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Derivatives Market May Be Reshaped, Swap-Desk Rule not Necessary

Debate in the U.S. Congress over whether to restrict swaps-trading by commercial banks has taken the spotlight away from other proposed derivatives rules that may soon be approved.

Lawmakers are set to negotiate a bill passed May 20 by the Senate that would require standardized derivative trades to be cleared through a third party and traded on an exchange or so- called swap-execution facility; place a fiduciary duty on dealers in transactions with municipalities; and subject the foreign exchange swaps market to regulation.

As the large Wall Street banks that dominate the $615 trillion over-the-counter derivatives market, including Goldman Sachs Group Inc. and JPMorgan Chase & Co., have focused on trying to kill the most contentious rule – one that would require them to push out their swaps-trading desks to subsidiaries– the other provisions have moved a few votes away from law.

The derivatives language is one part of the larger financial regulatory overhaul being finalized this month by House and Senate negotiators, who meet beginning this week to reconcile their bills. Congressional Democrats said they expect to have legislation ready for President Barack Obama's signature by July 4.

The Senate's version of derivatives regulation, crafted by Senator Blanche Lincoln, will need to be merged with the language in the House bill passed in December. Lincoln, 49, an Arkansas Democrat facing a runoff election on 8 June for the party's nomination, is a member of the conference committee and will play a leading role in negotiating the final language.

Beyond the House

Both bills have the clearing and exchange-trading requirements, which have drawn criticism from the banking industry for their "one size fits all" approach to regulating the market.

The proposal by Lincoln, who is chairman of the Senate Agriculture Committee, goes further than the House language by limiting the scope of the exemption for commercial institutions that use the products to hedge risk. It also adds provisions the House and Obama administration have not offered, including the fiduciary and foreign exchange requirements.

Derivatives, such as stock options, are financial instruments based on the value of another security or benchmark. Some instruments, including contracts that insured mortgage- backed bonds, have been blamed for fueling a financial crisis that led to the worst recession since the Great Depression.

Obama's Point Man

Commodity Futures Trading Commission Chairman Gary Gensler, the Obama administration's point-man on the derivatives regulation, has criticized the House bill's approach to the market for creating too many loopholes for banks to exploit. The Senate bill has a more "narrow and explicit" exemption, Gensler said in a June 3 speech in New York.

Representative Barney Frank, the author of the House bill and the top House negotiator in conference, said in an interview last month there were "votes on derivatives I lost on the floor that I would have won in today's environment."

The clearing and exchange-trading requirements alone are expected to cut into bank profits – JPMorgan Chase Chief Executive Officer Jamie Dimon, before the Lincoln proposal was released, estimated in an April conference call with investors that new derivatives rules could cost his bank between $700 million and $2 billion.

Jefferson County

The fiduciary duty requirement was crafted in response to swaps deals between Wall Street and local governments designed to keep monthly interest payments low as lending rates change. Such deals often went sour during the economic crisis, pushing one municipality, Jefferson County, Alabama, to the brink of bankruptcy, Lincoln said.

"The bill's 'fiduciary duty' provision would require swap dealers to put the financial interests of state and local governments, retirement plans, pensions and university endowments before its own, ensuring Wall Street doesn't take advantage of Main Street and taxpayers," Lincoln said in a June 4 statement provided by her office. "The stories of abuse in this area are alarming and need to be addressed."

Asset-management firm BlackRock Inc. and some of the largest business trade groups in Washington have argued that imposing a fiduciary duty on deals with municipalities may shut down a market in which, for example, public retirement funds purchase derivatives in order to manage their portfolios.

'Conflicting Interests'

"By definition, the two parties to a swap (or any other commodity transaction) have conflicting interests," a coalition of gas and energy industry groups including the American Gas Association, the Independent Petroleum Association of America and the American Wind Energy Association, said in a May letter to Senate leaders. "Mandating a fiduciary responsibility on swap dealers will prevent them from entering into swap transactions with state and local governments."

The bill includes a provision that would require swaps dealers to report price information on a timely basis to the public — a provision designed to increase price transparency. Banks have opposed the language, arguing that it could reduce market liquidity. Gensler has backed the idea, which Stanford's Duffie called one of "the most important additions" to the debate.

Lincoln also broke from the Obama administration and House in placing foreign exchange swaps under the clearing and exchange trading requirements of the bill. Gensler has supported the inclusion.

Finance Minister's Speech in G-20 Finance Ministers Meeting in Busan, South Korea on 5 June

The Framework is a signature effort of the G20 and a principal tool by which we aim to deliver in the post crisis scenario. We should recall that after St. Andrews, there was some delay in kick-starting the framework exercise. But, with the cooperation of all member countries and international organizations, we have been able to make good progress. The IMF and the World Bank have given their reports with inputs from other organizations as mandated by Leaders at Pittsburgh. The Working Group and finance deputies have considered these and we have to take some important decisions on 5 June, so that we can submit a set of policy options to the Leaders who will shortly meet in Toronto.

The market is sending strong signals that the fiscal situation is a matter of concern. While we should all not rush to fiscal exit at the same time so as not to undermine the recovery, especially since the monetary policy instrument is not very effective on account of continuing instability in financial markets, those countries that have market compulsions may need start the consolidation now. Others can "stagger in" fiscal consolidation. It is critical, however, to clearly lay down credible and transparent fiscal consolidation paths.

And, we need to act before the market forces us to do so. I may point out that fiscal deterioration is a natural corollary of deep and protracted recessions and downturns as governments try to stimulate the economy back to their true potential. This entails ceding some control to markets that have to fund the high deficits. Fiscal consolidation is a natural corollary of the recovery process, as countries can only grow their way out of high levels of public debt.

The Framework exercise highlights the importance of structural reforms as the single most effective policy tool for addressing imbalances and raising growth. Such reforms however entail building domestic political consensus in our countries as there can be short term pain. I fear that they cannot be sold unless they are seen to be creating jobs on a vast scale, as much of the recovery has been jobless in several parts of the world. I suggest that while we need to be ambitious, we need to calibrate the steps for greater acceptability.

We now need to agree on a set of policy actions from the options that have been brought before us and recommend these to the Leaders. We broadly agree with the policy options. However, a very important area that does not seem to have been considered effectively in the Framework exercise is policy options for correcting development imbalances. While growth will be central to poverty alleviation, this will not be enough. We need investments in human resource development and infrastructure in developing countries so that they can become new nodes of sustainable high growth. We need to analyse how resources will be made available. While Official Development Assistance to developing countries alone cannot meet the financing needs of developing countries, we must re-assure the world is that this will not be sacrificed at the altar of fiscal consolidation. Perhaps the second stage of the Framework could focus more on the developmental dimension.

We broadly agree with the need for refining the Mutual Assessment Process in the second stage, but we need to build a consensus on the objectives, and on the process of how to carry these forward. Since policy actions have to be taken at the country level, we have to see how this important dimension can be rolled into the Framework. However, the second stage is best considered after the Toronto Summit, where Leaders are expected to agree on the policy parameters of the first stage. Only once these parameters are clearly known can we outline the scope of the second stage. The entire exercise must be non intrusive, mutually consultative, constructive and cooperative, so that the singular unity of purpose that the G 20 has shown so far is not compromised. As co-chair in the working group on the Framework it would be our endeavour to ensure that this unity of purpose is maintained.

Dollar-Rupee rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
8-Jun-10	47.0500	47.2650	47.0025	47.0850	47.0850	592551	3443559	1622600.29	46.9500
7-Jun-10	47.3800	47.5975	47.1575	47.2125	47.2125	589972	3235323	1531599.72	47.2800
4-Jun-10	46.9000	47.0000	46.6900	46.9375	46.9375	561372	2040883	955443.84	46.6700
3-Jun-10	46.8350	46.8450	46.6150	46.8050	46.8050	593942	2926386	1367509.79	46.5200
2-Jun-10	47.1125	47.4500	47.0500	47.1125	47.1125	661031	3111570	1469767.86	47.1900
1-Jun-10	46.5325	47.3475	46.4600	47.2900	47.2900	735847	3382439	1591344.31	46.6900

[Source: NSE and RBI Website]

India SACU Deal Soon

Speaking at the Interactive Session of CEOs with the President of South Africa, Mr. Jacob Zuma, here today, Anand Sharma, Union Minister of Commerce & Industry, has informed that the talks for the Preferential Trade Agreement (PTA) between India and South African Customs Union (SACU) are expected to conclude soon. He further added that the agreement will also pave the way for India and South Africa to engage with other South countries. The interactive session was attended by the South African Trade & Industry Minister Mr. Rob Davies; business leaders and senior officials from both the countries.

On the investment perspective, Mr. Sharma said that South Africa is one of the most attractive destinations for Indian investors and many Indian companies in the agro-processing, pharmaceutical, energy, tourism, mining, film industries etc. have established their footprint. The Minister called on the South African investors to take full advantage of the present investment climate in India particularly in the sectors like infrastructure, infotech, banking, services and insurance etc.

During his interaction, Mr. Sharma highlighted the bilateral opportunities in the small and medium enterprises (SME) sector and informed that SME sector accounts for a large share of India's industrial output, employment and exports. "The situation is a lot similar in South Africa as well. Looking at the existing situation and background of SMEs in both countries, there are immense opportunities of cooperation and strategic alliances in SME sector, which could be in the form of joint ventures, technology collaborations or marketing tie-ups", the Minister stated.

The major items of exports to South Africa are petroleum, drugs, pharmaceuticals & fine chemicals, transport equipments, electronic goods, machinery etc. The major items of imports from South Africa are Gold, coal, Coke, inorganic chemicals, non-ferrous metals, pulp & waste paper etc.

India's total foreign direct investment (FDI) inflows (equity inflows + reinvested earnings and other capital) during the financial year 2009-10 was to the tune of US $ 34,167 million. Top sectors attracted FDI inflows are: services, computer software & hardware, housing & real estate, power, automobile, chemicals etc.

First Quarter of 2010 sees Trade Value Rise by about 25%

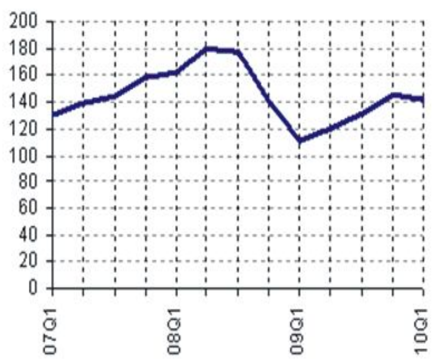
The value of world merchandise trade was around 25% higher in the first three months of 2010 than in the same period of 2009, according to WTO figures released on 2 June 2010. Global exports rose by 27%, while imports rose slightly less, at 24%. These are "year-on-year" quarterly comparisons.

In comparison with the last quarter of 2009 ("quarter on quarter"), the figures show a slight decrease [1].

Technically, these data refer to "current" US dollars, ie, they are not adjusted for inflation. Therefore, they cannot be compared with the annual trade growth figures headlined in the **26 March 2010 press release**. These headline figure use "constant" dollars, with inflation taken into account.

