FACILITY NOTICE NO.06/ 2006


Attention of all Importers, Exporters, CHAs and members of the Trade is invited to the provisions regarding Verification of DFTC licences for deemed Export.

1. With effect from 31.08.2004 para 4.2.2 of EXIM policy 2004-2009 has introduced DFRC Licence for Deemed Export.

2. As per Para 4.31 A of Hand Book of Procedure ast Sept. 2004-31st March 2009, DFRC licences shall also be available for Deemed Exports. Such DFRC licence shall be issued with a single port of registration. The CIF value of DFRC licence shall be arrived at after discounting 20% from the FOB value of Supply made towards deemed export. The application for DFRC licence for Deemed Export shall be accompanied by the following.
i) A copy of the Invoice duly signed by the unit receiving material and their jurisdictional excise authorities certifying the item of supply, its quantity, value and date of such supply.

However in case of supply of items to a unit producing non excisable product(s), a Project Authority Certificate (PAC) certifying quantity, value and date of supply would be acceptable in lieu of excise certification.

ii) Payment certificate from the project in the form given in Appendix-12A. In the case of Advance Licence for Intermediate Supplies/deemed Exports supplies to the EOUs/EHTPs/BTPs, documentary evidence from the bank substantiating the realisation of proceeds from the Licence holder or *EOUs/EHTPs/STPs/BTPs, as the case may be, through the normal banking channel, shall be furnished in the form given at Appendix-22A.

3. Para 4.36 of Hand Book of Procedure 2004-2009, Vol-1 lays down the procedure for verification of DFRC licences. It states that licensing authority issuing DFRC for deemed exports shall endorse a copy of the same to the Customs at the port of registration and a copy to Excise Authorities having jurisdiction over recipient unit of the deemed exports along with copy of invoice giving item of supply, its quantity value and date of such supply.

In the case there is any variation in the details furnished by the licensing authority and the record verified by the Excise authority, the Excise authority shall intimate to the licensing authority and Customs at the port of registration immediately.

4. As per para 4.36 of Hand Book of procedure Customs is required to verify the DFRC licence before allowing import against the licence.
5. For the verification DFRC licence of Deemed Export, besides the documents mentioned at Para 2, a statement/ certificate in original, from the concerned Central Excise range confirming the supplies made against the licence shall be insisted upon. In case of any discrepancy clarification may be obtained from jurisdictional Central Excise authorities.

All members of Import-Export trade are requested to take note of the contents of this notice for their information and guidance.

(H.O. TEWARI)

COMMISSIONER OF CUSTOMS (EXPORT)