

## CHAPTER-2

### GENERAL PROVISIONS REGARDING EXPORTS AND IMPORTS

- Policy** 2.1 The Policy relating to the general provisions regarding exports and imports is given in Chapter-2 of the Policy.
- Countries of Imports/ Exports** 2.2 Unless otherwise specifically provided, import/ export will be valid from/to any country except Iraq. However, there shall be no ban on the export of items to Iraq or import of items from Iraq in case where the prior approval of the concerned sanctions committee of the United Nations Security Council has been obtained.
- Export of items to Libya as listed out in Appendix-31 are prohibited.
- Application Fee** 2.3 Unless otherwise exempted, specified fee shall be paid for making an application under any provision of the Policy and this Handbook. The scale of fee, mode of payment, procedure for refund of fee and the categories of persons exempted from the payment of fee are contained in Appendix-29
- Territorial Jurisdiction of Licensing Authorities** 2.4 Every application, unless otherwise specified, shall be submitted to the licensing authority concerned, as per the territorial jurisdiction of the licensing authorities indicated in Appendix-24
- Filing of Application** 2.5 Every application for an import/export licence/ certificate/ permission or any other purpose should be complete in all respects as required under the relevant provisions of the Policy/ Procedures and shall be signed by the applicant as defined in paragraph 9.9 of the Policy. An incomplete application is liable to be rejected giving specific reason for rejection.
- Profile of Importer/ Exporter** 2.6 Each importer/exporter shall be required to file importer/ exporter profile once with the licensing authority in the form given in Appendix-2. Licensing authority shall enter the information furnished in Appendix-2 in their database so as to dispense with the need for asking the repetitive information. In case of any change in the information given in Appendix-2, importer/exporter shall intimate the same to the licensing authority.
- Self Addressed Stamped Envelope** 2.7 The applicant shall furnish a self addressed envelope of 40X15 cm with postal stamp affixed on the envelope as follows for all documents required to be sent by Speed Post:-
- (a) Within local area Rs. 20.00
  - (b) Up to 200 Kms. Rs. 25.00
  - (c) Between 200 to 1000 Kms Rs. 30.00
  - (d) Beyond 1000 Kms. Rs. 50.00
- IEC No: Exempted Categories** 2.8 The following categories of importers or exporters are exempted from obtaining Importer - Exporter Code (IEC) number :
- (i) Importers covered by clause 3(1) [except sub-clauses (e) and (l)] and exporters covered by clause 3(2) [except sub-clauses (i) and (k)] of the Foreign Trade (Exemption from application of Rules in certain cases) Order, 1993.

- (ii) Ministries/Departments of the Central or a State Government.
- (iii) Persons importing or exporting goods for their personal use not connected with trade or manufacture or agriculture.
- (iv) Persons importing/exporting goods from/to Nepal provided the CIF value of a single consignment does not exceed Indian Rs.25,000.
- (v) Persons importing/exporting goods from/to Myanmar through Indo-Myanmar border areas provided the CIF value of a single consignment does not exceed Indian Rs.25,000.

However, the exemption from obtaining Importer-Exporter Code (IEC) number shall not be applicable for the export of Special Chemicals, Organisms, Materials, Equipments and Technologies (SCOMET) as listed in Appendix- 3, Schedule 2 of the ITC(HS) except in the case of exports by category(ii) above.

- (vi) The following permanent IEC numbers shall be used by the categories of importers/ exporters mentioned against them for import/ export purposes.

S. No.	Code Number	Categories of Importers/ Exporters
1.	0100000011	All Ministries/Departments of the Central Government and agencies wholly or partially owned by them.
2.	0100000029	All Ministries/Departments of the State Government and agencies wholly or partially owned by them.
3.	0100000037	Diplomatic personnel, Counselor officers in India and the officials of the UNO and its specialised agencies.
4.	0100000045	Indians returning from/going abroad and claiming benefit under the Baggage Rules.
5.	0100000053	Persons/ Institutions/ Hospitals importing or exporting goods for their personal use not connected with trade or manufacture or agriculture.
6.	0100000061	Persons importing/ exporting goods from/ to Nepal provided the CIF value of a single consignment does not exceed Indian rupees 25000/-.
7.	0100000070	Persons importing/ exporting goods from/to Myanmar through Indo-Myanmar border areas provided the CIF value of a single consignment does not exceed Indian rupees 25000/-.
8.	0100000088	Ford Foundation
9.	0100000096	Importers importing goods for display or use in fairs/exhibitions or similar events under the provisions of ATA carnet.
10.	0100000100	Director, National Blood Group

		Reference Laboratory, Bombay or their authorised offices.
11.	0100000126	Individuals/Charitable Institutions/Registered NGOs importing goods, which have been exempted from Customs duty under the Notification issued by Ministry of Finance for bonafide use by the victims affected by natural calamity.