Chart 1: World merchandise exports, first quarter 2007 to first quarter 2010

Indices, first quarter 2005=100

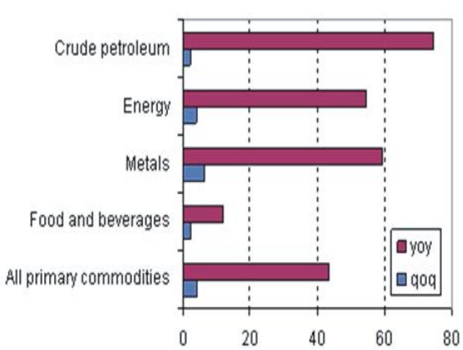


Overview of regional trade flows

Fuelled by Asia's demand and commodity prices, exports of Africa, the Middle East and the Commonwealth of Independent States were more than 50% higher than in the corresponding period of 2009.

Chart 3: Commodity price developments, first quarter 2010

Percentage change



Available monthly statistics for about 70 economies representing about 90% of world trade show that merchandise trade declined in January and February 2010, then rose sharply in March.

Chart 2: Monthly merchandise trade, aggregate of 70 economies

Indices, January 2008=100

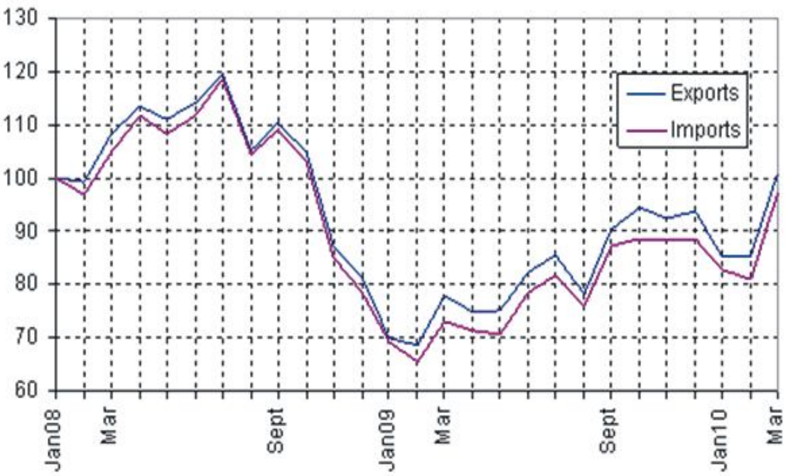


Table 1: World merchandise trade by region and selected economies, Jan-Mar, 2010

Percentage change in current US dollars, year-on-year and quarter-on-quarter

Exports			Imports	
Y-o-Y	Q-o-Q		Y-o-Y	Q-o-Q
27	-3	World (a)	24	-2
23	1	North America	22	-1
20	1	United States	21	-2
24	4	Canada	22	1
28	-1	South and Central America	19	-1
26	-5	Brazil	36	4
18	-5	Europe	16	-3
18	-5	European Union (27) (b)	16	-3
16	-4	intra EU	16	-4
22	-7	extra EU	16	-1
54	-6	Commonwealth of Independent States (CIS)	13	-24
62	-3	Russian Federation	18	-25
53	2	Africa and the Middle East	9	-7
34	-4	Asia (a)	45	1
29	-11	China	65	3
33	13	India	55	3
48	1	Japan	23	2
39	0	Six East Asian traders (c)	48	4

a Includes significant re-exports or imports for re-exports.

b "Intra EU" is trade within the EU; "extra EU" is trade between the EU and non-EU economies.

c Hong Kong, China (excluding re-export trade), Republic of Korea, Malaysia, Singapore, Taipei, Chinese, and Thailand.

1. WTO short-term merchandise trade values are not seasonally adjusted. Seasonal patterns therefore considerably affect the quarter on quarter (Q-o-Q) and month on month (M-o-M) developments in world trade, and this in turn affects comparisons between the trade developments in individual regions and economies.

Source: IMF

Geneva Agreement Signed on Banana Trade; Bilaterals Cut Tariffs Further

Trade negotiators opened bottles of champagne in Geneva on Monday as they formally signed the Geneva Agreement on Trade in Bananas, thus laying to rest one of the most protracted and bitter disputes in the multilateral trading system's recent history. However, delegates also acknowledged that the EU's tariff on bananas from Peru, Colombia and six Central American countries will be slashed still further, following recent bilateral deals with these nations.

The Geneva Agreement on Trade in Bananas cuts the EU's multilateral banana tariff in gradual steps from €176 per tonne to €114 per tonne by 2017. However, the recent bilateral accords offer preferential treatment to Colombia and Peru, and to Costa Rica, Guatemala, Honduras, El Salvador, Nicaragua and Peru: exports from these countries will face a duty of 75 euros per tonne by 2020, again in a series of incremental reductions.

The multilateral Geneva accord lays to rest decades of conflict between trading powers, with a clause stating that parties agree a truce on any ongoing or future WTO disputes on the matter. "We did actually open a few bottles of champagne after the signing ceremony" acknowledged one delegate.

Because the deal will apply retrospectively from 15 December 2009, the date when the accord was first initialled at WTO headquarters in Geneva, exporters will be able to claim compensation for duties paid at the higher level since last December, trade officials said.

The EU's newly ratified Lisbon treaty means that the agreement now must be approved by the European Parliament and also the bloc's Council of Ministers, before returning to the WTO for approval of the new tariff arrangements. Sources familiar with the process suggested that this could take place by early autumn.

"Systemic issues"

The bilateral deals that the EU has recently concluded with Latin American countries raise "systemic issues," said one negotiator from the group of African, Caribbean and Pacific (ACP) countries that have opposed faster and deeper cuts in the EU banana tariff, on account of the harm it could cause to less competitive producers in these regions that have historically benefited from preferential access to the EU market. "Other countries would also be interested in having a low tariff," remarked the negotiator.

ACP countries and Latin American countries have been at loggerheads in the Doha Round of trade talks, with the latter group seeking accelerated and deeper cuts for a range of products, and the former seeking the opposite. While an outline accord was reportedly struck by the two groups as part of the resolution of the banana dispute, its details have yet to be made public. "It has been lodged with the chair of the WTO negotiating group, and the Director-General, and it just stays there" until a few outstanding issues are resolved, said one negotiator.

India and Pakistan in particular reportedly have some concerns with the deal that has been reached, said delegates, who indicated that the two nations were still seeking more favourable market access for a number of tariff lines that were of particular interest to them.

Bilateral accords

The bilateral accords provide a mechanism for the EU to increase tariff levels in any given year if a 'trigger import volume' is reached - effectively establishing a quota mechanism that will limit the volume of imports entering the EU market.

Ecuador, the world's biggest banana exporter, is not currently a party to the bilateral accords - although sources speculated that the country might also wish to benefit from the reduced tariff now on offer to its neighbours in the region. Historically, Ecuador has underscored the need for any bilateral deal to cover broader development issues, such as migration, international cooperation and illegal drugs, rather than just focusing more narrowly on trade liberalisation.

G-20 Split on Increasing Bank Capital, Official Says

The Group of 20 nations is split on the scale and timing of increases in bank-capital requirements that have been under discussion since governments were forced to bail out lenders, an official from a G-20 government said.

Countries such as the U.S. whose economies are largely financed by markets want banks to be required to hold more assets on their balance sheets to buffer against future crises, said the official, who will attend this weekend's talks of G-20 finance chiefs in Busan, South Korea. Policy makers in continental Europe, where banks provide more financing, are concerned that too-high reserves risk choking off growth, the official told reporters on condition he not be named.

At stake for banks is the potential need to raise as much as $375 billion in fresh capital under the proposals being discussed, according to estimates by UBS AG. U.S. Treasury Secretary Timothy F. Geithner signaled a possible compromise this week, saying banks may be able to put off the step under a transition period.

December Deadline

The G-20 countries, which collectively account for about 85 percent of global gross domestic product, have set themselves a December deadline to agree on new rules on capital and liquidity following the worst financial crisis since the Great Depression.

G-20 officials have also indicated divisions over a proposal backed by some European nations to impose a levy on banks. India's Finance Minister Pranab Mukherjee said in an interview in Busan that using regulatory measures "instead of taxing the banking system is better," days after Canada's government said most G-20 members are considering methods other than a tax to ensure taxpayers don't pay for future bailouts.

Geithner Tells G-20 Reliance on U.S. Will Curb Growth

Treasury Secretary Timothy Geithner told his Group of 20 counterparts that the pace of the global recovery depends on domestic demand in Japan and Europe, and countries shouldn't rely on spending by U.S. consumers.

"The necessary shift towards higher savings in the United States needs to be complemented by stronger domestic demand growth in Japan and in the European surplus countries, and sustained growth in private demand" and end to the yuan peg in China, Geithner wrote in a letter before a two-day G-20 meeting in Busan, South Korea that ends on 5 June.

Geithner's remarks underscore signs of differences over how quickly to rein in public spending, with the Treasury chief warning that fiscal tightening won't "succeed unless we are able to strengthen confidence in the global recovery." French Finance Minister Christine Lagarde said on 4 June that budget consolidation is "priority No. 1" for most G-20 members.

G-20 central bankers and finance ministers will address in their communique today the need for fiscal consolidation in key advanced economies, while acknowledging the need to tailor exit strategies to individual circumstances, an official from one of the members told reporters on 5 June in Busan.

G-20 Communique

The G-20 will also say that while global growth has been faster than they expected, volatility in financial markets has highlighted challenges to the recovery, the official said on condition of anonymity.

Germany, Europe's biggest economy, plans to start its exit from economic stimulus next year after conducting an "expansive" policy in 2010, a German government official told reporters on 4 June on condition of anonymity.

Concerns of Greece's sovereign-debt crisis spreading to other European nations have pushed down the value of the euro, allowing for cheaper exports from the euro zone. The currency shared by 16 European Union members on 4 June touched $1.1956, its lowest level since 2006, and has depreciated 16 percent since the year began.

France Cheers

There's been "a lot heat, a lot of heat," in the G-20 talks, Shin Je-Yoon, deputy minister for international affairs at South Korea's finance ministry, told reporters on 5 June. "Many minis-

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Anti-dumping Investigation Initiated on Caustic Soda from Thailand, Chinese Taipei and Norway – Normal Value Taken from International Publication to Establish Dumping Margin

[Ref: F. No.14/1/2010-DGAD dated 31st May 2010]

Sub: Initiation of anti-dumping investigation on imports of Caustic Soda originating in or exported from Thailand, Chinese Taipei and Norway.

Alkali Manufacturers Association of India, New Delhi have filed an application before the Designated Authority (herein after referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on dumped articles and for determination of injury) Rules, 1995 (herein after referred to as Rules) for initiation of anti dumping investigation concerning alleged dumping of Caustic Soda (hereinafter referred to as subject goods) originating in or exported from Thailand, Chinese Taipei and Norway (hereinafter referred to as subject countries) .

2. AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of subject goods by the subject countries, injury to the domestic industry and causal link between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping, and consequential injury to the domestic industry in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

Domestic Industry

3. The application has been filed by Alkali Manufacturers Association of India, New Delhi as domestic industry. Information relevant to the present investigation has been provided on behalf of participating producers. The production of the applicant companies and that of companies expressing support for the petition, taken together, account for 64.81% of total Indian production during the POI.

