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SECTION-I)  
GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE AND INDUSTRY  
DEPARTMENT OF COMMERCE**

**PUBLIC NOTICE No. 26/2015-2020  
NEW DELHI, DATED THE 20 September, 2017**

**Sub: Amendments in Hand Book of Procedures 2015-20 -reg**

In exercise of powers conferred under Paragraph 2.04 of the Foreign Trade Policy 2015-2020, as amended from time to time, the Director General of Foreign Trade makes the following amendments in Hand Book of Procedures 2015-2020 as under:

1. Para 4.06 is amended to read as under:

**4.06 Fixation of Norms**

- (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. Details of Norms Committees along with products groups dealt by each Norms Committee and respective email addresses for correspondence relating to norms fixation is as follows:

<b>Norms Committees (NC) in DGFT headquarters</b>	<b>For fixation / revision / amendment of norms of Export Products under following ITC HS Chapters</b>	<b>Email addresses for communication with respective Norms Committee</b>
NC-1	81 to 84, 86 to 93	nc1.dgft@nic.in
NC-2	72 to 76, 78 to 80, 85	nc2.dgft@nic.in
NC-3	29, 30	nc3.dgft@nic.in
NC-4	27, 28, 31 to 38, 44 to 49, 68 to 71	nc4.dgft@nic.in
NC-5	41 to 43, 50 to 67	nc5.dgft@nic.in
NC-6	1 to 26, 94 to 98	nc6.dgft@nic.in
NC-7	39, 40	nc7.dgft@nic.in

- (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 of 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).
- (vii) Experts may be invited from Scientific and Technological institutions as members of Norms Committee for fixation of Norms.

2. Para 4.10 is amended to read as under:

**4.10 Advance Authorisation for applicants with multiple units**

- (i) 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.
- (ii) Deleted
- (iii) Deleted
- (iv) Deleted
- (v) 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.

3. 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.

4. Para 4.14 is amended to read as under:

**4.14 Application and On-line Inter-Ministerial Consultations for fixation of norms / adhoc norms**

(i) Application filed online by the applicant shall be forwarded electronically to the concerned Technical / Administrative Ministry / Department /Scientific and Technological institutions or any other agency by the respective Norms Committee in the DGFT headquarters within three days.

(ii) The concerned Technical / Administrative Ministry / Department / Scientific and Technological institutions or any other agency as the case may be, may communicate its views / comments / recommendations within 45 days electronically/online. In case no comments are received within 90 days, Norms Committee may take a view based on the facts available on record.

5. Para 4.16 (iii) is amended to read as under:

In cases where entitlement of the applicant for grant of Advance Authorisation as per paragraph 4.12 was lower than the quantity of input applied by the applicant under Advance Authorisation and export obligation is completed pending fixation of norms by Norms Committee, entitlement for authorisation as given in paragraph 4.12 may be re-credited upon production of documentary evidence (copies of Shipping bill / bill of export/\_Tax invoice for supply prescribed under GST rules) showing fulfilment of export obligation in respect of previous authorisations. However, bond waiver / redemption shall not be allowed pending fixation of norms in such cases.

6. Para 4.20 is amended to read as under:

Provisions contained in paragraph 4.49 of Hand Book of Procedures, 2015-20, except sub-paragraph (f), shall be applicable. Regional Authority shall compare the details of Appendix 4-I, duly verified and certified by the jurisdictional Customs Authority, with that of the inputs made/allowed in the authorisation, before allowing redemption or Bond-waiver against individual advance authorization issued for pharmaceutical product(s) manufactured through NI process. As a result of the verification process, in case, it is found that the authorisation holder has consumed lesser quantity of inputs than imported, authorisation holder shall be liable to pay customs duty on unutilized imported material, along with interest thereon as notified by DoR, or effect additional export within the EO period to account for the export of the material remaining un utilized. However, for the Customs duty component, the authorisation holder has also the option to furnish valid duty credit scrip issued under Chapter 3 of FTP

7. Para 4.21 is amended to read as under:

Every Advance Authorisation holder shall maintain a true and proper account of consumption and utilization of duty free imported / domestically procured inputs against each authorisation as prescribed in Appendix 4-I. This record in Appendix 4-I format, duly verified and certified by the jurisdictional Customs Authority, shall be submitted to the concerned Regional Authority at the time of filing application for redemption / bond waiver. Regional Authority shall compare the details of Appendix 4-I, with that of the inputs allowed in the authorisation, before allowing redemption or bond waiver against individual authorization. Such records shall be preserved for a period of at least three years from the date of redemption.

