



Customs department issues rules to prevent false claim of duty benefits under FTAs

On August 21, 2020, Government of India introduced the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 to prevent misuse of free trade agreements (FTAs) by claiming duty benefits under these pacts for goods originating from non beneficiary countries.

The rule, which was released by the Customs department, requires the importer to obtain minimum information, as prescribed in Form I, about the country of origin of the product to claim preferential duty benefits.

The form seeks relevant information about the country of origin criteria, including the regional value content and product specific criteria, specified in the Rules of Origin. This information has to be submitted to the relevant customs officer on request. The importer should also maintain all supporting documents related to Form I for at least five years from date of filing of bill of entry and submit the same to the proper officer on request.

The importer has to exercise reasonable care to ensure the accuracy and truthfulness of the declared information and documents under this Rule.

The Rule prescribes certain conditions regarding the use of intermediate goods or inputs for the final good for which duty benefit is claimed in case these intermediate or input goods originate from Non-FTA countries.

In case of FTAs with regional trading bloc, the Rule allows one member country of the bloc to source input materials from another member country for producing and exporting the final good to India.

Under the rule, the importer has to declare all the relevant information contained in the Certificate of Origin while filing Bill of Entry. The concerned customs officer may reject the preferential duty claim without verification if the Certificate of Origin is altered without authentication by the issuing authority or if the validity of the Certificate has expired while producing it.

It is expected that these rules may prevent false claims of duty benefits under FTAs for goods originating from non FTA countries by routing them from FTA countries.



WORLD TRADE CENTER®
MUMBAI



Notifications

Press Information Bureau, Government of India

Aarogya Sethu App introduces 'Open API Service'

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1647866>

PM convenes meeting to discuss ways to boost toy manufacturing in India

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1647971>

CBIC

Notification of Nashik Airport as International Courier Terminal

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt82-2020.pdf>

Anti-dumping duty on imports of Phosphoric Acid

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd26-2020.pdf>

Anti-dumping duty on imports of acrylonitrile butadiene rubber

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd27-2020.pdf>

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd27-2020.pdf>