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FTP Corner – October 2017

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Amendments to Hand Book of Procedures 2015-20: Public Notice 26/2015-2020 dated 20<sup>th</sup> September, 2017 -

a) Para 4.06 of chapter 4 of HBP 2015-2020:

- i) In case where norms have not been notified or where applicant wants to get the ad-hoc norms fixed before making an application for Advance Authorisation, application in ANF 4B, along with prescribed documents, shall be uploaded online to concerned Norms Committee (NC) in DGFT headquarters for fixation of SION/Adhoc norm.
- ii) An applicant shall indicate a valid email address for communication purpose and ensure that this email address is active.
- iii) The decisions of Norms Committees shall be available on the website of DGFT (<http://dgft.gov.in>) periodically and the applicants shall update themselves the status of norms fixation in respect of Authorisation obtained by them.
- iv) Exporters / EPC shall provide data to the Norms Committee concerned for the fixation of SION/ Adhoc Norms for an export product. Norms Committee shall endeavour to fix SION or adhoc norms on receipt of complete data. Any adhoc norm fixed under this para, on the basis of an application made by an exporter shall be valid for one authorisation for which such application is made and no repeat authorisations shall be issued. However, norms Committee can specify extended validity period of not more than two years from the date of fixation of such adhoc norms, for grant of further authorisations under such norm.
- v) Norms Committees shall also function as recommendatory authority for notification or SION and DGFT may notify such norms from time to time.
- vi) It is mandatory for industry/ manufacturers/ EPCs to provide production and consumption data etc. for the past three years, as may be required by DGFT for fixation of SION. Otherwise, applicants shall not be allowed to take benefit of Advance Authorisation scheme for taking repeat Advance Authorisations on self-declared basis. Norms Committee may also seek data from Central Excise (CBEC).

b) Para 4.10 of chapter 4 of HBP 2015-2020:

Transfer of any duty free material imported or procured against Advance Authorisation from one unit of a company to another unit for manufacturing purpose shall be done with prior intimation to jurisdictional Customs Authority. Benefit of CENVAT shall not be claimed on such transferred input.

Imported duty free inputs can be taken from the port / domestic supplier's premises to the factory or the premises of the authorization / co-authorisation holder or the factory of the supporting manufacturer (whose name is endorsed in the authorization or allowed by the Jurisdictional Customs authority). However, such duty free material imported or procured against advance authorization can also be taken from the port directly to the project site of the project authority, subject to furnishing a bond to the customs authority at the port of import and other documents / declaration and other provisions as per Department of Revenue guidelines.

c) Para 4.12 (vii) is amended to read as under:

Wherever an applicant has applied for components on "net-to-net basis with accountability clause" and such cases fall under paragraph 6 of General Note for all Export Products, the same need not be referred to Norms Committee for fixation of norms. However, exporters shall indicate

clearly details of such components imported on "net-to-net basis with accountability clause" in the export/supply documents namely Shipping Bills, Bill of Exports, Tax invoice for export/supplies prescribed under the GST rules evidencing that these imported inputs have been exported.

d) Exports/Supplies in anticipation or subsequent to issue of an Authorisation:

Exports / supplies made from the date of EDI generated file number for an Advance Authorisation, may be accepted towards discharge of EO. Shipping / Supply document(s) should be endorsed with File Number or Authorisation Number to establish co-relation of exports / supplies with Authorisation issued. Export/supply document(s) should also contain details of exempted materials/inputs consumed.

e) Para 2.72 (b) of Chapter 2 of HBP - [FTP 2015-2020](#):

If exporter has been notified by DGFT in writing or he knows or has reasons to believe that an item not covered in the SCOMET list has a potential risk of use in or diversion to Weapons of Mass Destruction (WMD) or in Missile System or military use, he shall apply for a SCOMET Licence. The export of such item may be denied or permitted as per the given procedure for SCOMET items.

f) Re-export of goods imported under Advance Authorisation Scheme:

Goods imported against Advance Authorisation Scheme, which are found defective or unfit for use, may be re-exported, as per Department of Revenue guidelines. The authorisation holder has to inform the RA who has issued the authorisation before re-export of such defective goods.

Other amendments could be referred in Public Notice 26/2015-2020 dated 20th September 2017.
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