8. Following sub para 4.22(b) (iv) is added below para 4.22 (b)(iii):

(iv) In case an applicant is not able to upload any prescribed document then such documents may be submitted in physical form to the concerned authority.

9. Heading of para 4.27 and Para 4.27(a) is amended to read as under:

**4.27 Exports/Supplies in anticipation or subsequent to issue of an Authorisation.**

(a) 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.

10. Para 4.35 (c) is amended to read as under:

(c). If authorisation holder is registered under GST Act, he has an option of getting names of jobber endorsed by jurisdictional Customs authority as per GST Rules in lieu of Regional Authority's endorsement. In case manufacturer exporter holding authorisation is not registered / not required to be registered under GST Act, job work may be allowed after endorsement of supporting manufacturer's name in the authorisation from RA concerned. However, authorisation holder shall be solely responsible for imported items and fulfilment of EO.

11. Para 4.36 (b) is amended to read as under:

In case BG / LUT has been redeemed, Advance Authorization holder can get duty free inputs processed from any manufacturer under Actual User condition as per job work regulations prescribed in terms of provisions of GST Acts under intimation to the Customs authority. However, such restriction shall not be applicable in case of transferable DFIA holder.

12. New Para 4.43A is inserted below Para 4.43 as under:

**4.43A 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.

13. Para 4.44(c) is amended to read as under:

(c) In case of online filing of EODC application, Exporters shall link all exports on line on DGFT system by linking file number / authorisation number with the relevant shipping bill numbers / bill of exports / invoices in case of deemed exports/Tax invoices for supplies prescribed under GST rules on quarterly basis.

14. Para 4.47 (d) is amended to read as under:

(d) Authenticity of such Certificate may be verified by referring to DGFT website ([dgft.gov.in](http://dgft.gov.in)) or from the websites of Zonal offices of DGFT. Zonal offices of DGFT may publish details of such EODC certificates issued by them and by all RAs coming under their jurisdiction on their official websites every month.

15. Para 4.50 (f) is amended to read as under:

(f) On receipt of said documentary evidence from Authorisation holder, Regional Authority shall redeem the case, shall endorse details of duty paid on the EODC/Redemption Letter and inform details of recovery/ deposits made to the Customs Authority at the port of registration or the Commissioner of Customs having jurisdiction over the factory of the Authorisation holder, as the case may be.

16. Para 4.54 is amended to read as under:

**4.54 Application**

(a) Application in ANF 4G along with documents therein, shall be filed online to concerned Regional Authority.

(b) Provisions of paragraphs 4.26, 4.27, 4.28, 4.48, 4.49(e) & 4.49 (f) and 4.52 of this Handbook of Procedures shall also be applicable for DFIA Scheme.

(c) After completion of exports and realization of proceeds, request for issuance of transferable Duty Free Import Authorisation may be made to concerned Regional Authority within a period of twelve months from the date of export or six months (or additional time allowed by RBI for realization) from the date of realization of export proceeds, whichever is later.

(d) Applicant shall be allowed to file application beyond 24 months from the date of generation of file number as per paragraph 9.02 of Hand Book of Procedures.

17. Para 4.62 is amended to read as under:

Entitlement of quantity of gold / silver / platinum against the export of articles made out of these metals shall be quantity of gold / silver / platinum in item of export plus admissible wastage / manufacturing loss. In the case of Studded Jewelry, the calculation of the quantum of gold/silver/platinum metal shall be done excluding the weight of studding.

