



WEEKLY TRADE UPDATE

Foreign Trade Update

Directorate General of Foreign Trade Updates

A. Amendment of import policy conditions for item under ITC(HS) Code 05119999 of Chapter 05 of ITC (HS), 2022, Schedule —I

The Central Government vide Notification No.22/2015-2020-DGFT dated July 20, 2022, has amended the import policy conditions regarding imports of Human Embryo under ITC (HS) 05119999. It is “Prohibited” in accordance with the Assisted Reproductive Technology (Regulation) Act, 2021 and The Surrogacy (Regulation) Act, 2021.

Notification is available at:

<https://content.dgft.gov.in/Website/dgftprod/bada6409-6334-4879-84db-01bde8c1fb33/Notification%2022%20dt%2020-07-22%20Eng.pdf>

B. Syncing of ITC (HS), 2022- Schedule-1 (Import Policy) with the Finance Act, 2022 (No. 6 of 2022) dated 30.03.2022

The Central Government vide Notification No. 20/2015-20 dated July 07, 2022, amended ITC(HS) 2022, Schedule-I (Import Policy)’ in sync with the Finance Act, 2022 dated 30th March 2022. The ITC(HS) codes introduced/deleted/amended/split/merged as per the Finance Act, 2022 as well as the modifications/amendments in the Section Notes, Chapter-wise Main Notes, Supplementary Notes, Chapter heading, sub-headings and description of ITC(HS) codes as per the Finance Act, 2022.

Notification is available at:

<https://content.dgft.gov.in/Website/dgftprod/64d25da1-139e-4f55-8494-385362c159aa/Notification%2020%20dt%2007-07-22%20Eng-.pdf>

C. Amendment in registration time period of Steel Import Monitoring System (SIMS)

The Central Government vide Notification No. 19/2015-20 dated July 07, 2022, has abolished the requirement of advance registration of minimum 15 days from the expected date of arrival of import consignment under SIMS.

Notification is available at:

<https://content.dgft.gov.in/Website/dgftprod/cd112754-3da8-4385-8fbc-be8e594047a9/Notification%2019%20dt%2007-07-22%20Eng.pdf>

D. Implementation of Paper Import Monitoring System (PIMS) Clarification w.r.t. applicability of PIMS at the time of import at SEZ/FTWZ/EOU and further import into DTA

The Directorate General of Foreign Trade vide Policy Circular No. 41/2015-20 dated July 05, 2022, has made clarifications regarding Paper Import Monitoring System (PIMS). The queries received on PIMS registration has been examined by the Directorate in consultation with the Department for Promotion of Industry and Internal Trade (DPIIT) and based upon their inputs, the following is clarified:

(i) PIMS Registration shall be required at the point of import by a Unit in SEZ/FTWZ or at the time of import by an EOU of the items covered under PIMS.

(ii) PIMS Registration shall not be required by the DTA Unit at the time of Customs Clearance from the SEZ/FTWZ/EOU to DTA if no processing has taken place of the item of paper that has already been registered under PIMS at the time of entry into a SEZ/FTWZ/EOU.

However, if processing has taken place in the SEZ/FTWZ/EOU with change in HS Code at 8-Digit level, then the importer in DTA will require to register under PIMS, if the processed item falls under any of the tariff lines covered under PIMS. This issues with the approval of Director General of Foreign Trade.

Circular is available at:

<https://content.dgft.gov.in/Website/dgftprod/fa332b4f-6afa-433b-989f-4225254c034f/Policy%20Circular%20No%2041%20dt%2005-07-22.pdf>

Reserve Bank of India Notifications Updates

A. UNSCR 1718 Sanctions Committee on DPRK amends one Entry on its Sanctions List

Reserve Bank of India vide, RBI/2022-2023/91 DOR.AML.REC.55/14.06.001/2022-23 dated 13 July 2022 has stated that Ministry of External Affairs (MEA) has informed that on June 30, 2022, the Committee established pursuant to UNSC Resolution has enacted amendments on its Sanction List of individuals and entities. The amendments concern the DPRK Ambassador to Egypt. Regulated Entities are advised to take note of the instructions regarding Security Council Resolution on DPRK and ensure meticulous compliance.

Available at:

<https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12359&Mode=0>

B. International Trade Settlement in Indian Rupees (INR)

The Reserve Bank of India vide, RBI/2022-2023/90A.P. (DIR Series) Circular No.10 dated July 11, 2022, has decided to put in place an additional arrangement for invoicing, payment, and settlement of exports / imports in INR. Before putting in place this mechanism, AD banks shall require prior approval from the Foreign Exchange Department of Reserve Bank of India, Central Office at Mumbai. AD banks in India have been permitted to open Rupee Vostro Accounts. Accordingly, for settlement of trade transactions with any country, AD bank in India may open Special Rupee Vostro Accounts of correspondent bank/s of the partner trading country. In order to allow settlement of international trade transactions through this arrangement, it has been decided that:

- a. Indian importers undertaking imports through this mechanism shall make payment in INR which shall be credited into the Special Vostro account of the correspondent bank of the partner country, against the invoices for the supply of goods or services from the overseas seller /supplier.
- b. Indian exporters, undertaking exports of goods and services through this mechanism, shall be paid the export proceeds in INR from the balances in the designated Special Vostro account of the correspondent bank of the partner country.

