



# BMC Advisors



## What's Inside

- MCA Update
- SEBI
- RBI Update
- Income tax Update
- IPR Update
- Service Tax
- Excise Update
- Custom Update
- DGFT Update

# ***WEEKLY UPDATES***

***JANUARY 16<sup>TH</sup>, 2017 - JANUARY 22<sup>ND</sup>, 2017***

## INDEX

<b>SEBI</b>	
Fair and transparent access to data feeds of the stock exchanges	4-5
Criteria for Eligibility, Retention and re-introduction of derivative contracts on Commodities	6-8
<b>RBI UPDATE</b>	
Enhancement of withdrawal limits from ATMs and Current Accounts	9
Master Directions on Access Criteria for Payment Systems	10
<b>INCOME TAX UPDATE</b>	
Procedure for registration and submission of statement of financial transactions (SFT) as per section 285BA of income-tax Act, 1961 read with Rule 114E of Income-tax, 1962	11-12
Notification No. 4/2017 [F. No. 173/51/2013-ITA-I]/SO 177(E)	13
<b>CUSTOM UPDATE</b>	
Import of Point of sale (PoS) terminal devices, its cells and batteries and labelling requirements thereof	14-15
Rate of exchange of conversion of the foreign currency with effect from 20th January, 2017	16-17
seeks to further amend Notification no.153/93- Customs, dated 13th August, 1993	18-19
<b>DGFT UPDATE</b>	
The minimum price for import of Areca Nuts is enhanced from existing Rs. 162/- to Rs.251/- per Kilogram	20
Notification of ITC (HS), 2017 - Schedule-1 (Import Policy)	21

# SEBI UPDATES

## CIRCULAR

SEBI/HO/MRD/DP/CIR/P/2017/08

January 20, 2017

To,

All Stock Exchanges (except for Commodity Derivatives Exchanges)

Dear Sir / Madam,

**Subject: Fair and transparent access to data feeds of the stock exchanges**

SEBI in consultation with the Technical Advisory Committee (TAC) of SEBI had reviewed the market data feed mechanism of the stock exchanges.

2. Based on the recommendations of SEBI's Technical Advisory Committee (TAC), it has been decided that stock exchanges shall formulate a comprehensive policy document for providing stock market related data to the market participants in a fair and transparent manner, irrespective of the type of mechanism used by the stock exchanges for broadcasting of data.

3. In this context, stock exchanges shall ensure that:

(i) Appropriate tools are deployed so as to monitor service quality of data feeds;

(ii) Appropriate mechanism (viz. load balancers, randomizers, etc.) to manage load across systems disseminating data in order to ensure consistent response time to all market participants;

(iii) All communication to the market participants, especially on all technology related matters such as Monitoring Tool, Load Balancer, Randomization etc., are abundantly clear and precise providing all necessary details related to the concerned facility / service, including information on features, benefits, risks, etc. of the concerned facility / service, particularly for participants who have opted for colocation facility.

4. Further, SEBI vide circular dated March 30, 2013 had inter alia directed stock exchanges to synchronize their system clocks with the atomic clock before the start of market such that their clocks have precision of atleast one microsecond and accuracy of atleast +/- one millisecond. In this regard, the stock exchange should ensure that all clocks of the servers and other related systems are synchronized. Stock exchanges may adopt suitable mechanism to ensure such synchronization of system clocks.

5. Stock exchanges are directed to:

(a) take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant byelaws, rules and regulations.

(b) bring the provisions of this circular to the notice of the stock brokers and also disseminate the same on their website;

(c) communicate to SEBI the status of implementation of the provisions of this circular.

6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

**Yours faithfully,**

**Susanta Kumar Das**  
**Deputy General Manager**  
**email: [susantad@sebi.gov.in](mailto:susantad@sebi.gov.in)**



CIRCULAR

SEBI/HO/CDMRD/DMP/CIR/P/2017/6

January 20, 2017

To,

**The Managing Directors / Chief Executive Officers  
All National Commodity Derivatives Exchanges**

Dear Sir / Madam,

**Sub: Criteria for Eligibility, Retention and re-introduction of derivative contracts on  
Commodities**

1. The nature/properties of one commodity differs from another, thereby not all commodities may be suitable for the commodity derivatives trading. It is prudent that before allowing any derivatives contract on any commodity, the appropriateness / usefulness of commencing futures trading in products (not necessarily of just commodities), needs to be ascertained.

