Notification No:  27(RE-2012)/2009-2014

New Delhi, the  28th December, 2012

S.O.(E) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby makes the following amendments in the Foreign Trade Policy (FTP) 2009-14 with immediate effect:

1.    The word “marine products” is deleted from para 1 B.1(iii) of FTP 2009-14.

2.    The following sub para is added at the end of paragraph 3.14.3 of Foreign Trade Policy under the Heading “Ineligible Exports Categories / Sectors for FMS”:

(x)   Export of Meat and Meat Products.

3.    A new  paragraph is added at the end of Para 3.14.3 of FTP 2009-14 as 3.14.4:

“3.14.4                        I**ncremental Exports** **Incentivisation Scheme**

**Objective**                 (a) The objective of the Scheme is to incentivize incremental exports.

**Entitlement**             (b) An IEC holder would be entitled for a duty credit scrip @ 2% on the incremental growth (achieved by the IEC holder) during the period 01.01.2013 to 31.3.2013 compared to the period from 01.01.2012 to 31.3.2012 on the FOB value of exports. Incremental growth shall be in respect of each exporter (IEC holder) without any scope for combining the exports for Group Company.

(c)Incentive will be admissible only if the IEC holder has achieved growth in the financial year 2012-2013 vis a vis financial year 2011-2012. Quantum of benefit will be calculated on the incremental growth achieved subject to eligibility criteria given in para 3.14.4(d) of FTP 2009-14 .

**Eligibility Criteria** (d) For the purpose of the scheme, export performance shall not be allowed to be transferred from any other IEC holder. Benefit under this scheme will not be allowed to an exporter who had made no export between 01/01/12 to 31/03/12 .The following exports shall not be taken into account for calculation of export performance or for computation of entitlement under the Scheme:

**(i)**        Export of imported goods or exports made through trans-shipment.

**(ii)**      Export from SEZ/ EOU /EHTP /STPI /BTP/FTWZ

**(iii)**     Deemed Exports

**(iv)**     Service Exports

**(v)**      Third Party exports

**(vi)**     Diamond, Gold, Silver, Platinum, other precious metal in any form including plain and studded jewellery and other precious and semi-precious stones.

**(vii)**   Ores and concentrates of all types and in all formations.

**(viii)**  Cereals of all types.

**(ix)**     Sugar of all types and all forms.

**(x)**      Crude / petroleum oil and crude / primary and base products of all types and all formulations.

**(xi)**     Export of milk and milk products.

**(xii)**   Export performance made by one exporter on behalf of other exporter.

**(xiii)**  Supplies made to SEZ units.

**(xiv)**  Items, export of which requires an export authorisation (except SCOMET), will not be considered.

**(xv)**   Export of Meat and Meat Products.

**(xvi)**  Exports to Singapore, UAE and Hong Kong.

**Special Provision**(e)The scheme is region specific and will cover exports to USA, Europe and Asian countries only. Disclaimer provisions of para 3.17.10 (b) of FTP shall not be admissible.This benefit will be over and above any benefit being claimed by the exporter under any of the Chapter 3 Schemes, therefore, provisions of para 3.17.8 of FTP 2009-14 will not be invoked for such benefit.

**Utilisation of Scrip**(f) The duty credit scrip will be freely transferable. Such scrips shall also be eligible for domestic sourcing as per para 3.17.5 of FTP 2009-14.

4.    The following is added at the end of para 3.17.8 of FTP 2009-14:

“ Benefit under para 3.14.4 of FTP will not be covered under this para.”

Effect of this Notification:  The Scheme to incentivize incremental exports is being notified.

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