The Authority has prima facie determined that (a) production of the participating companies and supporting companies taken together constitute a major proportion of Indian production and; (b) the application has been made by or on behalf of the domestic industry.

4. The Authority after examining the above, prima facie determines that the petitioner constitutes domestic Industry within the meaning of the rule 2(b) read with 2(d) and the application satisfies the criteria of standing in terms of Rule 5 of the Rules.

Product under consideration

5. The product under investigation in the present case is Sodium Hydroxide commonly known as Caustic Soda (also referred to as subject goods hereinafter), originating in or exported from Thailand, Chinese Taipei and Norway. Caustic Soda is an inorganic chemical and is soapy, strongly alkaline, odourless chemical and finds application in manufacture of pulp and paper, newsprint, viscose yarn, aluminum, cotton, laundry soaps, detergent, dyestuffs, drugs and pharmaceuticals, petroleum refining, etc. Caustic Soda is available in two forms i.e. Lye and solids. The present investigation covers all forms of Caustic soda.

6. Caustic Soda is classified under ITC(HS) Codes 2815.11 and 2815.12. The classification is, however, indicative only and is in no way binding on the scope of the present investigation.

Like Articles

7. The applicant has claimed that the goods produced by them are “like articles” to the goods originating in or exported from the subject countries. The subject goods produced by the domestic industry and imports from subject countries are comparable, technically and commercially substitutable in terms of physical, technical specifications, functions or end-uses. Therefore, for the purpose of investigation, the Caustic Soda produced by the applicant companies is being treated as like articles of Caustic Soda imported from subject countries within the meaning of the Anti Dumping Rules.

Countries involved

8. The countries involved in the present investigation are Thailand, Chinese Taipei and Norway.

Dumping

Normal Value

9. For the purpose of normal value, the petitioner has relied upon the data relating to domestic prices of the subject goods in subject countries , sourced from Harriman Chemsult, which is a leading international consulting company in market trends and pricing in various chemicals and which publishes prices of Caustic Soda in different parts of the world.

10. For the purpose of initiation, the Authority has prima-facie considered the normal value of subject goods in subject countries as claimed by the petitioner.

Export Price

11. Petitioner have claimed export prices on the basis of transaction-wise import data in respect of subject countries obtained from IBIS. Adjustments have been claimed on ocean freight, marine insurance, THC charges, inland freight and commission to arrive at the export price at ex-factory level. The Authority considers the said data furnished by the petitioner as sufficient prima facie evidence of the net export price of the subject goods from the subject countries for the purpose of initiation.

Dumping Margin

12. There is sufficient prima facie evidence that the normal values of the subject goods in the subject countries are significantly higher than the net export prices indicating prima-facie that the subject goods are being dumped by the exporters from the subject countries. Normal value and export price have been compared at ex-factory level which shows significant dumping margin in respect of subject countries.

Injury and Causal Link

13. The petitioner has furnished information on various parameters relating to material injury. The applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of fall in capacity utilization and negative return on capital employed and substantial decline in profitability because of increased volume of dumped imports, price undercutting and price underselling from the subject countries. There is sufficient prima-facie evidence of the material injury being suffered by the domestic industry and the same being caused by dumped imports from subject countries.

Period of Investigation

14. The period of investigation (POI) is 1st October, 2008 to 31st December 2009 (15 months) for the purpose of present investigation. The injury investigation will however cover the periods April, 2006–March, 2007, April, 2007-March, 2008, 2008-09 and the POI.

Submission of information

15. The exporters and importers known to be concerned and domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other party interested to participate in the present investigation may write to:

The Designated Authority
(Directorate General of Anti-Dumping & Allied Duties), Government of India, Ministry of Commerce & Industry, Department of Commerce
Udyog Bhavan, New Delhi-110011.

Time limit

16. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the facts available on record in accordance with the Rules supra.

Inspection of Public File

17. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

18. All interested parties shall provide a confidential and non-confidential summary in terms of Rule 7 (2), for the confidential information provided as per Rule 7 (1) of the Rules supra.

19. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Governments as deemed fit.

Domestic Value of Warehousing Sale of Imported Goods is not Transaction Value Sale is not in the Course of International Trade

Subject: Determination of value under Section 14 of the Customs Act, 1962 in respect of sale of warehoused goods – clarification regarding.

11-CBEC 03.06.2010 (DoR) The prevalence of divergent practices in field formations with respect to the determination of assessable value of imported goods that are warehoused under Section 58/59 of the Customs Act, 1962 and sold before being cleared for home consumption has been brought to the notice of the Board. While one view is that the sale of imported goods after warehousing does not affect the valuation of imported goods, the other view is that the price at which the original importer has sold the goods, before a Bill of Entry for home consumption is filed, should be taken as the assessable value of the imported goods under Section 14 of the Act, ibid.

2. The matter has been examined by the Board in the light of provisions of Section 14 (1) of the Customs Act, 1962 as well as the relevant pronouncements of Hon'ble Supreme Court. Section 14, at present, reads as:

"For the purposes of the Customs Tariff Act, 1975 (51 of 1975), or any other law for the time being in force, the value of the imported goods and export goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, or as the case may be, for export from India for delivery at the time and place of exportation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such other conditions as may be specified in the rules made in this behalf."

2.1 The current Section 14 states that the value of the imported goods shall be the transaction value of goods, that is to say, the price actually paid or payable for the goods *when sold for export to India* for delivery at the time and place of importation. The sale of goods after warehousing them in India cannot be considered a *sale for export to India*. It cannot be stated that the export of goods is not complete even after the imported goods were cleared for warehousing in the country of import. Thus, the price at which the imported goods were sold after warehousing them in India does not qualify as the price actually paid or payable for the goods *when sold for export to India* for delivery at the time and place of importation and, hence, the value at which such transaction takes place will not qualify as the transaction value, as per Section 14.

3. For the period prior to October 2007, Section 14 read as:

"For the purposes of the Customs Tariff Act, 1975 (51 of 1975), or any other law for the time being in force, where-under a duty of customs is chargeable on any goods by reference to their value, the value of such goods shall be deemed to be the price at which such or like goods are ordinarily sold, or offered for sale, for delivery at the time and place of importation or exportation, or as the case may be, in the course of international trade -".

3.1 The sale of imported goods made after warehousing cannot be considered to have been made *in the course of international trade* and hence, the price at which such sale takes place is not a price at which such or like goods are ordinarily sold, or offered for sale, for delivery at the time and place of importation, in the course of international trade, in terms of Section 14.

4. The CBEC manual also states at Para 15 of Chapter 10 that:

"The rate of duty applicable is as per provisions of Section 15 of the Customs Act i.e. on the date on which the goods are actually removed from the warehouse. However, when the warehousing period or the extended warehousing period has expired, the duty payable is with respect to the date when the warehousing/ extended warehousing period expired and not the actual date of removal. In so far as value for assessment of duty for warehoused goods is concerned, it is not required to be re-determined and it is the original value as determined at the time of filing of Into-Bond Bill of Entry and assessments done before warehousing."

5. In this connection, the decision of Hon'ble Supreme Court in the case of Garden Silk Mills [1999 113 ELT 358 SC] was also examined. Hon'ble Supreme Court had held in the case of Garden Silk Mills that "— the value has to be determined with relation to time when physical delivery to the importer can take place. Physical delivery can take place only after Bill of Entry, inter alia, for home consumption is filed and it is the value at that point of time which would be relevant —". However, in the case of Garden Silk Mills, the Court was considering the issue of includibility of landing charges in the assessable value of imported goods. The goods in that case were cleared for home consumption after import and no warehousing or sale was involved before clearance of the imported goods. The issue of whether sale of imported goods after warehousing would constitute a sale in the course of international trade was not an issue before the Hon'ble Court. Thus, the main issue involved as well as the facts and circumstances of the present case are not identical to those of Garden Silk Mills case. Hence, the rationale of the said case cannot be applied to the present case.

6. Further, Board had examined the valuation of goods sold on "high-seas-sales" basis and had issued Circular 32/2004 Customs dated May 11, 2004 stating that in such case, the actual high-seas-sale-contract price paid by the last buyer would constitute the transaction value under Rule 4 of Customs Valuation Rules, 1988 and inclusion of commission on notional basis may not be appropriate and that, however, the responsibility to prove that the high-seas-sales-transaction constituted an international transfer of goods lies with the importer. The facts and circumstances of a sale of warehoused goods are not similar to the case of "high-seas-sales" since the sale/transfer of imported goods after warehousing cannot be considered to have been made in the course of international trade. Further, the above-referred circular had clarified that the inclusion of commission on notional basis may not be appropriate even in case of "high-seas-sales". Therefore, the question of adding any amount on notional basis in the case of goods already warehoused in India and sold subsequently would not arise.

7. Thus, in the case of sale of imported goods after they are warehoused on Indian territory, the value at which such transaction took place will not qualify as the transaction value, as per Section 14.

8. Pending assessments on the issue, if any, should be finalized accordingly.

9. Difficulties, if any, faced in the implementation of this circular, may be immediately brought to the notice of the Board.

F. No. 465/6/2010-Cus.V

Pharmacopeia Nomenclature Treated as Interchangeable for Export Product for Fulfillment of Export Obligation

Subject:-Inter-changeability of pharmacopeia suffix USP/EP/BP/JP/IP with the export product for fulfillment of Export Obligation.

35-Pol.Cir 03.06.2010 (DGFT) PHARMEXCIL has represented that if an exporter has been issued an Advance Authorization for an export product suffixing one pharmacopoeia say USP and at the time of redemption of Advance Authorization, the exporter submits the export documents containing the export product suffixing another pharmacopoeia, say BP, the Zonal/ Regional offices sometimes do not accept such exports towards fulfillment of export obligation. It has been suggested that the pharmacopoeia standard other than mentioned in the licenses should be considered towards fulfillment of export obligation, i.e., pharmacopoeia, viz., USP/ EP/BP/JP may be treated as interchangeable.

2. The matter has been considered by the concerned Norms Committee. It was noted that General Note No.4 for 'Chemical and Allied Products' already existing in Hand Book of Procedure Vol. II reads as under:-

"In respect of drug items, export products have been described with/without suffix such as IP, BP, USP. While issuing licenses, suffix as such IP, BP, USP, depending upon the suffix used in the export order, may be added along with the description of the export product."

3. From the above, it is seen that even if a firm does not use any suffix, they are allowed to

export the product with suffix BP or JP or USP as the case may be. It is thus clarified here that if an advance authorization is issued for the export product suffixing pharmacopeia say USP, the export documents containing the export product suffixing any other pharmacopoeia, viz., BP or EP or JP or IP may also be accepted towards fulfillment of export obligation against relevant Advance Authorization. Thus pharmacopeia IP, BP, EP, JP, or USP may be treated as interchangeable for the purpose of fulfillment of export obligation.

4. This issues with the approval of Director General of Foreign Trade.

Contact Details of Nodal Officer in Textile Committee for Knowing Test Reports Status

The following Facility Notice was issued by the Commissioner of Customs (Import) Jawaharlal Nehru Customs House on 6th May 2010.

Sub: Information of Nodal Officer in Textile Committee for knowing the status of the Customs sample received for testing.