**Note** Commercial Public Sector Undertaking (PSU) who have obtained PAN will however be required to obtain Importer Exporter Code number. The permanent IEC number as mentioned above, shall be used by non commercial PSUs.

**Application for Grant of IEC No.** 2.9 An application for grant of IEC number shall be made by the Registered/ Head Office of the applicant to the licensing authority under whose jurisdiction, the Registered office in case of company and Head office in case of others falls in the form specified in Appendix-3 and shall be accompanied by documents prescribed therein.

**IEC Format and Statements** 2.9.1 The Licensing Authority concerned shall issue an IEC number in the format as given in Appendix-3A. A copy of such IEC number shall be endorsed to the concerned banker (as per the details given in the IEC application form). A consolidated statement of IEC numbers, issued by the licensing authority, shall be sent to the Exchange Control Department of the RBI in terms of Appendix-30, as per details given in Appendix-3B.

**Validity of IEC No.** 2.9.2 An IEC number allotted to an applicant shall be valid for all its branches/divisions/units/factories as indicated in the format of IEC given in Appendix- 3A.

**Duplicate Copy of IEC No.** 2.9.3 Where an IEC Number is lost or misplaced, the issuing authority may consider requests for grant of a duplicate copy of IEC number, if accompanied by an FIR and an affidavit.

**Surrender of IEC No.** 2.9.4 If an IEC holder does not wish to operate the allotted IEC number, he may surrender the same by informing the issuing authority. On receipt of such intimation, the issuing authority shall immediately cancel the same and electronically transmit it to DGFT for onward transmission to the Customs and RLAs.

**Application Form for Import and Export of Restricted Items** 2.10 An application for grant of a licence/ certificate/ permission for import or export of items mentioned as restricted in ITC(HS) may be made in the form and to the licensing authorities specified under the relevant chapters of this Handbook.

**Imports under Indo-US Memorandum of Understanding** 2.11 Import of specified capital goods, raw materials, components, etc. from the United States of America is subject to US Export Control Regulations. US suppliers of such items are required to obtain an export licence/ certificate/permission based on the import certificate furnished by the Indian importer to the US supplier. The following are the designated Import Certificate Issuing Authorities (ICIA) :

- (i) The Department of Electronics, for import of computer and computer based systems;
- (ii) The Department of Industrial Policy and Promotion, Technical Support Wing (TSW), for organised sector units registered under it, except for import of computers and computer based

systems;

- (iii) The Ministry of Defence, for defence related items;
- (iv) The Director General of Foreign Trade for small scale industries and entities not covered above as well as on behalf of any of the above;
- (v) The Embassy of India, Washington, DC, on behalf of any of the above.

A request for an import certificate shall be made in the form given in Appendix-7. The import certificate in the form given in Annexure to Appendix-7 may be issued by the ICI directly to the importer with a copy to (i) Ministry of External Affairs (AMS Section), New Delhi, (ii) Department of Electronics, New Delhi; and (iii) Directorate General of Foreign Trade, New Delhi. However, this import certificate will not be regarded as a substitute for an import licence/certificate/ permission in respect of the items mentioned as restricted in ITC(HS) and an import licence/certificate/permission will have to be obtained wherever required for such items.

**Validity Of  
Import Licence/  
Certificate/  
Permissions/  
CCPS**

2.12 The validity of import licence/certificate/ permission from the date of issue of licence/ certificate/ permission shall be as follows:

(i)	Advance Licence , DFRC and Replenishment licence for Gem & Jewellery as per Chapter- 4 of the Policy	18 months
(ii)	EPCG licence (other than spares)	24 months
(iii)	Spares under EPCG licence	Validity of EO period
(iv)	Others including CCP and Duty Entitlement Passbook Scheme, unless otherwise specified	12 months
(v)	Advance Licence for project/ turnkey project	18 months or Co-terminus with the contracted duration of execution of the project whichever is later.

2.12.1 Where the date of expiry of the licence/ certificate/ permission falls before the last day of the month, the licence/certificate/permission shall be deemed to be valid until the last day of the month. This proviso would be applicable even for a revalidated licence/ certificate/ permission.

2.12.2 The period of validity means the period for shipment/ dispatch of goods covered under the licence/certificate/ permission. The validity of an import licence/certificate/permission is decided with reference to the date of shipment/ dispatch of the goods from the supplying country as given in paragraph 9.11 of this Handbook and not the date of arrival of the goods at an Indian port.

2.12.3 The provisions of paragraph (c) above shall not be applicable to DEPB. DEPB which is in the nature of duty credit entitlement must be valid on the date on which actual debit of duty is made. However, where the expiry of DEPB falls before the last day of the month, the DEPB shall be deemed to be valid till the last day of the said month.

**Revalidation of**

2.13 The licence/certificate/permission may be revalidated on merits by the licensing

**Import/ Export  
Licence/  
Certificate/  
Permissions**

authority concerned, which has issued the licence/ certificate/permission, for a period of six months at a time but not beyond a period of 12 months reckoned from the date of expiry of the validity period. However, revalidation of freely transferable licence/ certificate/permissions and stock and sale licence/ certificate/ permission shall not be permitted.

