Promotion Council, Apparel Export Promotion Council, Gem and Jewellery Export Promotion Council etc. These Councils are non-profit organisations registered as Companies or registered Societies.

Export Promotion Council for EOU and SEZ units has also been constituted.

Some Agencies like Coffee Board, Tea Board, Tobacco Board etc. are also considered as Export Promotion Councils. These are autonomous professional bodies. Government may provide financial support to these EPCs [para 2.65 of HBP Vol 1].

Services Export Promotion Council – Services Export Promotion Council has been established at 705, Bhikaji Cama Bhawan, Bhikaji Cama Place, New Delhi – 110 066. email – epces@vsnl.net.



RCMC - Exporter has to obtain Registration Cum Membership Certificate (RCMC) from Export Promotion Council or Commodity Board. Membership of EPC is compulsory, if an exporter intends to get export incentives. In other cases, membership is optional.

RCMC is valid from the 1st April of licensing year and is valid for five years –

Exporter should submit quarterly export returns to Export Promotion Council in Appendix 149C of HBP Vol 1. Status holders should also file return with FIEO – para 2.70 of HBP Vol 1.

9.7 POLICY FOR IMPORT OF GOODS

As per WTO Stipulation, India had to remove all quantitative restrictions (QRs) on imports in phased manner. Hence, the imports were being liberalised every year and import restrictions were completely lifted on 1-4-2001. Now almost all non-agricultural items are freely importable.

Import free unless restricted or prohibited - Para 2.1 of FTP states that exports and imports shall be free, except in cases where these are regulated by provisions of FTP or any other law for the time being in force. The item-wise export and import policy shall be as specified in ITS (HS) [Import Trade Classification (Harmonised System)] published and notified by DGFT, as amended from time to time.

All items, except restricted, prohibited and importable through State Trading Enterprises (earlier termed as canalised items) can be freely imported [Items which could be freely imported were earlier termed as 'OGL' i.e. 'Open General Licence'].

ITC(HS)

The ITC (HS) [Import Trade Classification (Harmonised System)] notified by DGFT, gives item-wise policy for import of various articles para 2.1 of FTP].

The list is based on HSN system of classification (which is also followed in Customs Tariff Act]. Policy in respect of each item is given against each item, in following categories –

- (a) Free – no restriction on imports (However, in some cases, prescribed conditions have to be fulfilled)
- (b) Prohibited goods
- (c) Restricted through authorisation or in terms of a public notice issued [para 2.7 of FTP]
- (d) Importable through State Trading Enterprises (STE) (earlier terms as Canalised). However, these goods can be imported by anyone on obtaining Authorisation from DGFT [para 2.11 of FTP].

General restrictions – General prohibitions / restrictions on import / export are as follows –

- Import / export of arms and related material from / to Iraq [para 2.1.1 of FTP]
- Direct or indirect export and import of nuclear related or weapons of mass destruction from / to Democratic People's Republic of Korea [para 2.1.2 of FTP]

- Direct or indirect export and import of nuclear related or Iran's enrichment related or heavy water related activities [para 2.1.3 of FTP]

Restriction through notification by DGFT – DGFT can adopt and enforce any measure necessary for protection of public morals, protection of health, protection of IPR, conservation of natural resources etc., by issuing a notification [para 2.6 of FTP].

Actual User - If the import authorisation or licence is required, it is issued only to Actual User, unless the condition is specifically waived by RA (Regional Authority) [para 2.16 of FTP].

'Actual User' may be Industrial or non-industrial [para 9.4 of FTP].

The Actual User (Industrial) means a person who utilises the imported goods for manufacturing in his own industrial unit or manufacturing for his own unit in another unit including a jobbing unit [para 9.5 of FTP]. [Thus, actual user can supply the machinery / raw material etc. to other unit for manufacture on job work basis].

Actual User (Non Industrial) means a person who utilises imported goods for commercial establishment, laboratory, R&D Institution, University, educational institution or any service industry [para 9.6 of FTP].

In *Northern Plastics Ltd. v. CCE* 1998 AIR SCW 2355 = AIR 1998 SC 2371, it was held that a registered SSI unit can be an 'actual user'.

Transfer of goods imported under Actual User condition – Goods imported with Actual User condition can be transferred with prior permission of Regional Authority. Application giving details as prescribed in para 2.43 of HBP Vol. 1 should be made.

Broad Policy for import of goods

Broad outline of policy is as follows -

- Import of agricultural products like wheat, rice, maize, other coarse cereals, copra and coconut oil will be in State Trading category. Similarly, import of petroleum products including petrol, diesel and ATF will be in the category of State Trading. Urea will also be in State Trading.
- Import of Food Articles will be subject to compliance of provisions of Food Adulteration Act and Rules. Import of meat and poultry products will comply with provisions of Meat Food Product Order. Import of Tea Waste will be as per Tea Waste (Control) Order. Import of beef or even oils and food products containing beef is prohibited.
- Import of textile material using prohibited dyes like azo dyes is not permitted.
- New cars can be imported only from country of manufacture. They should comply with provisions of Central Motor Vehicle Rules. They should be right hand drive, with speedometer in KM. Import is permitted only through specified ports. Customs duty on new cars (CBU – Completely Built Units) has been kept high to discourage imports.