54-FN
06.05.2010

In order to facilitate speedy clearances wherein Test Reports/NOC from other agencies is required a meeting was convened on 15.04.2010 between various stakeholders, trade representatives and members/representatives of allied agencies.

During the discussion, it has been decided to nominate a Nodal Officer in Textile Committee for knowing the status of the Test Reports of Custom samples received for testing. Accordingly the details of the Nodal Officer provided by Textile Committee is as follows:-

1) Name: B.S.PATIL
2) Designation: Assistant Director (Labs.)
3) Telephone No.: 022-66527541
4) Enquiry Time: 11.00 AM TO 1.30 PM

(for Knowing the status of the Test Reports)

It should be noted that the enquiry can be made up only after 2-3 working days of the receipt of the sample.

The contents of this notice may please be brought to the notice of all the importers and representatives of the trade.

F.No. S/22-Misc- 93/2010 AM (I)

Change of Nagpur Jt. DGFT Office Address

Subject: Change of Office address of Regional Authority, Nagpur.

71-PN(RE)
03.06.2010
(DGFT)

In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy 2009-2014, the Director General of Foreign Trade hereby makes the following amendment/ addition in the List of Regional Authorities given under Appendix 1 of Handbook of Procedure (Vol. I) 2009-2014:

SNo.	Name & address	Telephone No./ Fax No./ E-mail	Territorial Jurisdiction
19(B)	The Joint Director General of Foreign Trade, New Secretariat Building, 1st floor, East Wing, Opp. VCA Ground, Civil Lines, Nagpur-440001.	Tel-0712-2541256 Fax-0712-2541451 e-mail- dgftnagpur@rediffmail.com	i) Districts of Maharashtra- Akola, Amravati, Buldhana, Bhandara, Chandrapur, Gadchiroli, Gondiya, Hingoli, Nagpur, Wardha, Washim and Yavatmal ii) Districts of Madhya Pradesh - Balaghat, Betul Chhindwara and Seoni.

This issues in public interest.

No Export of Zero Excise Duty Goods with Excise Bond under Rule 19(3)

24-CE(NT)
26.05.2010
(DoR)

In exercise of the powers conferred by rule 19 of the Central Excise Rules, 2002, the Central Board of Excise and Customs hereby makes the following further amendment in the notificatio of the Government of India in the Ministry of Finance, (Department of Revenue) No.42/**2001-Central Excise (N.T.), dated the 26th June 2001**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 471(E) dated the 26th June, 2001, namely:-

1. In the said notification, in **Paragraph 1**, after **Condition (iii**), the following Condition shall be inserted, namely: -

"(iv) that export of excisable goods which are chargeable to nil rate of duty or are wholly exempted from payment of duty, other than goods cleared by a hundred per cent export-oriented undertaking, shall not be allowed under this notification;"

F.No. 209/04/2009-CX.6

Corrigendum to Public Notice No. 64/2009-14 dated 18th May, 2010

70-PN(RE)
31.05.2010
(DGFT)

In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy,2 009-14 and Paragraph 1.1 of Handbook of Procedures (Vol.1), the Director General of Foreign Trade hereby makes the following correction to Public Notice No. 64/2009-14 dated 18th May, 2010 related to grant of Free Sale and Commerce Certificate.

2. The word 'Annexure 39-A' appearing in second paragraph within quotes under Paragraph 2 of Public Notice No. 64/2009-14 dated 18th May, 2010, may be substituted and read as 'Appendix 39-A'.

3. This issues in public interest.

IT Units in DTA can Carry out their Job Work in SEZ Units

[Instruction No. 58 – No. D-12/21/2010-SEZ dated 21th May 2010]

58-SEZ Cir.
21.05.2010

In Partial modification of the Instruction No. 55 dated 5th May, 2010 issued by the Department of Commerce on the above mentioned subject, this is to clarify that off-site employees of SEZ may be permitted to work from home or from place outside the SEZ subject to the same conditions as prescribed in the instruction.

2. IT units in DTA can carry out their job-work in a SEZ unit by following the procedure as laid down in Rule 43, of SEZ Rules 2006.

Service Export Promotion Council Office Shifted to Apparel House in Gurgaon

Subject: Shifting of the Office of Services Export Promotion Council (SEPC).

72-PN(RE)
03.06.2010
(DGFT)

In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy, 2009-2014, the Director General of Foreign Trade hereby makes the following amendment at column 3 of S. No. 22 in the List of Export Promotion Councils/ Commodity Boards/ Export Development Authorities given under Appenidx-2 of Handbook of Procedures(Vol.1) 2009-2014:-

Services Export Promotion Council
Head Office
509-511 and 514-518,
5th Floor, Apparel House,
Institutional Area, Sector-44,
Gurgaon-122003
Tel: +91-124-2587666-68
Fax: +91-124-2587667
E-mail: services.epc@gmail.com
Website: www.servicesepc.org

2. This issues in public interest.

Zero Duty Concession for Special Yarn for Bullet Proof Jackets

Ntfn 66
04.06.2010
(DoR)

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments, in the notification of the Government of India in the Ministry of Finance (Department of Revenue), **No.39/96-Customs, dated the 23rd July, 1996**, published vide G.S.R. 291(E), dated the 23rd July, 1996, namely:-

In the said notification, in the TABLE, after **S.No.33** and the entries relating thereto, the following S.No. and entries shall be **added**, namely:-

(1)	(2)	(3)
"34	Ballistic grade aramid yarn	If,- (a) the goods are imported by a manufacturer for use in the manufacture of Ballistic grade aramid fabric; (b) the procedure laid down in the Customs (Import of Goods at concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996 is followed while importing the goods;and (c) the importer, at the time of importation, in each case, furnishes to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, an undertaking that such aramid fabric shall be supplied only to a manufacturer of bullet proof jackets for further supply to the armed Forces of the Union under the Ministry of Defence or the Police Forces of the States or the Union territories. **Explanation. –** The expression "Police Forces of the States or the Union-territories" shall include the Central Reserve Police Force, the Indo-Tibetan Border Police Force, the Special Services Bureau, the Border Security Force, the Central Industrial Security Force and the National Security Guards maintained or constituted under the Central Reserve Police Force Act, 1949 (66 of 1949), the Indo-Tibetan Border Police Force Act, 1992 (35 of 1992), the Border Security Force Act, 1968 (47 of 1968), the Central Industrial Security Force Act, 1968 (50 of 1968) and the National Security Guard Act, 1986 (47 of 1986)."

[F.No. 354/42/2010-TRU]

Zero Excise Duty for Special Yarn and Fabric for the mfr of Bullet Proof Jackets

27-CE
04.06.2010
(DoR)

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957), Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.**64/95-Central Excise, dated the 16th March, 1995** , published vide number G.S.R.256(E), dated the 16th March, 1995, namely:-

In the said notification, in the Table, after the serial number **26** and the entries relating thereto, the following serial number and entries shall be **added**, namely:-

(1)	(2)	(3)
"27	Ballistic grade aramid yarn	If,- (a) the goods are used in the manufacture of Ballistic grade aramid fabric required for the manufacture of bullet proof jackets for supply to the armed forces of the Union under the Ministry of Defence or the Police Forces of the States or the Union- territories; (b) the procedure laid down in the Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001, is followed ; and (c) it is proved to the satisfaction of an officer not below the rank of the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction in the matter that such goods are intended to be used for the purpose specified at (a) above. "
28	Ballistic grade aramid fabric	If,- (a) the goods are used for the manufacture of bullet proof jackets for supply to the armed forces of the Union under the Ministry of Defence or the Police Forces of the States or the Union-territories; (b) the procedure laid down in the Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001, is followed ; and (c) it has been proved to the satisfaction of an officer not below the rank of the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction in the matter that such goods are intended to be used for the purpose specified at (a) above. "

[F.No.354/42/ 2010-TRU]

Vietnam Included in Indo-ASEAN FTA Duty Concession List

Ntfn 65
01.06.2010
(DoR)

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), **No. 153/2009-Customs, dated the 31st December, 2009** which was published in the Gazette of India, Extraordinary, vide number G.S.R. 944 (E), dated the 31st December, 2009, namely:-

In the said notification, in the **Appendix I,** after serial number 3 and the entries relating thereto, the following serial number and entry shall be **inserted**, namely:-

S. No.	Name of the Country
"4	Vietnam"

[F. No. 354/64/2003-TRU (Pt.I)]

Beware of Fictitious Offers for Forex Remittance, Says RBI

Sub: Remittance towards participation in lottery, money circulation schemes, other fictitious offers of cheap funds, etc.

AP(DIR Srs)
Cir.54
26.05.2010
(RBI)

Attention of Authorized Dealer Category - I (AD Category - I) banks is invited to the A.P. (DIR Series) Circular No. 22 dated December 7, 2000, A.P. (DIR Series) Circular No. 02 dated July 27, 2001 and A.P. (DIR Series) Circular No. 49 dated June 4, 2002 in terms of which it was advised that remittance in any form towards participation in lottery schemes are prohibited under the Foreign Exchange Management Act, 1999. Further, these restrictions are also applicable to remittances for participation in lottery like schemes existing under different names like money circulation scheme or remittances for the purpose of securing prize money/awards, etc.

2. It is observed that there has been a spate of fictitious offers of cheap funds in recent times from the fraudsters through letters, e-mails, mobile phones, SMS, etc. Communications on fake letterheads of the Reserve Bank and purportedly signed by its top executives / senior officials are also being sent to targeted people. Many residents have been victims of such teasing offers and lost huge money in the process. The Reserve Bank has already alerted the public on several occasions about such fictitious schemes/ offers, through the print and the electronic media and more such public education campaigns are being planned.

3. It has been brought to the notice of the Reserve Bank that fraudsters are seeking money from the gullible people, under different heads, such as, processing fees/ transaction fees / tax clearance charges / conversion charges, clear-

ing fees, etc. The victims of the fraud have also been persuaded to deposit the amount in accounts with banks in India, and such amounts have been withdrawn immediately. It is also observed that multiple accounts are being opened in the name of individuals or proprietary concerns, at different bank branches for collecting the transaction charges, etc. AD Category - I banks are, therefore, advised to exercise due caution and to be extra vigilant while opening or allowing transactions in such accounts. It is clarified that any person resident in India collecting and effecting / remitting such payments directly /indirectly outside India would make himself/ herself liable to be proceeded against with, for contravention of the Foreign Exchange Management Act, 1999 besides being liable for violation of regulations relating to Know Your Customer (KYC) norms / Anti Money Laundering (AML) standards.

4. AD Category-I banks may also bring the contents of this circular to the notice of their constituents and customers concerned. Authorised Dealers may also give wide publicity to the instructions contained in the A.P. (DIR Series) Circulars referred to above and the Press Releases issued by the Reserve Bank of India dated December 07, 2007 and July 30, 2009 on Fictitious Offers/Lottery Winnings/ Cheap Fund Offers (copies enclosed).

5. The directions contained in this circular have been issued under sections 10(4) and 11 (1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Guidelines for Ship Breaking Units

The following Public Notice was issued by the Commissioner of Customs (Import) New Customs House, Mumbai on 18th May 2010.