An application for revalidation may be made to the licensing authority concerned in the form given in Appendix-10G. However, in such cases where revalidation of the licence/certificate/permissions is to be considered by DGFT, the original application alongwith TR/ Demand Draft shall be submitted to the regional licensing authorities concerned and self attested copy of the same shall be submitted to DGFT.

**Duplicate Copies  
of Export-Import  
Licence/  
Certificate/  
Permissions/  
CCPs**

2.14 Where a licence/certificate/permission is lost or misplaced, an application for grant of a duplicate copy thereof may be made alongwith an affidavit, as given in Appendix-11, to the licensing authority which has issued the original licence/ certificate/ permission. The licensing authority concerned may, on merits, issue a duplicate copy of the same after issuing an order for cancellation of the original licence/certificate/ permission and after informing the customs authority where the original licence/ certificate/permission was registered.

2.15 Duplicate copy of freely transferable licence/ certificate/ permissions, except DEPB and DFRC, shall not be issued. Duplicate copy of DFRC and DEPB may be issued against an application accompanied by the following documents:-

An application with a fee equivalent to 10% of duty saved.

A copy of FIR reporting the loss.

A copy of the original affidavit on notarised stamp paper.

Indemnity bond on a stamp paper undertaking to indemnify the revenue loss to the Government which may be caused on account of issue of duplicate licenses backed by Bank Guarantee covering the DEPB/ DFRC amount and which should be valid at least for 6 months more than the validity of DEPB and DFRC.

2.15.1 However, when the licence/certificate/permission has been lost by the Government agency and a proof to this effect is submitted, the documents at serial nos. (a) to (d) shall not be asked for. In such cases, licence/ certificate/ permissions shall be revalidated for a period for six months from the date of endorsement, not withstanding anything stated below.

2.15.2 The licensing authority, before issuing the licenses, shall obtain the report regarding utilisation of the licence/certificate/permissions from the Custom authority at the port of registration mentioned in the original licence/certificate/ permission. The duplicate licence/ certificate/ permission shall be issued only for the balance, which remained unutilised as per the report furnished by the Customs authority at the port of registration.

2.15.3 The validity of duplicate licence/certificate/ permission shall be co-terminus with the original licence and therefore no request shall be entertained if the validity of the original licence/certificate/permission has expired. However, in case when DEPB/DFRC is lost by Customs/Licensing Authority, duplicate licence/ certificate/ permission shall be issued for a validity of six months.

2.15.4 The 10% duty saved amount in DEPB will be equivalent to 10% of the available credit balance on the lost DEPB whereas for DFRC, the amount shall be calculated on the basis of duty saved amount for the balance quantity and proportionate CIF value as per the information available in Column-10 of Appendix-10D.

**Identity Cards**

2.16 To facilitate collection of licence/ certificate/ permissions and other documents, identity cards may be issued to the proprietor/ partners/ directors and the authorised employees, not more than three, of the importers and exporters. An application for issuance of an Identity Card may be made in the form given in Appendix-5. The documents/ licence/ certificate/ permissions may be delivered to the identity card holder and the officials of the DGFT shall not be responsible for any loss etc. of the documents/ licence/certificate/ permissions thereafter. In case of loss of an identity card, a duplicate card may be issued on the basis of an

FIR and an affidavit. The identity card shall be issued in the format as given in Appendix-5A and shall be valid for a period of three years from the date of issuance.

**Interviews with authorised Officers.**

2.17 Importer/Exporter and their employees shall have free access to the offices of the licensing authorities, authorised to grant interviews. Such officers may also grant interview to any other authorised representative of the importer/ exporter to make specific representation. Interviews may also be sought through E-mails with the officer concerned.

**Export of Items Reserved for SSI Sector**

2.18 Units other than small scale units are permitted to expand or create new capacities in respect of items reserved for the small scale sector, subject to the condition that they obtain an Industrial licence under the Industries (Development and Regulation), Act, 1951. It is a condition of such licence that the manufacturer shall undertake export obligation as may be specified by the Ministry of Industry and the licensee is required to furnish a Legal Undertaking to the Directorate General of Foreign Trade in this behalf. The export obligation shall be monitored by the Directorate General of Foreign Trade.

**Warehousing Facility**

2.19 Public/Private Customs Bonded Warehouses may be set up in Domestic Tariff Area by following the procedure envisaged in Chapter-IX of the Customs Act, 1962. Such warehouses shall be permitted to import the items in terms of paragraph 2.28 of the Policy.

On receipt of goods, such warehouses shall keep the goods for a period of one year without payment of applicable customs duties. Goods can be cleared against the Bill of Entry for home consumption, on payment of applicable custom duty and on submission of licence/certificate/permission wherever required, provided an order for clearance of such goods for home consumption has been made by the competent customs authorities. In case of clearance against duty free categories/ concessional duty categories, exemption/ concession from duty, as the case may be, allowed. In case of clearance against DEPB, credit may be adjusted while allowing duty free imports.