- Import of alcoholic beverages (liquor) will be as per mandatory requirements stipulated by State Governments.
- Second hand capital goods (except computers) are freely permitted without actual user condition. Thus, even traders can import and sale second hand capital goods Duty can be paid through DEPB credit.

Prohibited Items - Wild animals, their parts, ivory, tallow, fats or oils of animal origin, fish nail/tail/waste, pig fats, margarine of animal origin, degrass, mutton tallow, chicory plants, and animal rennet are prohibited goods for obvious reason of saving wild life. These cannot be imported even on obtaining an 'authorisation'.

Second hand goods – Second hand capital goods including refurbished / reconditioned spares are freely permitted. Other second hand goods are restricted. Import of second hand PC, laptop, air conditioner, DG set, photocopier will require authorization. Import of re-manufactured goods will also require authorisation [para 2.17 of FTP].

Import of gold & silver – Import of silver and gold and coins is free subject to RBI regulations.

Import only through State Trading Enterprises - Some items should be imported only through State Trading Enterprises [earlier termed as 'Canalised items' upto 31.3.2001]. (a) Petroleum Products can be imported only through Indian Oil Corporation (b) Urea only through STC, MMTC and Indian Potash Ltd. (c) Wheat, maize, rice etc. Food Corporation of India (FCI) (d) Copra and crude oil – STC.

Users in India who require these goods have to register their indent with the canalising agency. Normally, the goods are released to only actual users. After the quota of goods is released in the favour of indenter, payment should be made within the stipulated period and delivery should be taken. Otherwise, the allotted quota lapses.

Import on export basis – New or second hand capital goods, equipments, components, parts, containers, jigs, fixtures, tools, moulds, dies etc. can be imported for export without an authorisation, if item is freely importable. A bond or bank guarantee for its re-export has to be submitted to Customs Authorities [para 2.21 of FTP].

Repairs abroad and re-import - Capital goods or their parts (whether imported or indigenous) can be sent abroad for repairs, testing or upgradation and re-imported without authorisation (licence) [para 2.22 of FTP].

Import of gifts - Import of gifts is permitted when goods are freely importable. In other cases, Customs Clearance Certificate (CCP) from DGFT will be required [para 2.19 of FTP]. Gifts upto Rs 10,000 are exempt from customs duty.

Import of metallic waste and scrap – The metallic scrap should not contain hazardous, toxic waste, radio active material, arms, ammunition, mines, shells, cartridge or explosive material [para 2.32.1 of HBP Vol 1].

Import of steel, cast iron, copper, brass, Nickel, Aluminium, Zinc, Tin and Magnesium scrap is free subject to prescribed conditions. Pre-shipment inspection can be prescribed. Import will

be permitted through specified ports only [para 2.32.2 of HBP Vol 1]. Import of other metallic scrap will be allowed only as per conditions given in ITC (HS) – para 2.32.2 of HBP Vol 1].

Pre-shipment inspection can be prescribed for this purpose. List of Inspection and Certification Agencies is given in Appendix 5 of HBP Vol. 1 Part II.

Import of live stock and live stock products, poultry products – Import of live-stock and live-stock products is prohibited in view of Aviation Influenza [para 16 of part 1, Schedule 1 of General Notes to ITC (HS)].

Samples upto Rs 1,00,000 (Rs 3,00,000 for gem and jewellery sector) can be imported by all exporters without duty – para 2.27 of HBP Vol. 1 as amended w.e.f. 1-4-2008.

Samples in baggage - Commercial samples are not treated as ‘*bona fide*’ luggage. Its import is as per provisions of Foreign Trade Policy as applicable to normal imports of commercial goods. These should be declared before customs officers at the time of arrival. [New Delhi Commissionerate TN 12/96 dated 15-2-1996]. The commercial samples are exempt from duty only to the extent explained below.

Small commercial samples and prototypes – *Bona fide* samples and prototypes upto Rs. 10,000 are exempt from customs duty, if imported by post or in aircraft or by courier service. While calculating value of samples / prototypes, postal charges or airfreight are not considered. - Notification No. 154/94-Cus dated 13-7-1994.

9.8 RESTRICTIONS ON EXPORTS

Restrictions on exports are less compared to restrictions on imports. The Policy gives negative list of exports. This negative list is under three headings (a) Prohibited goods (b) Restricted through Authorisation (c) State Trading Enterprises [earlier termed as canalised].