1. Some of the important guidelines framed by the Hon'ble Court in the above referred Writ Petition
2. Process for Anchoring
3. Process of Beaching
4. Boarding of the Vessel
5. Rummaging
6. Filing of Bill of Entry
7. Examination of Vessel
8. Assessment of Bill of Entry
9. Final Destruction of Wireless Equipment

Annexures

1. Refusal of NOC for Anchorage
2. Refusal of NOC for beaching after physical examination of the vessel
3. List of documents to be submitted by the importer to the Group AC for assessment of the Bill of Entry
4. Undertaking.

19-PN 18.05.2010 The import of Vessels and other floating structures for breaking up (hereinafter called 'Vessels' or 'Ships') is permitted under "Free Importability" as per the provisions of the Foreign Trade Policy, 2009-2014. All ocean going vessels, whether Indian or Foreign Flag, sold for scrapping purposes are treated as vessels imported into India and shall be liable to customs duty under Heading No.89080000 of CTA, 1975 at the rates prevailing as per provisions of Section 15 of the Customs Act, 1962.

2. The Hon'ble Supreme Court, by the Order dated 17.02.2006 in the Writ Petition No 657/ 1995, had constituted a Committee of Technical Experts (CTE) to study the entire gamut of deficiencies in the infrastructure for carrying out the ship breaking activities and to recommend the procedure to be followed in the case of Import of such Vessels for breaking up. While delivering the Order dated 06.09.2007, the Hon'ble Supreme Court pronounced that the Government of India shall formulate a Comprehensive Code incorporating the recommendations made by the Committee of Technical Experts (CTE) and until the code comes into play, the recommendations of the CTE shall be operative by virtue of this order and the Maritime Board, State Pollution Control Board, Officials of the Customs Department, National Institute of Occupational Health shall oversee the arrangement and implementation of the recommendations of CTE. The Collector of the concerned District shall be associated when the actual dismantling takes place.

3. Some of the important guidelines framed by the Hon'ble Court in the above referred Writ Petition are:

(i). The vessel owner or recycler should submit specified documents well in advance of the arrival of the vessel for recycling for a desk review by the Port Trust in consultation with State Pollution Control Board and Customs department.

(ii) After the desk review, a decision will be taken regarding permission for anchorage of the vessel. In case, permission is refused by any of these three agencies, the vessel owner would be entitled to both review and appeal.

(iii) Once a decision is taken to accord permission for anchorage, instructions for safe anchorage would be issued by the Port Trust.

(iv) At anchorage, the vessel would be boarded by representatives of Customs Department / State Pollution Control Board / Explosives Dept / Atomic Energy Research Board to verify the submissions / data provided for desk review.

(v) After verification, beaching permission will be given by Port Trust based on clearance granted by the above agencies. Here again, review and appeal mechanism is suggested.

4. Even though, this judgment was delivered with respect to the ship breaking activities in Alang Port, Gujarat, the Hon'ble Supreme Court had specifically mentioned that such mechanism shall also apply to other ship breaking activities in other coastal states also.

5. After consulting all the stake holders, including the officers of Customs from other sections, Maharashtra State Pollution Control Board (MSPCB), Mumbai Port Trust (MbPT), and the trade, the present practice of assessment of Bills of Entry for clearance of vessels for breaking up is formulated and the present Public Notice is issued in supercession of the existing instructions.

6. Process for Anchoring

6.1 As per Para 3.1 of the Supreme Court's order dated 06.09.2007, the importer should submit the following documents well in advance of the arrival of the vessel for desk review by the MbPT in consultation with MSPCB and Customs Department :

a) Name of the Ship
b) IMO Identification No.
c) Flag
d) Call Sign
e) Name of the Master of the Ship and his nationality
f) List of the crew
g) GRT/NRT/LDT of the ship with supporting documents
h) Ship Registration Certificate
i) A report by the importer on his assessment of hazardous wastes / hazardous substances on board of the vessel and with regard to the structure of the ship, as far as practicable by reference to the ship's drawings, technical specifications, stores, manifest in consultation with the ship builder, equipment manufacturers and others as appropriate. In the case of ships of special concern, in addition to identification, the marking of all areas containing hazardous wastes / substances, would also be necessary.

6.2 On receipt of all the above mentioned documents from the importer, the Superintendent of Customs, Preventive (General), under the jurisdictional control of Commissioner of Customs (General), will undertake the desk review for granting N.O.C. for anchorage to MbPT. Such exercise shall be completed within two working days.

6.3 In case, where there is no objection for anchorage, the Superintendent shall forward NOC to the Docks Manager, MbPT for anchorage in the prescribed format.

6.4 In case of refusal for anchorage, the Superintendent, Preventive (General) shall forward the report in the format as enclosed in Annexure "1" assigning specific reasons for such refusal to the importer.

6.5 In case the importer feels aggrieved by such refusal, he may file review application within a period of five working days before the

Assistant Commissioner / Deputy Commissioner, Preventive (General), who shall dispose of such application within three working days from the date of receipt of the application. The Assistant Commissioner / Deputy Commissioner, Preventive (General), may hear the importer or his representative personally, if they so desire. In case no review application is received within the prescribed time, the Superintendent, Preventive (General) will forward the report of refusal for anchorage in the prescribed format to the Docks Manager, MbPT.

6.6 The Assistant Commissioner / Deputy Commissioner, Preventive (General) after going through the merits of the case and after hearing the importer may uphold or overrule the decision of the Superintendent, Preventive (General). In case the Assistant Commissioner / Deputy Commissioner, Preventive (General) overrules the decision of the Superintendent, then he shall communicate the same to the Superintendent who shall in turn forward NOC to the Docks Manager, MbPT for anchorage in the prescribed format.

6.7 In case the Assistant Commissioner / Deputy Commissioner, Preventive (General) uphold the order of the Superintendent, he shall communicate the same to the Importer assigning specific reasons for such refusal to the importer in the format given at Annexure "1".

6.8 In case the importer feels aggrieved by the order of review passed by the Assistant Commissioner / Deputy Commissioner, Preventive (General) he may file an appeal within five working days before Joint / Additional Commissioner, Preventive (General) who shall dispose of the same within a period of five working days from the date of receipt of appeal. The Joint / Additional Commissioner, Preventive (General) may hear the importer personally, if they so desire.

6.9 In case no further review application is received within the prescribed time, the Superintendent, Preventive (General) will forward the report of refusal for anchorage in the prescribed format to the Docks Manager, MbPT.

6.10 The Joint Commissioner / Additional Commissioner, Preventive (General) after going through the merits of the case and after hearing the importer may uphold or overrule the decision of the Assistant / Deputy Commissioner, Preventive (General). In case the Joint Commissioner / Additional Commissioner, Preventive (General) overrules the decision of the Assistant / Deputy Commissioner, Preventive (General), then he shall communicate the same to the Superintendent through the Assistant / Deputy Commissioner, Preventive (General) and the Superintendent shall in turn forward NOC to the Docks Manager, MbPT for anchorage in the prescribed format.

6.11 In case the Joint Commissioner / Additional Commissioner, Preventive (General) upholds the order of the Assistant / Deputy Commissioner, Preventive (General) for refusal for anchorage, he shall communicate the same to the Importer with specific reasons. The Superintendent, Preventive (General) will forward the report of refusal for anchorage in the prescribed format to the Docks Manager, MbPT.

6.12 In all such cases, where NOC has been granted for anchoring, the final decision shall be taken by the MbPT for granting of anchorage to the vessel.

7. Process of Beaching

7.1 The modalities of beaching permission are discussed in Para 3.2 of Supreme Court Order, referred at Para 3 above.

7.2 At the Anchorage the ship will be boarded by the Superintendent of Customs, Preventive (General) along with the Boarding Officer, under the jurisdictional control of Commissioner of Customs (General), who will physically verify the data provided and submissions made by the importer, which was submitted for desk review preferably along with representatives of other agencies, namely Maharashtra State Pollution Control Board / Explosives Department / Atomic Energy Research Board. The Superintendent, Preventive (General) shall be accompanied by the Boarding Officer who performs his duties as proper officer under Section 30 of the Customs Act, 1962.

7.3 Boarding of the Vessel

1. In the present case of import of vessels for breaking up, an additional copy of the IGM shall be collected by the boarding officer, along with the original copy of IGM. The IGM shall be verified for its correctness by the boarding officer before grating entry inwards.

2. The Boarding Officer will ascertain the quantity of oil on board the vessel. He may seek the assistance of the Government approved surveyor who is generally allowed to board the vessel along with the customs officials for verifying the quantity of the fuel and oil by using the sounding method. If considered necessary, an adequate and representative sample may be used for the verification.

At the time of boarding of the vessel, the master of the vessel has to submit a list of all the Wireless Radio Equipment on board the vessel to the Boarding Officer. The Boarding Officer will then carry out search of the vessel and compare the said list with the equipments found on board to verify the genuineness of the said list. Thereafter, he shall assign running serial numbers to each of the equipments. The said list shall then be signed by the Master of the vessel and by the Boarding Officer, and be kept in the file maintained by the Preventive (General) section along with other documents submitted to the Boarding Officer. As Walkie Talkies are not permanent fixtures unlike other radio/ wireless equipment, the Master of the vessel shall bring all Walkie-Talkies declared in the list of Wireless Radio equipments and submit them to the Boarding Officer. These, unless crucial / essential, will then be destroyed in the presence of Master of the vessel and two independent panchas, and a proper panchanama recording the proceedings drawn.

7.4 The Importer shall also submit the Gas Free and Fit for Hot Working certificate in respect of oil cargo tanks and slop tanks to the Superintendent, Preventive (General) for verification.

7.5 The Superintendent, Preventive (General) shall decide whether the ship can be permitted for beaching or not.

The Superintendent, Preventive (General) on satisfying that beaching permission can be given, will direct the Boarding Officer to grant the Entry Inwards and shall prepare a report addressing the Assistant Commissioner / Deputy Commissioner, Assessing Group recommending NOC for beaching in the prescribed format.

7.6 In case of refusal for beaching, the Superintendent, Preventive (General) shall forward the report in the format enclosed in Annexure "2" assigning specific reasons for such refusal to the importer.

7.7 The appeal mechanism in case of anchorage goes, mutatis mutandis, in this case also.

In case of Appellate Authority upholding the refusal of Beaching, no entry inwards shall be given by the Boarding Officer.

7.8 In the case of Nuclear Powered Ships, Desk review has to be conducted by AERB and the officers from that organization has to board the vessel for physical inspection

8. Rummaging

All vessels imported for the purpose of breaking should be compulsorily rummaged under the supervision of the Superintendent (R&I)

9. Filing of Bill of Entry

9.1 Once the Entry Inwards is granted, the Importer may file the Bill of Entry.

Examination of Vessel

9.2 The Assessing Group will immediately give first check examination to the Bill of Entry.

9.3 Later, the Importer / C.H.A. shall approach the Docks appraising Department for getting the vessels examined for first appraisement and for preparation of Local Invoice for the inventoried items, as per examination order. The Vessel shall be examined in the presence of the Assistant Commissioner / Deputy Commissioner, Docks. Thereafter, the Docks Offices shall forward the Bill of Entry to the Group.