The goods can be re-exported without payment of customs duty provided (i) a shipping bill or a bill of export is presented in respect of such goods; and (ii) order for export of such goods has been made by competent customs authorities.

Import, storage, clearance or re-export are subject to the provisions of the Customs Act, 1962 and the Rules, Orders, Notifications or Instructions issued in respect of these provisions.

**Execution of Bank Guarantee/ Legal Undertaking**

2.20 Before clearance of goods through customs, the importer shall execute a legal undertaking (LUT)/Bank Guarantee (BG) with the customs authorities in the manner as may be prescribed by them. However, in case of indigenous sourcing, the licence/ certificate/ permission holder shall furnish BG/LUT to the licensing authority before sourcing the material from the nominated agencies or indigenous supplier.

The Status Holders/ PSUOs and Manufacturer exporter registered with excise authority with export of Rs.1 crore and above in preceding year and who has not been penalised under the Customs Act, Excise Act, Foreign Trade (Development and Regulation) Act, 1992 and FERA shall be required to furnish Legal Undertaking in the form given in Appendix-21A. Other Manufacturer exporters shall be required to furnish bond supported by Bank Guarantee to the extent of 25% of Excise duty saved and merchant exporters (other than Status Holders/PSUOs) shall be required to furnish bond supported by Bank Guarantee to the extent of 100% of excise duty saved on the items which they intend to procure indigenously in lieu of direct imports.

In case, the firm has already executed BG/LUT for full

		value of the licence/certificate/permission covering the item indigenously procured as well to the Customs and furnishes proof of the same, no separate BGLUT shall be required to be executed with the licensing authority.
<b>Preferential Trading Arrangement</b>	2.21	The Generalised System of Preferences (GSP) is a system under which Indian Goods receive preferential tariff treatment upon import into developed markets, such as member states of European Union, USA, Japan, New Zealand, Australia, Canada, Switzerland, Norway, Russia etc. The GSP schemes of various countries are notified by them from time to time. These are unilateral schemes and as such India need not accord the same preferential treatment to the goods of developed countries, on reciprocal basis. The list of agencies authorised to issue GSP certificates is given in Appendix-35.
	2.21.1	In addition, India is a participant to Global System of Trade Preferences (GSTP), Bangkok Agreement (BA), SAARC Preferential Trading Arrangement (SAPTA) under which India grants and receives tariff concession on imports and exports. To avail these tariff preferences, it is to be ensured that import or export qualifies for the preference in accordance with the Rules of Origin requirement of the agreement concerned. The Government has notified the agencies authorised to issue Certificate of Origin for each of the agreement. Export Inspection Council (EIC) is the sole agency authorised to issue certificate of origin under GSTP.
	2.21.2	The list of agencies authorised to issue certificate of origin under BA and SAPTA is provided in Appendix-35A. However, for Indo-Srilanka Free Trade Agreement, the certificate of origin shall be issued by Export Inspection Council.
	2.21.3	The authorised agencies shall provide services relating to issuance of certificate of origin, including details regarding the rules of origin, list of items covered by an agreement, extent of tariff preference, verification and certification of eligibility etc. EIC is the sole agency authorised to print blank certificates. The authorised agencies may charge a fee, as approved by Ministry of Commerce and Industry, for services rendered.
	2.21.4	The Government has also nominated certain authorised agencies to issue non-preferential certificate of origin in accordance with the Article II of international convention relating to simplification of Customs formalities, 1923. These certificates of origin evidence the origin of goods and do not bestow any right to preferential tariffs. The list of these agencies is provided in Appendix-35B.
<b>Automatic Licence/ Certificate/ Permission</b>	2.22	The status holders shall be issued licence/ certificate/ permissions automatically within the stipulated time period. Deficiency, if any, shall be informed in the covering letter which shall be required to be rectified by the status holders within 10 days from the date of communication of deficiency.
<b>Submission of</b>	2.23	Wherever the original documents have been submitted