Third party exports – Third party exports means exports made by an Exporter or Manufacturer on behalf of another exporter/s. The Shipping Bill shall indicate the names of both the exporter/manufacturer and exporter. The BRC, GR declaration, export order and the Invoice shall be in name of the third party exporter [para 9.62 of FTP and CBE&C circular No. 30/2005-Cus dated 12-7-2005].

Merchant Exporter – Merchant Exporter means a person engaged in trading activity and exporting or intending to export goods [para 9.40 of FTP].

General restrictions – General prohibitions / restrictions on import / export are as follows –

- Import/export of arms and related material from / to Iraq [para 2.1.1 of FTP]
- Direct or indirect export and import of nuclear related or weapons of mass destruction from / to Democratic People’s Republic of Korea [para 2.1.2 of FTP]
- Direct or indirect export and import of nuclear related or Iran’s enrichment related or heavy water related activities [para 2.1.3 of FTP]



Restriction through notification by DGFT – DGFT can adopt and enforce any measure necessary for protection of public morals, protection of health, protection of IPR, conservation of natural resources etc., by issuing a notification [para 2.6 of FTP].

Prohibited goods for export - Wild life including their products and parts, exotic birds, endangered plants, beef, pig fat, carcasses of buffalo, certain rock lobsters, meat and bones of wild animals, milk, skimmed milk, milk food for babies, peacock feathers and handicrafts of peacock feathers, dried leguminous vegetables, guar seeds, lentils, wheat and meslin, specified plant and plant portions, sea weeds, tallow / fat / oil of any animal origin excluding fish oil, sugar, sea shells, ivory, bovine semen, potato seeds, seeds, margarine of animal origin, human skeletons, wood and wood products, wood pulp, sandalwood and red sanders wood are prohibited.

Thus, items related to conservation of our natural resources, are mainly prohibited.

Export of personal luggage - *Bona fide* personal luggage can be exported either with passenger or one year before or after his departure from India. Export of items in negative list will require licence or authorisation [para 2.32 of FTP].

Export of gifts - Gifts upto Rs. 5,00,000 can be exported without authorisation. These can include edible items [para 2.32 of FTP].

For export of gifts / spares / replacement goods in excess of ceiling / period, application can be made to DGFT – para 2.53 of HBP Vol 1.

Exports of warranty spares and replacement - Warranty spares of plant, machinery etc. can be exported without authorisation along with the main equipment or subsequently within warranty period, subject to approval of RBI [para 2.33 of FTP]. [It is not clear why this new hurdle is created when we are talking of more and more liberalization].

If goods exported were found to be defective / damaged or otherwise unfit] can be replaced free of charge by exporter. Such replacement is allowed provided the replacement goods are not under restricted category – para 2.37 of FTP.

For export of gifts / spares / replacement goods in excess of ceiling / period, application can be made to DGFT – para 2.53 of HBP Vol 1.

SCOMET Items - Export of Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) is either prohibited or restricted. These cover nuclear material, nuclear reactors, equipment for nuclear explosive devices, rocket systems, toxic chemicals, micro-organisms, chemicals for weapons, viruses, etc.

Application for license for exporting these items is to be made to DGFT. Application will be considered by Exim Facilitation Committee (EFC). In respect of items specified in Appendix 3 to Schedule 2 of ITC(HS), application will be considered by Inter-Ministerial working group in DGFT based on criteria as specified in para 2.50 of FTP.

On export of SCOMET items, the end use is required to issue certificate in form given in Appendix 36 of HBP Vol 1.

General System of Preferences (GSP) – Under this scheme, industrialized i.e. developed countries extend tariff concessions to developing countries on unilateral basis. USA, EOU, Japan, Australia, Russia etc. Provide such concessions. Information is required to be submitted in prescribed form and is to be certified by authorised agencies. List of agencies authorised to issue GSP CoO (Certificate of Origin) is given in Appendix 4A of HBP Vol. 1 Part II – para 2.21.1 of HBP Vol. 1.

Global System of Trade Preference (GSTP) – Under this scheme, tariff concessions are exchanged among developing countries who have signed agreement. Some 46 countries are members of GSTP. India has exchanged tariff concessions with few countries in respect of some products. Certificate of Origin (CoO) is required to be obtained from Export Inspection Council [EIC] – para 2.21.1 of HBP Vol. 1.

SAARC Preferential Trading Agreement (SAPTA) – SAPTA came into operation in 1995. More than 3,000 tariff items are under tariff concessions. Certificate of Origin (CoO) is to be obtained from agencies as notified in Appendix 4B of HBP Vol. 1 Part II.

Asia-Pacific Trade Agreement (APTA) – Bangladesh, Sri Lanka, South Korea, India and China are exchanging tariff concessions under APTA - . Certificate of Origin (CoO) is required to be obtained from Export Inspection Council [EIC] – para 2.21.1 of HBP Vol. 1.