Assessment of Bill of Entry

9.4 The Assistant Commissioner / Deputy Commissioner, concerned Group shall pass the Bill of Entry for generation of duty challan. The duty will be calculated on the basis of the first check examination. The AC / DC, concerned Group shall make amendments to the Bill of Entry wherever necessary based on the examination report received. The Bill of Entry at this point is not assessed from the valuation point of view. This measure is to facilitate the trade so that beaching permission may be granted to the importer immediately after the payment of duty. The importer has to pay the provisional duty as per the challan generated and come back to the AC/DC, Concerned Group who will then recall the Bill of Entry with the comment that the Bill of Entry will be reassessed after the receipt of complete set of documents from the importer as mentioned at Annexure "3" and after the receipt of the Destruction Report. The Importer shall give an Undertaking that they will carry out the destruction of the wireless equipment and that they will pay the differential duty, if any. The

Undertaking shall be on a stamp paper in the format at annexure "4", signed before the notary in the presence of two witnesses.

9.5 Thereafter an NOC for Beaching will be granted by the Assistant Commissioner / Deputy Commissioner, concerned Group in the prescribed format which will be forwarded to the MbPT.

9.6 The Importer will thereafter re-submit the Bill of Entry along with the documents mentioned at Annexure "3" to the concerned Appraising Group for assessment of the Bill of Entry with regard to value of the vessel within next ten working days. In case of failure, the undertaking given as per Annexure "4" will be enforced.

9.7 Ship stores and POL carried in extra tanks aboard the ship would be assessed on merits.

10. Final Destruction of Wireless Equipment

10.1 After the vessel is beached, the importer has to get the remaining wireless equipments destroyed under the supervision of Superintendent of Customs, Preventive (General) within the next five working days. While destroying these equipments, the Superintendent shall compare the serial number in the Boarding Officer's report with the serial number marked physically by the Boarding Officer. The declaration of the Captain should also be cross checked. The destruction should be carried out in the presence of the representative of the importer and two independent panchas, and a proper panchanama must be drawn.

10.2 The destruction report in the prescribed format shall be signed by the Assistant Commissioner / Deputy Commissioner, Preventive (General) which shall be forwarded in a sealed cover to the Assessing Group. The Assessing Group will now finally assess the bill of entry and forward the bill of entry to the Docks with appropriate comments for granting final out of charge by the docks.

10.3 The Out of charge will finally be granted by the appropriate officer at the Docks.

10.4 The Cutting Permission in the prescribed format will be finally given by Assistant Commissioner / Deputy Commissioner, Preventive (General) after the out of charge of the vessel.

10.5 The above instructions shall also apply to all goods falling under Chapter 89 of the Customs Tariff Act, 1975 and which were imported availing the benefit of Notification No 21/2002-Cus, dtd 01.03.2002, with Sr. No 352, 353, and 354 having condition mentioned at Sr.No 72, as amended and later the importer decided to break them up.

11. This Public Notice will be operative with immediate effect.

12. The contents of the notice may be brought to the knowledge of the constituent members by the respective trade and CHA associations.

13. Any difficulty encountered in the implementation of this Public Notice should be immediately brought to the notice of the undersigned.

F.No. S /1 - 46/2009 EDI

Annexures

1. Refusal of NOC for Anchorage
2. Refusal of NOC for beaching after physical examination of the vessel
3. List of documents to be submitted by the importer to the Group AC for assessment of the Bill of Entry
4. Undertaking.

Annexure 1

Office of Commissioner of Customs (General)
New Custom House, Mumbai

F.No. Dt:

To

M/s_____________

Gentlemen

Sub: NOC for Anchorage of Vessel M.V______

Please refer to your letter dated ____________ regarding request for according No Objection for Anchorage as provided under para 7 of the Public Notice___________

The documents submitted by you have been scrutinized by the Department.

It is regretted to inform you that your request for granting NOC for Anchorage is rejected on the following grounds.

1.

2.

3.

An appeal against this decision lies with ___________. The appeal may be filed within the time period as mentioned in the Public Notice.

Yours Sincerely
Superintendent of Customs (P)
PSO (Admin). Mumbai.

Annexure 2

Office of Commissioner of Customs (General)
New Custom House, Mumbai

F.No. Dt:

To

M/s__________

Gentlemen

Sub: NOC for Anchorage of Vessel M.V______

Please refer to your letter dated ____________ regarding request for according No Objection for Anchorage as provided under para 7 of the Public Notice___________

The documents submitted by you have been scrutinized by the Department.

It is regretted to inform you that your request for granting NOC for Anchorage is rejected on the following grounds.

1.

2.

3.

An appeal against this decision lies with ___________. The appeal may be filed within the time period as mentioned in the Public Notice.

Yours Sincerely
Superintendent of Customs (P)
PSO (Admin). Mumbai.

Annexure 3

List of documents to be submitted by the importer for assessment

1. IEC Code
2. Physical Delivery Certificate
3. Notice of Readiness(NOR)
4. Commercial Invoice certified by the Bank.
5. Memorandum of Agreement, if any, duly signed in original
6. Original Survey Report of independent surveyor. It covers ROB and others
7. Letter of Credit.
8. Bill / instruments of sale of proof of transfer of ownership of the purchased vessel.
9. Lloyds Register (for verification of ownership, Weight Registration).
10. Copy of Builders Certificate to establish LDT of the vessel.
11. Copy of International tonnage certificate
12. Port worthiness certificate from surveyor
13. Capacity plan and lead line chart for draft of the ship showing details for loading of cargo with stability and trim position effecting in Light Displacement Tonnage.
14. Registration Certificate of the ship and last Port Clearance Certificate.
15. Inventory list of the ship's property item with principal general ship's particulars and fittings and items on board the ship including moveable gears, ship's stores inventories required as per regulations and consumables including Remnant Oil Bunker, items etc., duly certified by the master of the vessel, at the time of allowing entry inward for such vessel.
16. Payment receipts from seller / buyer, for commission involved into transaction of sale, if any.
17. Possession Licence from communication department for wireless equipments on board the vessel, if any.
18. Permission/provision if/as required under the Import Trade Control Act.
19. I.T.C. licence for clearance/possession of Dangerous drugs, Narcotics, Tobacco and other prohibited items, if any, on board the vessel.

In addition to the above, the Assistant Commissioner, Assessing Group should have in his possession the set of documents given for Desk Review to be received from Superintendent, Preventive (General) in sealed cover.

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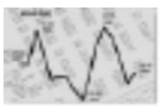
World Bank Pink Sheet – May 2010

World Bank Pinksheet issued in June 2010 covers price movements in 43 energy and non-energy products. This Pink Sheet focuses on price movements in May 2010.

Gold, Silver and Steel on the Rise

- Crude and Coal down. Natural gas up.
- Cocoa down. Coffee up. Tea down.
- Copra up. Coconut oil down. Groundnut oil and Palm oil down. Palm Kernel oil up. Soybean meal up. Soybeans and Soybean oil down.
- Thai Rice down, Maize up. Sorghum and Barley down.
- Wheat, US up. Bananas down. Oranges up.
- Shrimp up. Meat, beef and Fishmeal down.
- World sugar down.
- Logs Cameroon and Plywood down, Woodpulp and Sawnwood, Malaysia up.
- Cotton up. Rubber down.
- DAP, TSP and Urea down. Potassium Chloride up. Phosphate rock steady.
- Gold and Silver on the rise
- Iron ore steady. Aluminium, Copper, Lead, Nickel, Tin and Zinc down.
- Steel on the rise.



	Monthly averages			Quarterly averages					Annual averages		
	2010			2009				2010	2008	2009	2010
	Mar	Apr	May	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Jan-Dec	Jan-Dec	Jan-May
Energy											
Coal, Australia $/mt	94.38	100.15	100.13	71.93	66.48	71.31	77.66	95.19	127.10	71.84	97.17
Crude oil, average $/bbl	79.30	84.18	75.62	44.11	59.19	68.21	75.50	77.06	96.99	61.76	78.20
Crude oil, Brent $/bbl	79.27	84.98	76.25	44.98	59.13	68.37	74.97	76.65	97.64	61.86	78.24
Crude oil, Dubai $/bbl	77.37	83.09	76.87	44.56	58.93	68.07	75.46	75.86	93.78	61.75	77.51
Crude oil, West Texas Int. $/bbl	81.25	84.48	73.73	42.80	59.52	68.21	76.08	78.67	99.56	61.65	78.85
Natural gas Index 2000=100	160.9	143.5	146.8	198.2	142.9	123.3	149.4	170.3	267.9	153.5	160.2
Natural gas, Europe **(*)** $/mmbtu	8.93	7.52	7.63	11.94	8.18	6.91	7.81	8.84	13.41	8.71	8.34
Natural gas, US $/mmbtu	4.29	4.01	4.16	4.57	3.70	3.17	4.36	5.15	8.86	3.95	4.72
Natural gas LNG, Japan $/mmbtu	10.42	10.80	11.00	10.90	7.60	7.91	9.33	10.32	12.53	8.94	10.55
Beverages											
Cocoa ¢/kg	307.7	321.3	318.6	259.4	257.9	296.4	341.8	329.7	257.7	288.9	325.8
Coffee, Arabica ¢/kg	362.7	373.1	382.3	283.9	320.2	322.7	341.7	353.7	308.2	317.1	363.3
Coffee, robusta ¢/kg	148.3	157.7	155.9	175.8	165.3	160.1	156.4	150.8	232.1	164.4	153.2
Tea, auctions (3) average ¢/kg	262.1	277.4	282.9	218.0	266.1	303.6	301.9	279.0	242.0	272.4	279.5
Tea, Colombo auctions ¢/kg	332.2	326.6	321.9	261.7	299.1	356.1	338.0	335.1	278.9	313.7	330.8
Tea, Kolkata auctions ¢/kg	174.2	245.3	284.7	177.4	271.3	273.0	284.4	215.8	225.5	251.5	235.5
Tea, Mombasa auctions ¢/kg	280.0	260.3	242.0	214.9	228.0	281.7	283.2	286.1	221.8	252.0	272.1
Fats and Oils											
Coconut oil $/mt	921	939	931	677	779	711	734	834	1,224	725	875
Copra $/mt	608	628	630	447	513	469	491	557	816	480	586
Groundnut oil $/mt	1,380	1,361	1,354	1,283	1,166	1,133	1,152	1,359	2,131	1,184	1,358
Palm oil $/mt	832	830	813	577	743	679	732	808	949	683	813
Palmkernel oil $/mt	995	1,020	1,034	577	763	700	761	922	1,130	700	964
Soybean meal $/mt	329	340	349	365	424	431	412	369	424	408	359
Soybean oil $/mt	915	903	864	755	863	856	921	917	1,258	849	904
Soybeans $/mt	408	411	406	394	461	454	439	417	523	437	413
Grains											
Barley $/mt	147.0	151.7	143.0	116.3	129.5	122.0	145.5	143.6	200.5	128.3	145.1
Maize $/mt	159.0	157.1	163.4	166.9	176.0	151.3	167.8	162.7	223.1	165.5	161.7
Rice, Thailand, 5% $/mt	502.2	466.0	456.3	586.3	552.4	539.0	542.3	535.3	650.2	555.0	505.7
Rice, Thailand, 25% $/mt	445.6	408.7	397.3	469.4	458.7	441.4	462.8	477.0	n.a.	458.1	447.4
Rice, Thailand, 35% $/mt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Rice,Thai, A.1 $/mt	377.0	343.0	331.0	323.4	326.3	309.7	346.1	400.7	482.3	326.4	375.2