<b>Certified Copies of Documents.</b>		to a different licensing authority/ nominated agencies or to a different division of the same licensing authority, the applicant can furnish photocopy of the documents duly certified by him in lieu of the original.
<b>Advance Payment</b>	2.24	In case, payment is received in advance and export/ deemed exports takes place subsequently, the application for a licence/certificate/permission shall be filed within specific period following the month during which the exports/deemed exports are made, unless otherwise specified
<b>Export by post</b>	2.25	In case of export by post, the exporter shall submit the following documents in lieu of documents prescribed for export by sea/air.  Bank Certificate of Export and Realisation as given in Appendix-22. Relevant postal receipt. Invoice duly attested by the Customs.
	2.25.1	In such cases where application is to be considered by ALC/Hqrs. EPCG Committee/Export Facilitation Committee, the original copy of the application, along with prescribed fee, shall be filed with regional licensing authorities concerned and an attested copy of the same shall be filed with the related Committee mentioned above.
<b>Direct negotiation of export documents</b>	2.25.2	In cases where the exporter directly negotiates the document (not through the authorised dealer) with the permission of RBI, he may submit copy of Foreign Inward Remittance Certificate (FIRC) in lieu of Bank Certificate of Export and Realisation (BRC).
<b>Payment through ECGC cover</b>	2.25.3	In cases where the export has been completed but the payment has not been realised from the buyer, such exports shall be taken into account for the purpose of benefits under the Policy provided the payment has been realised by the Indian exporter through ECGC cover.
<b>Import/Export of Samples</b>	2.26	No licence/certificate/permission shall be required for Imports of bonafide technical and trade samples of items mentioned as restricted in ITC(HS) except vegetable seeds, bees and new drugs by any importer. However, samples of tea not exceeding Rs.2000 (CIF) in one consignment shall be allowed without a licence/certificate/permission by any person connected with Tea industry.  Duty free import of samples shall be allowed as per the terms and conditions of Customs notification.  Exports of bonafide trade and technical samples of freely exportable item shall be allowed without any limit.
<b>Import under Lease Financing</b>	2.27	Permission of the licensing authority is not required for import of capital goods under lease financing. However, the condition of actual user or licence/certificate/permission, wherever required under the Policy or this Handbook, shall be applicable in case of import of capital goods under such lease financing. The facility shall also be available under EPCG Scheme, EOU/EPZ/SEZ scheme. The domestic supplier of capital goods to eligible categories of deemed exports shall be eligible for the



benefits of deemed exports as given in paragraph 8.3 of the Policy even in such cases where the supplies are under lease financing.

<b>Import/Export through Courier Service</b>	2.28	Imports/Exports through a registered courier service is permitted as per the Notification issued by the Department of Revenue. However, importability/ exportability of such items shall be regulated in accordance with the Policy.
<b>Exhibits Required For National And International Exhibitions Or Fairs And Demonstration</b>	2.29	<p>Import/export of exhibits,including construction and decorative materials required for the temporary stands of the foreign/ Indian exhibitors at the exhibitions, fair or similar show or display for a period of six months on re-export/re-import basis,shall be allowed without a licence/certificate/permission on submission of a certificate from an officer of a rank not below that of an Under Secretary tothe Government of India in the Ministry of Commerce and Industry or an officer of the Indian Trade Promotion Organization duly authorised by its Chairman in this behalf, to the effect that such exhibition, fair or similarshow or display, as the case may be,</p> <p>(i) has been approved or sponsored by the Government of India in the Ministry of Commerce and Industry or the India Trade Promotion Organization; and</p> <p>(ii) is being held in public interest.</p> <p>Extension beyond six months for re-export/re-import will be considered by the Customs authorities on merits. Consumables such as paints,printed material, pamphlets, literature etc. pertaining to the exhibits need not be re-exported/re-imported.</p>
<b>Policy</b>	2.30	The Policy relating to the generalprovisions regarding import of capital goods, raw materials, intermediates, components, consumables, spares, parts, accessories, instruments and other goods is given in Chapter 2 of the Policy.
<b>General Procedure for Licensing of Restricted Goods</b>	2.31	Wherever an import licence/certificate/permission, including Customs Clearance Permit (CCP), isrequired under the Policy, the procedure contained hereunder shall apply.

**Import of  
Second  
hand  
Goods/Waste  
Scrap/  
Seconds/  
Rags**

- 2.32 The following items may be imported without a licence/certificate/permission.
- (i) Any form of metallic waste, scrap, seconds and defectives, other than those which are of a value below the values specified for any such items by a notification issued in this behalf, and excluding hazardous, toxic waste, radio active contaminated waste/scrap containing radio active material;
  - (ii) Waste paper;
  - (iii) Woolens rags/ synthetic rags/shoddy wool in completely mutilated form subject to the condition that mutilation must conform to the requirements as specified by the customs authorities.
  - (iv) PET bottle/waste
  - (v) Import of all types of ships may be made without a licence/certificate/permission on the basis of guidelines issued by Ministry of Shipping and as per the age/residual lifenorms prescribed by the Ministry of Shipping.

Provided in case of import of metal scrap originating from a country affected by rebellion or war, the exporter shall furnish the following documents to the Customs at the time of clearance of goods:

- (I) Pre-shipment inspection certificate from any of the Inspection & Certification agencies given in Appendix-28 to the effect that
  - a) The consignment does not contain any type of arms, ammunition, mines, shells, cartridges, radio activecontaminated or any other explosive material in any form either used or otherwise.

the imported item(s) is actually a metallic waste/scrap/seconds/defective as per the internationally accepted parameters for such a classification.

- (ii) A copy of the contract between the importer and the exporter stipulating that the consignment does not contain any type of arms, ammunition, mines, shells, cartridges, radio activecontaminated, or any other explosive material in any form either used or otherwise.

