



**It is suspected that similar misuse may be taking place under other reward schemes also.**

**2. The matter has been examined by the Board. In terms of Para 3.6.4.5 of the Foreign Trade Policy (FTP) the duty credit earned under SFIS may be used for import of items mentioned therein provided they are freely importable under ITC(HS) Classification of Export and Import Items. Similar provisions are there in the FTP under the Target Plus Scheme ( Para 3.7.6 of the relevant Policy), and other Schemes under Chapter 3 of the present Policy such as, VKGUY, Focus Market Scheme and Focus Product Scheme (Para 3.12.4). The position is thus clear that only freely importable items under ITC(HS) are permitted for clearance under the said schemes. The notifications issued to operationalise these schemes also refer to the relevant paragraphs of the Policy covering the schemes.**

**3. In view of this, imports under the Schemes mentioned above may be carefully scrutinized with reference to the provisions of the FTP, Handbook of Procedures, the relevant customs notifications and Board's Circulars on the subject so as to ensure that the laid down provisions are fully complied with. In particular, it may be ensured that the goods restricted for import are not allowed clearance under the schemes.**

All officers of this Custom House are directed to follow the instruction contained in the Board Circular scrupulously and ensure compliance with the laid down procedures. Difficulties, if any, faced may be brought to the notice of the undersigned

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