	Monthly averages			Quarterly averages					Annual averages		
	2010			2009				2010	2008	2009	2010
	Mar	Apr	May	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Jan-Dec	Jan-Dec	Jan-May
Sorghum $/mt	154.7	149.4	147.3	145.3	155.8	139.3	163.8	156.9	207.8	151.1	153.5
Wheat, Canada $/mt	270.7	264.7	256.7	321.9	325.6	271.2	283.4	279.0	454.6	300.5	271.7
Wheat, US, HRW $/mt	191.1	192.9	181.6	231.6	250.5	208.8	205.4	195.4	326.0	224.1	192.1
Wheat, US SRW $/mt	190.0	187.8	190.3	187.4	195.6	165.2	195.6	193.5	271.5	186.0	191.7
Other Food											
Bananas EU $/mt	1,144	1,051	999	1,142	1,288	1,118	1,032	1,020	1,188	1,145	1,022
Bananas US $/mt	838	825	799	891	858	826	813	781	844	847	793
Fishmeal $/mt	1,672	1,873	1,811	1,013	1,097	1,276	1,535	1,660	1,133	1,230	1,733
Meat, beef ¢/kg	334.9	359.6	347.8	245.2	262.8	273.2	273.5	314.2	313.8	263.6	330.0
Meat, chicken ¢/kg	168.3	170.9	173.3	173.5	174.1	173.9	165.1	167.2	169.6	171.7	169.2
Meat, sheep ¢/kg	442.7	456.1	451.3	378.5	428.7	453.3	450.1	447.6	458.5	427.6	450.1
Oranges $/mt	955	995	1,049	799	870	861	1,107	1,009	1,107	909	1,014
Shrimp, Mexico ¢/kg	838	865	1,025	976	970	970	864	827	1,069	945	874
Sugar EU ¢/kg	45.47	44.98	42.10	51.44	53.76	55.43	49.11	46.38	69.69	52.44	45.24
Sugar US ¢/kg	77.41	68.38	68.11	43.82	47.89	57.31	70.48	84.31	46.86	54.88	77.88
Sugar, world ¢/kg	41.14	36.27	33.51	28.85	33.89	46.98	50.29	51.82	28.21	40.00	45.05
Timber											
Logs, Cameroon $/cum	427.6	429.6	403.5	426.8	394.8	414.9	449.5	431.4	526.9	421.5	425.5
Logs, Malaysia $/cum	249.8	246.0	253.7	313.6	284.5	279.6	271.1	253.6	292.3	287.2	252.1
Plywood ¢/sheets	557.2	564.7	566.8	572.8	565.8	561.5	558.4	557.2	645.5	564.6	560.6
Sawnwood, Cameroon $/cum	803.3	818.1	772.9	689.2	721.2	779.0	806.3	804.1	958.3	748.9	800.7
Sawnwood, Malaysia $/cum	790.1	820.2	836.5	813.7	829.7	771.4	807.4	787.8	889.1	805.5	804.0
Woodpulp $/mt	813.7	850.5	893.0	565.1	550.0	627.7	715.6	780.9	820.2	614.6	817.3
Other Raw Materials											
Cotton A Index ¢/kg	189.2	194.2	198.6	120.8	132.4	141.9	157.7	178.8	157.4	138.2	185.8
Cotton Memphis ¢/kg	191.8	198.5	199.1	122.4	137.5	148.8	172.4	183.6	161.3	145.3	189.7
Rubber RSS1, US ¢/kg	357.1	398.8	374.6	165.8	187.0	221.0	284.7	345.2	284.1	214.6	361.8
Rubber RSS3, SGP ¢/kg	333.9	394.8	368.0	146.0	166.4	199.3	256.5	318.6	258.6	192.1	343.7
Fertilizers											
DAP $/mt	476.3	466.0	460.6	362.2	303.6	309.6	316.9	464.8	967.2	323.1	464.2
Phosphate rock $/mt	105.0	125.0	125.0	193.3	113.3	90.0	90.0	102.1	345.6	121.7	111.3
Potassium chloride $/mt	312.5	314.4	315.0	865.2	726.7	506.8	423.0	334.0	570.1	630.4	326.3
TSP $/mt	354.4	372.5	353.8	321.7	247.7	224.7	235.7	316.9	879.4	257.4	335.4
Urea $/mt	278.8	252.7	229.6	267.3	241.1	241.6	248.3	281.0	492.7	249.6	265.1
Metals and Minerals											
Aluminum $/mt	2,206	2,317	2,041	1,360	1,485	1,812	2,003	2,163	2,573	1,665	2,169
Copper $/mt	7,463	7,745	6,838	3,428	4,663	5,859	6,648	7,232	6,956	5,150	7,256
Gold $/toz	1,113	1,149	1,205	909	922	960	1,102	1,109	872	973	1,136
Iron ore ¢/dmtu	101.0	167.0	167.0	101.0	101.0	101.0	101.0	101.0	140.6	101.0	127.4
Lead ¢/kg	217.2	226.5	188.3	115.7	149.9	192.8	229.3	222.1	209.1	171.9	216.2
Nickel $/mt	22,461	26,031	22,008	10,471	12,920	17,700	17,528	19,959	21,111	14,655	21,583
Silver ¢/toz	1,715	1,817	1,842	1,265	1,376	1,477	1,760	1,693	1,500	1,469	1,747
Steel products index 2000=100	220.2	234.1	247.3	274.5	215.5	210.8	207.4	211.5	289.3	227.1	223.2
Steel cr coilsheet $/mt	775	813	850	1,033	700	700	700	725	966	783	768
Steel hr coilsheet $/mt	675	713	750	933	600	600	600	625	883	683	668
Steel rebar $/mt	578	615	630	473	450	500	522	546	760	486	577
Steel wire rod $/mt	753	765	780	1,200	1,007	857	814	751	1,010	969	760
Tin ¢/kg	1,755	1,868	1,757	1,103	1,351	1,459	1,517	1,721	1,851	1,357	1,758
Zinc ¢/kg	227.5	236.7	196.8	117.2	147.3	176.1	221.4	228.9	187.5	165.5	224.0

$ = US dollar; ¢ = US cent; bbl = barrel; cum = cubic meter; dmtu = Dry Metric Ton Unit; kg = kilogram; mmbtu = million British thermal units; mt = metric ton; toz = troy oz; n.a. = not available; n.q. = no quotation

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Annexure 4

(To be executed on Rs.100 non judicial Stamp Paper)

Know All Men By These Presents That I/we................. (Name and Address of the Importer), hereinafter called the "Importer" (which expression shall include its successors/heirs, executors, administrators and legal representatives) am/are held and firmly bound unto the President of India hereinafter called the "President" (which expression shall include his successors and assigns) in the sum of Rs................. (Value of Vessel in Rupees.) to be paid to the President for which payment well and truly to be made, I/we bind myself/ourselves, my/our successors, heirs, executors, administrators and legal representatives firmly by these presents.

Sealed with my/our seal(s) this............... day of................19..........

Whereas

The Importer had filed a Bill of Entry No.________ dt._________ for clearance of Vessel _________ imported for breaking up and paid the duty of Rs._________ vide Challan No. _______, dt__________

Whereas

As per Para 10.8 of the Standing Order No.________, I/We hereby undertake to

1. pay the Differential duty if any.
2. carry out the destruction of the remaining wireless equipment within the next five working days.
3. produce the remaining documents enumerated at Annexure 3 of the Public Notice no. 19/2010 within the next ten working days
4. that in case of failure to satisfy the above mentioned conditions, the subject vessel will become liable for appropriate action under the provisions of the Customs Act, 1962

Now the condition of the above written undertakings such that –

If the importer within the said period as mentioned in the abovementioned paragraph submits such documents and furnish such information as may be called for by the Proper Officer, and upon the satisfaction of the Proper Officer

Then the above written undertaking shall be void and of no effect otherwise the same shall remain in full force and virtue.

And it is hereby agreed and declared by the importer as follows:-

1. This bond is given under the orders of the Central Government for the performance of an act in which the public are interested.
2. The President through the in the manner laid down in sub-section (1) of Section 142 of the Customs Act, 1962 without prejudice to any other mode of recovery.

The Schedule above referred to
(Particulars of the goods)

In witness whereof the importer has herein set and subscribed its hands and seals the day, month and year first above written.

Signed and Delivered by and
on behalf of the importer
at......................

in the presence of

1. ....
2. ....

Accepted for and on behalf
of the President of India
(Designation of Authorised Officer)

In the presence of

1. ....
2. ....

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ters discuss the importance of the fiscal consolidation issues in European countries. And then also they emphasize some, at the same time, structural policies. So we need to get some collective actions to address all these issues."

In the U.S., the Obama administration is aiming to double U.S. exports during the next five years. Geithner warned in his letter that other countries can't rely on the U.S. consumer to propel the global economy.

Falling 'Short'

U.S. government figures showed that employment growth was less than economists had forecast in May, while the jobless rate was 9.7 percent.

Bill Gross, co-chief investment officer and manager of the world's biggest bond fund at Pacific Investment Management Co. said the unemployment rate may rise to 10 percent within the next several months with job growth "anemic."

Geithner also singled out Europe as a region needing to push forward with financial regulation reform. "Further progress on financial repair is critical to global economic recovery," he wrote. "This requires, particularly in parts of Europe, further efforts to restructure and recapitalize the banking system."

Capital Rules

The G-20 countries, which collectively account for about 85 percent of global gross domestic product, have set themselves a December deadline to agree on new rules on capital and liquidity following the worst financial crisis since the Great Depression.

The International Monetary Fund in April predicted the U.S. and Canadian expansions would lead all Group of Seven industrial nations this year, with each projected to grow 3.1 percent. That's more than the IMF's outlook for 1 percent growth in the euro area, a 1.3 percent increase in the U.K. and a 1.9 percent gain in Japan.

The savings rate in the U.S. climbed to 3.6 percent in April, the highest level since January, from 3.1 percent in March as incomes increased and purchases cooled, according to Commerce Department figures released May 29.

Geithner said that Europe's policy makers also need to proceed with implementing their rescue plan for the region's most indebted members. The EU unveiled an unprecedented loan package last month worth almost $1 trillion to stop a sovereign- debt crisis that threatened to shatter confidence in the euro.

Australia and Canada Oppose SSM in Agri

A new informal paper from Canada and Australia argues that an unconstrained agricultural safeguard mechanism for developing countries could "seriously impede" normal trade, if stripped of various proposed curbs on its use.

The paper has received a cool reception from the G-33 developing country group, which favours a simple, easy-to-invoke 'special safeguard mechanism' (SSM) to enable developing countries to raise duties beyond bound ceiling levels to protect farmers in the event of a surge in import volumes or a price depression.