<b>Import of Second Hand Capital Goods</b>	2.33	<p>Import of second hand capital goods, which are not more than 10 years old, shall be allowed freely. However, the same shall not be transferred, sold or otherwise disposed off within a period of two years from the date of import, except with the prior permission of the Director General of Foreign Trade.</p>
<b>Import of Ammunition by Licensed Arms Dealers</b>	2.34	<p>Import of following types of ammunition are allowed against a licence/certificate/permission by licensed arms dealers subject to the conditions as may be specified:</p> <p style="padding-left: 40px;">Shotgun Cartridges 28;</p> <p style="padding-left: 40px;">Revolver Cartridges of .450, .455 and .45 bores;</p> <p style="padding-left: 40px;">Pistol Cartridges of .25, .30 Mauser, .450 and .45 bores;</p> <p style="padding-left: 40px;">Rifle Cartridges of 6.5 mm, .22 savage, .22 Hornet, 300 Sherwood, 32/40, .256, .275, .280, 7m/m Mauser, 7 m/m Man Schoener, 9m/m Mauser, 9 m/m Man Schoener, 8x57, 8x57S, 9.3 m/m, 9.5 m/m, .375 Magnum, .405, .30.06, .270, .30/30 Winch, .318, .33 Winch, .275 Mag., .350 Mag., 400/350, .369 Purdey, .450/400, .470, .32 Win, .458 Win, .380 Rook, .220 Swift and .44 Win. bores.</p> <p>An import licence/certificate/permission shall be issued at 5% of the value of the annual average sales turnover of ammunition (whether indigenous or imported) during the preceding three licensing years subject to a minimum of Rs. 2000.</p> <p>An application for grant of a licence/ certificate/ permission for items listed in paragraph 2.34 above may be made to the licensing authority in the form given in Appendix-8 along with the documents prescribed therein.</p>
<b>Restricted Items Required By Hotels, Restaurants, Travel Agents, Tour Operators And Other Specified Categories</b>	2.35	<p>Items mentioned as restricted for imports in ITC(HS) required by hotels, restaurants, travel agents and tour operators may be allowed against a licence/ certificate/ permission. Import licence/ certificate/permission shall be granted on the recommendation of the Director General, Tourism, Government of India.</p>
	2.35.1	<p>Hotels, including tourist hotels, recognised by the Director General of Tourism, Government of India or a State Government shall be entitled to import licence/ certificate/ permissions up to a value of 25% of the foreign exchange earned by them from foreign tourists during the preceding licensing year. Such licence/certificate/ permissions shall be granted for the import of essential goods related to the hotel and tourism industry.</p>
	2.35.2	<p>Travel agents, tour operators, restaurants, and tourist transport operators and other units for tourism, like adventure/wildlife and convention units, recognised by the Director General of Tourism, Government of India, shall be entitled to import licence/ certificate/ permissions up to a value of 10% of the foreign exchange earned by them during the preceding licensing year. Such licence/certificate/permissions shall be granted for the import of essential goods related to the travel and tourism industry, including office and other</p>

equipment required for their own professional use.

- 2.35.3 The import entitlement under paragraphs 2.35.1 and 2.35.2 of any one licensing year can be carried forward, either in full or in part, and added to the import entitlement of the two succeeding licensing years.
- 2.35.4 The import licence/certificate/permission granted under paragraphs 2.35.1 and 2.35.2 shall not be transferable. However, transferability of such licence/ certificate/ permission granted to hotels/restaurants/ travel agents/ tour operators may be allowed within their respective groups.
- 2.35.5 The goods imported against such licence/ certificate/ permission shall not be transferred to anyone within a period of 2 years from the date of their import without the prior permission of the Director General of Foreign Trade.
- 2.35.6 An application for grant of a licence/certificate/ permission under paragraphs 2.35.1 and 2.35.2 may be made in the form given in Appendix-8 to the Director General of Foreign Trade through Director of Tourism, Government of India who will forward the application to the licensing authority concerned alongwith the recommendations on the import entitlement and the goods to be imported.

**Import of  
Other  
Restricted  
Items**

- 2.36 ITC(HS) contains the list of restricted items. An application for import of such items may be made, in the form given in Appendix-8 to the Director General of Foreign Trade alongwith documents prescribed therein.

**Export  
Facilitation  
Committee**

- 2.37 Restricted item licence/certificate/permission may be granted by the Director General of Foreign Trade or any other licensing authority authorised by him in this behalf. The DGFT/ licensing authority may take the assistance and advice of a facilitation committee. The facilitation committee will consist of representatives of technical authorities and Departments/ Ministries concerned.

**Gifts of  
Consumer or  
Other Goods**

- 2.38 In terms of the provisions contained in paragraph 2.19 of the Policy, an application for grant of Customs Clearance Permit for import as gifts of items appearing as restricted for imports in ITC(HS) shall be made to the Director General of Foreign Trade in the form given in Appendix-8 alongwith documents prescribed therein.