18. Para 4.64 is amended to read as under:

(a) Gem REP Authorisations shall be valid for import of precious stones, semi-precious and synthetic stones and pearls used in export of Gems and Jewellery products. In addition, Authorisation shall also be valid for import of empty jewellery boxes up to 5% of value of Authorisation within its overall CIF value. Gem REP Authorisations issued against export of studded gold / silver / platinum jewellery articles, shall also be valid for import of cut and polished precious / semi- precious stones other than emerald up to 10% of CIF value of Authorisation within its overall CIF value.

(b) Gem REP Authorisation will be as per the replenishment rate prescribed in Appendix -4F and the scale of replenishment on the remaining FOB value in the case of studded jewellery shall be as given in Appendix-4G.

19. Para 4.68(a) is amended to read as under:

(a) Exporter has to furnish the proof of exports, wherever required for export of gold / silver / platinum jewellery and articles thereof, by furnishing following documents:

- (i) E.P copy of the shipping bill;
- (ii) Customs attested Tax invoice for export/supplies as prescribed under GST rules ;
- (iii) Bank certificate/e-BRC of realisation in Appendix 2U.

20. Para 4.73 is amended to read as under:

Policy for export of gems and jewellery parcel by post is in paragraph 4.48 of FTP. At the time of exports, exporter shall submit following documents:

- (i) Shipping bills or Tax invoice for export/supplies as prescribed under GST rules presented at foreign Post Office;
- (ii) Certificate from nominated agencies indicating price at which gold/ silver/platinum was booked or given on outright sale basis or loan basis;
- (iii) Three copies of Tax invoices for export/supplies as prescribed under GST rules .

21. Para 4.77 (b) is amended to read as under:

(b) In case of direct supply of gold/silver/platinum, alloys, findings and mountings of gold/ silver/ platinum and plain semi-finished gold/silver/platinum jewellery to status holder/ exporter, Status Holder/exporter shall furnish a Bank Guarantee/LUT, as per Customs Rules and regulations to Customs equivalent to Basic Customs Duty leviable on imported gold/ silver/ platinum, alloys, findings and mountings of gold/ silver/ platinum and plain semi-finished gold/ silver/ platinum jewellery etc. Integrated Goods and Services tax and Compensation Cess leviable under Section 3(7) and 3(9) of Customs Tariff Act shall be payable separately on imports.

22. Para 4.78(e)(ii) is amended to read as under:

- (ii) Three copies of Tax invoices for export/supplies as prescribed under GST rules;

23. Para 4.78 (h) is amended to read as under:

(h) Exporter may also obtain, in advance, gold/ silver/ platinum etc. supplied by foreign buyer by furnishing a BG /LUT for an amount equal to international price of such items plus basic customs duty payable thereon. Integrated Goods and Services tax and Compensation Cess leviable under Section 3(7) and 3(9) of Customs Tariff Act shall be payable separately on imports. BG /LUT shall be redeemed only when the exporter has furnished proof of exports to nominated agency and accounted for the use of items supplied in advance in export product.

24. Para 4.84(a) is amended to read as under:

(a) Exporter may obtain required quantity of precious metal on loan basis subject to furnishing of BG / LUT, for customs duty to nominated agencies for an amount as may be prescribed by nominated agencies. Integrated Goods and Services tax and Compensation Cess leviable under Section 3(7) and 3(9) of Customs Tariff Act shall be payable separately on imports. On failure to effect exports within the period prescribed, the nominated agencies shall enforce the BG / LUT.

25. Para 4.85(c ) is amended to read as under:

(c) Advance Authorisation holder may obtain gold /silver / platinum from nominated agencies in lieu of direct imports. In such a case, EO will be required to be fulfilled within 90 days from date of supply of Gold/Silver/Platinum by nominated agency and the nominated agency shall also make, both exchange control copy and customs purpose copy of Authorisation invalid for direct imports.

**Effect of this Public Notice:**

Various amendments are made in Chapter-4 of Hand Book of Procedures 2015-2020.

  
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Director General of Foreign Trade

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