2. The Commodity Derivatives Advisory Committee (CDAC), constituted for advising SEBI on matters concerning effective regulation and development of the commodity derivatives market, on the above aspects had inter alia, recommended that:

2.1. The commodities which are to be recommended by SEBI for notification by the Government or on which the exchange proposes to launch a contract should pass through some test based upon the objective parameters and upon satisfaction should be allowed for trading.

2.2. It is also important that the contracts available for trading in the commodity derivatives market are liquid enough for the contracts to trade smoothly.

3. Though it may not be practicable to keep a strict objective criteria which may be uniformly applied across all commodities for inclusion under derivatives, a broad framework can certainly be laid down. Thus, based on the recommendation of CDAC and in consultation with the stakeholders, it has been decided that the following criteria for eligibility, retention and reintroduction of derivative contracts on commodities shall be followed by all national commodity derivatives exchanges ('exchange').

**3.1. Eligibility criteria for allowing derivative contracts on commodities**

a) Exchanges shall examine following basic parameters and the commodity may be permitted to be included under derivatives if such commodity satisfies these parameters.

**I. Commodity Fundamentals**

- **Size of the market / Volume of the market:** The total supply value of the commodity in each year is taken as a measure of the physical market size of that commodity in that year. A higher physical market size could create higher futures trading volume by attracting more hedgers and speculators into the futures market.
- **Homogeneity/Standardization:** The commodity should be either Homogeneous or should be conducive to standardization. This is required so that participants trading the commodity on exchange platform should be able to unambiguously understand exactly what they are trading as on exchange only standardized contracts can be traded.
- **Durable/ Storable:** The commodity should be durable and storable for better price discovery. Durability i.e. higher shelf life makes commodity conducive for storage, which

creates opportunity for cash and carry and hence would attract arbitragers thus make it more suitable for derivatives trading.

## II. Trade Factors

- Global: Global market in a commodity could be a positive indicator as internationally linked commodity prices are influenced by various global factors and thus create multiple reference points for price discovery which may make it conducive for derivatives trading.
- Value chain: The term “value chain” describes the full range of value adding activities required to bring a product or service through the different phases of production, including procurement of raw materials and other inputs”, connected along a chain of producing, transforming and bringing goods and services to end-consumers through a sequenced set of activities and a strategic network among a number of business organizations”. Larger is the value chain larger would be the number of participants interested in derivatives trading of such commodity.
- Geographical coverage: The commodity should ideally have a vast distribution across the country. The coverage can be in the form of production of commodity or the distribution of the commodity across the country. Higher coverage would attract higher number of participants to the derivatives.

## III. Ease-of-doing-business

- Price Control: Price controls are government mandated minimum or maximum prices that can be charged for specified goods. Government sometimes implements price controls when prices on essential items, such as food grain or oil are rising rapidly. Such goods which are prone to price control may be less conducive for derivatives markets.
- Applicability of other laws: The Food control Regulation Act, Essential commodities Act, APMC Act etc., may have an impact on the commodities to be introduced for derivatives trading. Commodities which have excessive restrictions may be less conducive for derivatives markets.

## IV. Risk Management

- Correlation with International Market: Commodities which have a strong correlation with the global market have higher need for price risk management. Such commodities are conducive for derivatives trading.
- Seasonality: The Indian commodity sphere is characterized by seasonality. The prices fluctuate with the supply season and the off season. The derivatives market is necessary to even out this fluctuation and facilitate better price discovery. Thus the commodities with higher seasonality are conducive for derivatives trading.
- Price Volatility: Commodities with high volatility of prices have high need for hedging. Such commodities are conducive for Derivatives trading.

b) In order to bring in uniformity among the commodity derivatives exchanges, the indicative template as enclosed at Annexure A shall be adopted by the exchanges. In this regard the exchanges shall decide upon the specific numerical weightages as approved by their oversight committee for 'Product Design'.

c) The exchanges shall also analyze all the proposed commodities/ commodity derivatives contracts on the afore-said parameters comprised in the template and submit the same to SEBI while applying for the approvals along with necessary supporting documentary evidence.

### **3.2. Applicability of the template on the commodities presently being traded**

- a) As regards the commodities which are presently being traded on the exchange platforms, the exchanges shall apply the afore-said parameters comprised in the template on each of the commodities.
- b) The results of such exercise is to be submitted to SEBI within a period of 3 months.