The notification further contains details regarding, documentation, advance against exports, setting-off of export receivables, bank guarantee, use of surplus balance etc.

Reporting of cross- border transactions need to be done in terms of the extant guidelines under FEMA 1999. Further, AD banks are to bring the contents of this Circular to the notice of their constituents and customers concerned.

Available at:

<https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12358&Mode=0>

C. Asian Clearing Union (ACU) Mechanism – Indo-Sri Lanka trade

Reserve Bank of India vide, RBI/2022-2023/89 A.P. (DIR Series) Circular No. 09 dated July 8, 2022, has drawn attention to the provision that export / import transactions between ACU member countries are to be routed through the ACU mechanism and stated that all eligible current account transactions including trade transactions with Sri Lanka may be settled in any permitted currency outside the ACU mechanism until further notice.

Available at:

<https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12357&Mode=0>

Central Board of Indirect Taxes and Customs Updates

A. TRQ holders to import gold through IIBX under TRQ mechanism of India-UAE CEPA

Central Government, vide Notification No. 43/2022-Customs-Customs dated 20 July 2022, has amended Notification No. 22/2022-Customs, dated the 30th April 2022, to enable TRQ holders to import gold through IIBX under TRQ mechanism of India-UAE CEPA. Importer-Exporter Code (IEC), mentioned in TRQ authorization shall be Importer-Exporter Code (IEC) of nominated agencies as notified by RBI or DGFT or IFSCA. Additionally, TRQ authorization shall also contain GST Identification Number (GSTIN) of the jewellery manufacturer to whom TRQ is being issued. The importer is to follow the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.

Notification link:

<https://taxinformation.cbic.gov.in/view-pdf/1009468/ENG/Notifications>

B. Amendment to withdraw IGST exemption

Central Government, vide Notification No. 42/2022-Customs dated 13 July 2022, has amended Notification No. 51/96-Customs, dated the 23rd July, 1996 for withdrawing IGST exemption as under the Customs Tariff Act. In the said notification, the words, brackets and figures, “and from the whole of integrated tax leviable thereon under sub-section (7) of section 3 of the said Customs Tariff Act”, is omitted.

Notification link:

<https://taxinformation.cbic.gov.in/view-pdf/1009430/ENG/Notifications>

C. Amendments for defence related imports

Central Government, vide Notification No. 41/2022-Customs dated 13 July 2022, has amended the Notification No. 19/2019-Customs, dated the 6th July, 2019 for defence related imports. In the said notification, in the opening paragraph, for the words “Ministry of Defence or the Defence forces, or the Defence Public Sector Units or other Public Sector Units”, the words “Ministry of Defence or the Defence forces, or the Defence Public Sector Units or other Public Sector Units or any other entity” is substituted.

Notification link:

<https://taxinformation.cbic.gov.in/view-pdf/1009429/ENG/Notifications>

Trade Remedy Measures Update

The Directorate General of Trade Remedies (**DGTR**), Ministry of Commerce and Industry and the Central Government has recently undertaken the following measures concerning trade remedy investigations.

- **July 18, 2022-** The Central Government, after considering the final findings of sunset review investigation wherein it was recommended to impose anti-dumping duty on “**Polytetrafluoroethylene**” (PTFEE) originating in or exported from China PR, did not accept the aforesaid recommendations and set them aside.

Notification link:

<https://www.dgtr.gov.in/sites/default/files/NCV%20ENG.pdf>

- **July 13, 2022-** The Central Government, after considering the final findings of sunset review investigations wherein it was recommended to impose definitive anti-dumping duty on “**Aluminium foil of thickness ranging from 5.5 micron to 80 micron**” originating in or exported from China PR, did not accept the aforesaid recommendations and set them aside.

Notification link:

https://www.dgtr.gov.in/sites/default/files/OM_Aluminium%20Foil_ADD.pdf

- **June 29, 2022-** The Directorate General of Trade Remedies has issued final findings in anti-dumping investigation concerning imports of “**Clear Float Glass**” from Bangladesh and Thailand.

Notification link:

<https://www.dgtr.gov.in/sites/default/files/NCV%20ENG.pdf>

The **Department of Revenue, Ministry of Finance** has recently undertaken the following measures.

- **July 13, 2022-** Amendment of Notification No. 28/2018-Customs (ADD) dated 25th May 2018, vide Notification No 23/2022-Customs (ADD) to amend the name of Country of Export from ‘Singapore’ to ‘Any country including Indonesia’ for the producer ‘PT. ENERGI SEJAHTERA MAS’ and Exporter ‘Sinarmas CEPESA Pte. Ltd.’ in Customs anti-dumping duty on imports of “Saturated Fatty Alcohols” from Indonesia, Malaysia, Thailand and Saudi Arabia.

Notification Link:

<https://taxinformation.cbic.gov.in/view-pdf/1009420/ENG/Notifications>

Copyright © 2020 DGS Associates, All rights reserved.

Our mailing address is:

DGS Associates,

C-485 (GF), Defence Colony, New Delhi-110024.

Ph: 011 4174 9277/ 011 4174 9278.