However, where the recipient of a gift is a charitable, religious or an educational institution registered under a law relating to the registration of societies or trusts or otherwise approved by the Central or a State Government and the gift sought to be imported has been exempted from payment of customs duty by the Ministry of Finance, such import shall be allowed by the customs authorities without a Customs Clearance Permit.

**Import under  
Govt. to Govt.  
Agreements**

- 2.39 Import of goods under Government to Government agreements may be allowed without a licence/ certificate/ permission or Customs Clearance Permit on production of necessary evidence to the satisfaction of the Customs authorities

<b>Import of Cheque Books/ Ticket Forms etc.</b>	2.40	Indian branches of foreign banks, insurance companies and travel agencies may import cheque books, bank draft forms and travellers cheque forms without a Customs Clearance Permit. Similarly, airlines/shipping companies operating in India, including persons authorised by such airlines/shipping companies, may import passenger ticket forms without a Customs Clearance Permit.
<b>Import of Reconditioned/ Second Hand Aircraft Spares</b>	2.41	Air India, Indian Airlines, Vayudoot, Pawan Hans Ltd. and scheduled domestic private airlines, private sector/public sector companies and State Governments operating executive/training aircraft or those engaged in the aerial spraying of crops and non scheduled airlines and charter service operators will be eligible to import, without a licence/certificate/permission, reconditioned/ second hand aircraft spares on the recommendation of the Director General of Civil Aviation, Government of India.
<b>Import of Replacement Goods</b>	2.42	<p>Goods or parts thereof on being imported and found defective or otherwise unfit for use or which have been damaged after import may be exported without a licence/ certificate/ permission, and goods in replacement thereof may be supplied free of charge by the foreign suppliers or imported against a marine insurance or marine-cum-erection insurance claim settled by an insurance company. Such goods shall be allowed clearance by the customs authorities without an import licence/ certificate/ permission provided that:</p> <p>(a) The shipment of replacement goods is made within 24 months from the date of clearance of the previously imported goods through the Customs or within the guarantee period in the case of machines or parts thereof where such period is more than 24 months; and</p> <p>(b) No remittance shall be allowed except for payment of insurance and freight charges where the replacement of goods by foreign suppliers is subject to payment of insurance and/or freight by the importer and documentary evidence to this effect is produced at the time of making the remittance.</p> <p>The importer shall also have the option to claim refund of payment, if any, already made to the foreign supplier, instead of obtaining replacement of goods referred to above.</p>
	2.42.1	In such cases where the goods have been found short-shipped, short-landed or lost in transit prior to actual import and/or detected as such at the time of customs clearance, import of replacement goods will be permitted on the strength of the certificate issued by the customs authorities without an import licence/ certificate/ permission. This procedure shall also apply to cases in which short-shipment of goods is certified by the foreign supplier and he has agreed to replace the goods free of cost.
	2.42.2	Cases not covered by the above provisions will be considered on merits by the DGFT for grant of licence/certificate/ permissions for replacement of goods for which an application may be made in the form given in Appendix-8.

<b>Transfer of Imported Goods</b>	2.43	<p>Goods, which are importable without restriction, can be transferred by sale or otherwise by the importer freely. Transfer of imported goods, which are subject to Actual User condition under the Policy and have become surplus to the needs of the Actual User, shall be made only with the prior permission of the licensing authority concerned. The following information along with supporting documents shall be furnished with the request for grant of permission for transfer, to the licensing authority concerned:</p> <p>Reasons for transfer of imported material;</p> <p>Name, address, IEC number and industrial licence/ certificate/permission/ registration, if any, of the transferee;</p> <p>Description, quantity and value of the goods imported and those sought to be transferred;</p> <p>Copies of import licence/ certificate/ permission and bills of entry relating to the imports made;</p> <p>2.43.1 Terms and conditions of the transfer as agreed upon between buyer and the seller. Prior permission of the licensing authority shall not, however, be necessary for transfer or disposal of goods, which were imported with Actual User condition provided such goods are freely importable without Actual User condition on the date of transfer.</p> <p>2.43.2 Prior permission of the licensing authority shall also not be required for transfer or disposal of imported goods after a period of two years from the date of import. However, transfer of imported firearms shall not be permitted during the lifetime of the importer/licencee.</p>
<b>Sale of Exhibits.</b>	2.44	<p>(i) Sale of exhibits of restricted items, mentioned in ITC(HS), imported for an international exhibition/ fair organised/ approved/ sponsored by the India Trade Promotion Organisation (ITPO) may also be made, without a licence/ certificate/ permission, within the bond period allowed for re-export, on payment of the applicable customs duties, subject to a ceiling limit of Rs.5 lakhs (CIF) for such exhibits for each exhibitor. However, sale of exhibits of items, which were freely imported shall be made, without a licence/certificate/permission, within the bond period allowed for re-export on payment of applicable customs duties.</p> <p>(ii) If goods brought for exhibition are not re-exported or sold within the bond period due to circumstances beyond the control of the importer, the customs authorities may allow extension of the bond period on merits.</p>
<b>Import of Overseas Office Equipment</b>	2.45	On the winding up of overseas offices, set up with the approval of the Reserve Bank of India, used office equipment and other items may be imported without a licence/ certificate/ permission.
<b>Labels, Price Tags And Like Articles For Export Products</b>	2.46	Supplies, made by foreign buyers or procured by the exporters on the advice of foreign buyers, of labels, price tags, hangers, sizes, PVC boxes, inlay cards, printed bags, stickers and trimming materials like buttons, belts, shoulder pads, buckles, eyelets, hooks and eyes and rivets to be attached to the goods against specific orders placed by foreign buyers on Indian exporters, may be imported without a licence/certificate/ permission.
<b>Prototypes</b>	2.47	Import of new/second hand prototypes/second hand samples not exceeding ten in number in a year on payment of duty may be allowed without a licence/ certificate/ permission to an Actual User (industrial) engaged in the production of or having industrial licence/letter of intent for research in the item for which prototype is sought for product development or research, as the case may be, upon a self - declaration to that effect, to the satisfaction of the customs authorities.