"It's re-packaging", said one G-33 delegate, who suggested that the paper essentially restated ideas from an Australian paper circulated last December.

Soybean, palm oil, bananas

The Canadian-Australian paper simulates the possible effect of applying safeguard duties to soybeans, palm oil and bananas, and concludes that "the SSM could trigger every year and result in significant trade losses". The exporters examine how often import duties would be imposable if the safeguard were triggered by import volumes that are 10, 20 or 40 percent higher than average levels in the preceding years.

According to the paper, for India between 2003 and 2008, a 20 percent increase threshold could have triggered SSM duties covering 40.2 percent of tariff lines and some 57.9 percent of farm imports. Over that period, 85 percent of tariff lines could have been triggered at least once.

The latest draft WTO farm trade deal and an accompanying paper by the chair of the agriculture negotiations, both of which date back to December 2008, include a raft of proposed constraints aimed at curbing potential abuse by import-sensitive developing countries. These would condition the imposition of safeguards on the co-existence of a volume surge and price depression, for example, or limit the number of tariff lines on which safeguard duties can be imposed in any given year. The exporters' latest draft examines how the safeguard might affect trade in the absence of these constraints.

"These are highly-traded products - ones that exporters are most concerned about", retorted an official from an exporting country. Rules to prevent abuse needed to be built into the planned safeguard, said the negotiator, who warned that exporters could not simply be expected to 'trust' that developing countries would only apply the extra duties in particular circumstances.

Growth in normal trade would be maintained, argue G-33 representatives: according to the group's proposal, safeguard duties would only be applied if import volumes exceed a threshold that is higher than the previous three-year rolling average. Furthermore, imports would continue to enter the developing country concerned in the period up until safeguard duties are actually applied.

Exporting countries nonetheless warned that, unless the calculation of average import volumes is 'pro-rated' so as to discount months in which safeguards had been imposed, the SSM could still affect growth in normal trade. The G-33 had previously argued against pro-rating import calculations in this way.

Counterfeits Discussed in WHA

Controversial issues related to intellectual property rights (IPRs), innovation, and access to medicine dominated debates at last week's meeting of the World Health Assembly, the top decision making body of the World Health Organization (WHO).

Particularly contentious were discussions on the implementation of a 2008 plan to create new incentives to drive innovation and to finance health research and development for diseases afflicting the world's poorest people.

A separate issue, WHO policies to combat counterfeit medical products, polarised countries along similar lines. The issue has been in the spotlight over the past year and a half, after customs authorities in Europe seized and temporarily held several shipments of generic medicines that were en route from India to Brazil, inaccurately claiming they were counterfeit. Brazil and India recently launched a WTO case against the EU, arguing that its customs regulations violated WTO rules on freedom of transit.

Counterfeit medical products discussed in WHA

Discussions on counterfeit medical products centered on the WHO's role in combating counterfeit medical products, particularly its partnership with the International Medical Products Anti-Counterfeiting Taskforce (IMPACT).

As with the EWG report on R&D financing, the week opened with member states unable even to agree on the way forward. Small groups of countries met informally to hash out some ideas on how and where to discuss the issue.

The heated, sometimes aggressive, discussions were largely led by Brazil and India with the support of some African countries such as Kenya.

Brazilian Ambassador M.N. Farani Azevêdo was applauded for insisting that "we must call a spade a spade," by which she meant that countries should not promote commercial interests under the guise of combating medical products of compromised quality, safety and efficacy.

There was widespread agreement among delegates that the term

Customs Valuation Exchange Rates

	June 2010	Imports	Exports	
Schedule I				
1	Australian Dollar	39.60	38.50	Rate of exchange of one unit of foreign currency equipment to Indian Rupees
2	Canadian Dollar	44.80	43.65	
3	Danish Kroner	7.95	7.70	
4	EURO	59.10	57.50	
5	Hong Kong Dollar	6.15	6.00	
6	Norwegian Kroner	7.30	7.10	
7	Pound Sterling	69.15	67.25	
8	Swedish Kroner	6.05	5.90	
9	Swiss Franc	41.35	40.30	
10	Singapore Dollar	34.00	33.15	
11	U.S. Dollar	47.85	46.95	
Schedule II				
1	Japanese Yen	53.25	51.80	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 42(NT)/26.05.2010)

Commodity Spot Prices in India – 05-08 June 2010

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day. The weekly prices of commodities from different cities of India will be given in the order of Harmonized System classification.

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 05-08 June.

(Rs.)

Commodity	Unit	Market	05-Jun	07-Jun	08-Jun
CER (Carbon Trading)	1 MT	Mumbai	719.5	719.5	711.5
Chana	100 KGS	Delhi	2120	2090	2096
Masur	100 KGS	Indore	3450	3436	3422
Potato	100 KGS	Agra	469.4	470.1	470.3
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	7888	7825	7658
Cashewkern	1 KGS	Quilon	303	305	304
Cardamom	1 KGS	Vandanmedu	1729.8	1652.3	1693.1
Coffee ROB	100 KGS	Kushalnagar	62.4	63.2	62.8
Jeera	100 KGS	Unjha	12340	12284	12358
Pepper	100 KGS	Kochi	15675	15520	15650
Red Chili	100 KGS	Guntur	4759	4759	4833
Turmeric	100 KGS	Nzmbad	14850	14656	14750
Guar Gum	100 KGS	Jodhpur	4900	4775	4800
Maize	100 KGS	Nzmbad	970	987	989.5
Wheat	100 KGS	Delhi	1267.5	1268.8	1276.7
Mentha Oil	1 KGS	Chandausi	852	816.6	804.6
Cotton Seed	100 KGS	Akola	1320	1323	1298
Castorsd RJK	100 KGS	Rajkot	3201.5	3213.5	3214
Guar Seed	100 KGS	Jodhpur	2230	2170	2160
Soya Bean	100 KGS	Indore	1945	1925	1908.5
Mustrdsd JPR	20 KGS	Jaipur	506	505.35	502.7
Sesame Seed	100 KGS	Rajkot	5275	5200	5188
Coconut Oil Cake	100 KGS	Kochi	1170	1170	1170
RCBR Oil Cake	1 MT	Raipur	6067	6150	6150
Kapaskhali	50 KGS	Akola	1081.1	1078.5	1055
Coconut Oil	100 KGS	Kochi	5304	5304	5408
Refsoy Oil	10 KGS	Indore	445.2	442.8	441.75
CPO	10 KGS	Kandla	375.5	376	374.5
Mustard Oil	10 KGS	Jaipur	487	490.5	489.1
Gnutoilexp	10 KGS	Rajkot	713.3	710	712.5
Castor Oil	10 KGS	Kandla	690	685	690
Crude Oil	1 BBL	Mumbai	3337	3337	3378
Furnace Oil	1000 KGS	Mumbai	29899	29403	29550
Sourcrd Oil	1 BBL	Mumbai	3562.5	3530	3407.5
Brent Crude	1 BBL	Mumbai	3324	3324	3398
Gur	40 KGS	Muzngr	988.1	967.1	967.9
Sugars	100 KGS	Kolhapur	NA	2585	2559
Sugarm	100 KGS	Delhi	2888	2853	2825
Natural Gas	1 mmBtu	Hazirabad	223.9	223.9	232.4
Rubber	100 KGS	Kochi	16815	16773	16825
Cotton Long	1 Candy	Kadi	29470	29110	29060
Cotton Med	1 Maund	Abohar	2937.5	2920	2925
Jute	100 KGS	Kolkata	3552	3580	3571.5
Gold	10 GRMS	Ahmd	18785	18610	19125
Gold Guinea	8 GRMS	Ahmd	15028	14888	15300
Silver	1 KGS	Ahmd	28425	28125	29350
Sponge Iron	1 MT	Raipur	17500	17280	17515
Steel Flat	1000 KGS	Mumbai	33850	33540	33260
Steel Long	1 MT	Bhavnagar	25850	25980	26100
Copper	1 KGS	Mumbai	290.1	290.1	288.3
Nickel	1 KGS	Mumbai	853.5	852.2	842.9
Aluminium	1 KGS	Mumbai	89.4	86.45	86.85
Lead	1 KGS	Mumbai	75.65	73.7	73.35
Zinc	1 KGS	Mumbai	77.7	75.4	76.2
Tin	1 KGS	Mumbai	804.75	762.5	743

(Source: MCX Spot Prices)

"*counterfeit*" in the context of the discussions should be replaced so as not to be confused with patent-related issues. Since agreement on a new definition during the WHA was impossible, delegates followed WHO chief Chan's suggestion to use the term "*spurious/falsely-labeled/falsified/counterfeit medical products"* in the meantime.

Developing countries stressed that the WHO's role should strictly be to look at counterfeits from a public health perspective, and that it should stay away from intellectual property aspects. They also complained about the WHO's relationship with IMPACT, with some suggesting the WHO "divorce" itself from this partnership, which includes groups that represent the interests of major pharmaceutical firms.

"The role of IMPACT is controversial," said India, adding that governments should be the ones in charge of the fight against counterfeit medicines.

Despite the initial standstill, members were ultimately able to reach a compromise on the way forward. An informal drafting group chaired by Iran finally proposed a single draft decision late on Friday afternoon. As per the decision, a time-limited and result-oriented intergovernmental working group will be established to address, from a public health perspective: a) the WHO's role in ensuring availability of safe efficacious and quality medical products, b) its relationship with IMPACT, and c) its role in the prevention and control of medical products of compromised quality, safety, and efficacy. The working group will report back to next year's session of the World Health Assembly.

The subject of counterfeits was also debated at FICCI on 28 May. The implications of IMPACT and ACTA were presented to an audience by activists and NGOs.

In her closing remarks, the WHO director-general thanked countries for reaching consensual outcomes on the two contentious issues. "We have just seen two examples, shall I say hot off the press, of this spirit of collaboration and consensus-seeking," she said. "Thank you for finding a way forward on the issues of research and development financing and sub-standard, spurious, falsely-labelled, falsified, counterfeit medical products."

WORLD TRADE SCANNER

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Ministers Review Doha Talks on OECD Sidelines

High-level trade officials met with WTO Director-General Pascal Lamy in Paris last week to assess progress toward concluding the beleaguered Doha Round of trade talks at the WTO.

The meetings, which occurred on the sidelines of a major conference of the Organisation for Economic Cooperation and Development (OECD), brought together trade ministers and other high-ranking officials from some 20 countries, including OECD members like Australia, the EU, Switzerland and the US as well as a handful of non-OECD members such as Brazil, China, India and South Africa.

The talks underscored the fact that the differences among members remain wide, sources said. The United States in particular has come under fire recently, facing accusations that it is asking for additional access to other countries' markets without offering adequate concessions in return.

US politics to blame?

For several months now, Washington has been calling for major emerging economies like Brazil, China and India to make more concessions in the talks. Such countries have already reaped impressive benefits from past trade liberalisation, the US Trade Representative has said, and it is time for them to take on the additional responsibilities that come with a stronger position in the global marketplace.

But the Indian official, when asked to respond to that notion, deflected the question, saying that the real problem for the Doha talks can be found within US borders.

US Trade Representative Ron Kirk defended his country's stance at a press conference in Paris on Thursday, denying that his office has been hamstrung by domestic politics.

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