Attention of all officers is invited to Public Notice No. 03/2014 dt 20.02.2014 regarding export of prohibited items under Advance Authorisation, issued pursuant to the Board’s Circular No.04/2014-Customs dated 10.02.2014.

2. A Notification No.01/2014-Customs dated 17.01.2014 has been issued to implement changes in the Foreign Trade Policy (2009-14), notified under Notification No.51(RE-2013)/2009-2014 dated 14.11.2013 read with DGFT’s Public Notice No. 37/2009-2010(RE-2013) dt 14.11.2013, with regard to permitting the export of items which are otherwise prohibited for export, viz., items falling under Chapter 7 & 15 of ITC (HS) Schedule 2, under the Advance Authorization Scheme, with specific conditions that are more stringent than those applicable to a normal Advance Authorization. In such cases, the Advance Authorization issued by DGFT will contain specific mention of the Public Notice No. 37/2009-2014(RE-2013) dated 14.11.2013.

3. The stricter conditions that are notified under amended FTP (2009-2014) are - (a) export is subject to pre-import condition and the resultant product exported has to be manufactured out of the raw material already imported under the scheme; (b) there has to be notified SION/prior fixation of norms by Norms Committee in terms of Para 4.4.2 of HBP Vol.1; (c) the Import/Export is permitted only through specific EDI enabled ports; (d) EO period is 90 days from the date of clearance on import with no extensions; (e) facility of regularisation of bonafide defaults under para 4.28 of HBP vol.1 is not available; (f) imported material is subject to actual user
condition and no transfer for any purpose, including job work, is permitted;
(g) imported material found defective or unfit for use has to be re-exported within
thirty days, extendable by another thirty days.

4. Further, as per the amended provisions, at the time of export, an undertaking
has been prescribed to be given by the authorization holder to the effect that the
resultant product, being exported against the authorization, which is otherwise
prohibited for export, has been manufactured from the material already imported
under the authorization. This undertaking is to also contain details of imports and
exports made under the authorization. This condition has been prescribed to enable
the Customs officer to form a reasonable satisfaction that the goods under export are
not the prohibited goods. The officer shall record suitable comments in this regard in
the EDI field for departmental comments.

5. Officers and Staff should note the above instructions for strict compliance. The
Officers may also keep in view the Board’s Circular No.05/2010-Cus dated 16.03.2010
and Instruction No. 609/119/2010-DBK dt 18.01.2011, in this regard.

6. Difficulties, if any, in implementation may be brought to the notice of this
office immediately.

(Sandeep Prakash)
Commissioner

To,
As per the Customs Mailing List.

Copy submitted to:
The Chief Commissioner of Customs, Bangalore Zone, Bangalore.

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