Applications for grant of licence/ certificate/ permission/CCP for import of additional requirements of prototypes/ samples not exceeding ten in number in a year shall be considered by the Licensing Authority concerned on merits.

<b>Restricted items for R&amp;D</b>	2.48	All restricted items, exceptive animals, required for R&D purpose may be imported without a licence/ certificate/ permission by Government recognised research and development Units.
	2.49	The policy relating to Exports is given in Chapter-2 of the Policy. Further, Schedule 2, Appendix-1 of the ITC (HS) specifies the list of items which may be exported without a licence/certificate/permission but subject to terms and conditions specified in this behalf.
<b>Application for Grant of Export Licence/ certificate/ permission</b>	2.50	An application for grant of export licence/ certificate/ permission in respect of items mentioned in Schedule 2 of ITC(HS) may be made in the form given in Appendix- 16 or 16A ,as the case may be, to the Director General of Foreign Trade and shall be accompanied by the documents prescribed therein. The Export Facilitation Committee shall consider applications on merits for issue of export licence/ certificate/ permissions.  An Inter-Ministerial Working Group in DGFT shall consider applications for export of Special Chemicals, Organism, Materials, Equipments and Technologies (SCOMET) as specified in Schedule 2, Appendix-3 of ITC(HS) on the basis of guidelines issued in this regard from time to time.  DGFT may also issue, on application, Free Sale Certificate as per guidelines in force on medical and surgical equipments.
	2.51	An application for export of items mentioned in ITC(HS) under STR regime may be made to the Director General of Foreign Trade.
<b>Export Of Items under State Trading Regime (STR).</b>		
<b>Exports Of Samples/ Exhibits</b>	2.52	An application for the export of samples or exhibits which are restricted for exports may be made to the DirectorGeneral of Foreign Trade.
<b>Gifts/Spares/ Replacement Goods</b>	2.53	For export of gifts,indigenous/imported warranty spares and replacement goods in excess of the ceiling/period prescribed in paragraphs 2.32, 2.33 and 2.37 respectively of the Policy, an application may be made to the Director General of Foreign Trade.
<b>Furnishing of returns in respect of exports in non physical form.</b>	2.54	All the exports made in nonphysical form by using communication links including high speed data communication links, internet, telephone line or any other channel which do not involve the Customs authorities has to be compulsorily reported on quarterly basis to the Electronic and Software Export Promotion Council in the proforma given in Appendix-4B.  These provisions shall beapplicable to all the exporting units located anywhere in the country including those located in STP, EPZ, SEZ, EHTP and under 100% EOU scheme.

**Duty free import of R&D equipment for pharmaceuticals and bio-technology.**

2.55 Duty free import of goods upto 1% of the FOB value of exports during the preceding licensing years as specified in the list 53 of Customs notification No.21/ 2002-Customs dated 1.3.2002, as amended from time to time, shall be allowed to the units having export turnover of Rs.20 Crores and above during the preceding licensing year if such importer has Research and Development wing which is registered with the Department of Scientific and Industrial Research in the Ministry of Science and Technology.

The eligible unit may furnish an application given in Appendix- 34 to the Regional Licensing Authorities under whose jurisdiction the registered office of company or head office of the firm is located.

The Regional Licensing Authority shall verify the application on the basis of the declaration given by the unit and countersigned by Chartered Accountant.

**Conversion from one scheme to another**

2.56 In case the exporter is denied the benefit of a scheme, under which a shipping bill is filed, by the licensing authority or the Customs, the exporter may be permitted to convert such shipments to another scheme provided the exporter is entitled to the benefit under the scheme in which the shipment is subsequently converted.