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Government of India
Ministry of Commerce & Industry
Directorate General of Foreign Trade

Udyog Bhawan, New Delhi

Dated: 10.02.2016

Trade Notice No. 17/2016

To

1. All IEC holders/applicants
2. All EPCs / All Chambers of Trade and Industries
3. FIEO/ASSOCHAM/CII
4. All RA's of DGFT
5. All Customs/Port Authorities

Sub: Clarification on the Notification No 38 dated 5.2.2016 regarding Minimum Import Price (MIP) on Iron & Steel under Chapter 72 of ITC (HS) 2012 – Schedule 1 Import Policy

This Directorate has received various queries for clarification on the Notification No. 38 dated 5th February, 2016 regarding MIP on Iron and Steel under Chapter 72 of ITC (HS) 2012. The following queries raised are clarified point-wise as under:-

Question1: Whether imports below the USD unit value specified in the Notification are restricted for imports?

Answer: Imports effected on or after 5.2.2016 below the USD unit value specified in the Notification will be restricted from entry into India.

Question 2: What must be the landed unit cost of the Importer?

Answer: Landed unit cost must not be below the specified MIP.

Question 3: Whether it is possible to import items covered under Notification No. 38 (2015-2020) having a unit CIF import price below the MIP by paying custom duty on the MIP unit value specified in the Notification?

Answer: No. It is not possible to import items covered under Notification No. 38 (2015-2020) whose unit CIF import price is below the stipulated MIP by paying custom duty on the MIP specified in the Notification. The imported items must have a unit CIF value equal to or above the MIP.

Question 4: Import shipments are in Transit and shipped (B/L Date) before 5th February, 2016 from China. As the Notification facilitates only LC holders, what happens to importers doing business on DA/TT basis?

Answer: Imports are governed by provisions as in Para 2.17 of Handbook of Procedure (2015-20) which inter-alia lays down that the date of reckoning of "import" is decided with reference to date of shipment/dispatch of goods from supplying country as given in Para 9.11 of Handbook of Procedure; and not the date of arrival of goods at an Indian port. Accordingly, imports effected on 5.2.2016 and thereafter will be governed by the Notification No. 38 dated 5th February, 2016.

Question 5: Whether imports on letter of credit issued on 5th February, 2016 will be permitted for clearance?

Answer: No. In the Notification it is clearly stated that import shipments under letter of credit entered into before the date of the Notification shall be exempted from the Minimum Import Price condition subject to Para 1.05(b) of the Foreign Trade Policy 2015-20.

Question 6: Will the letter of credit required to be registered? If so, with which authority?

Answer: As per Para 1.05(b) of the Foreign Trade Policy 2015-20, for operationalising irrevocable letter of credit, the applicant/importer will have to register the Letter of Credit with jurisdictional Regional Authority (RA) against computerized receipt, within 15 days of the imposition of any such restriction or regulation.



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