### **3.3. Criteria for retention and reintroduction of derivative contracts on commodities**

- a) For any commodity to continue to be eligible for Futures trading on Exchange, it should have annual turnover of more than `500 Crore across all National Commodity Derivatives Exchanges in at least one of the last three financial years. For validating this criteria, gestation period of three years is provided for commodities from the launch date/relaunch date, as may be applicable.
- b) Once, a commodity becomes ineligible for derivatives trading due to not satisfying the retention criteria, the exchanges shall not reconsider such commodity for re-launching contract for a minimum period of one year.
- c) Further, a commodity which is discontinued/suspended by the exchange from derivatives trading on its platform, shall not be re-considered by the concerned exchange for re-launching of derivatives contract on such commodity at least for a minimum period of one year.

4. The provisions of this circular shall come into effect from the date of the circular except for the provisions listed out at 3.3 above which will be effective from April 01, 2017.

5. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

6. The Exchanges are advised to:

- i. To make necessary amendments to the relevant bye-laws, rules and regulations.
- ii. Bring the provisions of this circular to the notice of the stock brokers of the Exchange and also to disseminate the same on their website.
- iii. Communicate to SEBI, the status of the implementation of the provisions of this circular.

7. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the category "Circulars" and "Info for Commodity Derivatives".

**Yours faithfully,**

**Vikas Sukhwal**  
**Deputy General Manager**  
**Division of Market Policy**  
**Commodity Derivatives Market Regulation Department**  
**Tel. no.: +91-22-26449234**  
**Email: [vikass@sebi.gov.in](mailto:vikass@sebi.gov.in)**

For annexure please find below link:

[http://www.sebi.gov.in/legal/circulars/jan-2017/criteria-for-eligibility-retention-and-re-introduction-of-derivative-contracts-on-commodities\\_34079.html](http://www.sebi.gov.in/legal/circulars/jan-2017/criteria-for-eligibility-retention-and-re-introduction-of-derivative-contracts-on-commodities_34079.html)

## RBI UPDATES

RBI/2016-17/213

DCM (Plg) No.2559/10.27.00/2016-17

January 16, 2017

The Chairman / Managing Director / Chief Executive Officer,  
Public Sector Banks / Private Sector Banks / Foreign Banks /  
Regional Rural Banks / Urban Co-operative Banks /  
State Co-operative Banks/District Central Co-operative Banks

Dear Sir,

### **Enhancement of withdrawal limits from ATMs and Current Accounts**

Please refer to our circulars DCM (Plg) No. 1274, 1317, 1437 and 2142/10.27.00/2016-17 dated November 14, 21 and 28 and December 30, 2016, respectively, on the above subject.

2. On a review of limits placed on withdrawals from ATMs and current accounts, it has been decided to enhance the same, with immediate effect as under:

(i) The limit on withdrawals from ATMs has been enhanced from the current limit of ₹ 4,500/- to ₹ 10,000/- per day per card (It will be operative within the existing overall weekly limit).

(ii) The limit on withdrawal from current accounts has been enhanced from the current limit of ₹ 50,000/- per week to ₹ 1, 00,000/- per week and it extends to overdraft and cash credit accounts also.

3. There are no changes in the other conditions. The relaxations as provided in our circular dated November 28, 2016 will continue.

4. Please acknowledge receipt.

Yours faithfully,

(P Vijaya Kumar)  
Chief General Manager

**Master Directions on Access Criteria for Payment Systems**

RBI/DPSS/2016-17/51

Master Direction DPSS.CO.OD.No.1846/04.04.009/2016-17

January 17, 2017

The Chairman/ Managing Director/ Chief Executive Officer  
All Scheduled Commercial Banks including RRBs/  
Urban Co-operative Banks/ State Co-operative Banks/  
District Central Co-operative Banks/ Payment Banks/ Small Finance Banks/ Primary Dealers/  
Authorised Payment System Providers

Dear Sir,

**Master Directions on Access Criteria for Payment Systems**

A reference is invited to our circular DPSS.CO.OD.494/04.04.009/2011-2012 dated September 21, 2011 prescribing the Access Criteria for Payment Systems. These Master Directions, being issued under Section 10(2) read with Section 18 of Payment and Settlement Systems Act 2007 (Act 51 of 2007), consolidate and update all the instructions issued on the subject up to December 31, 2016 and placed on the web-site of the Reserve Bank of India ([www.rbi.org.in](http://www.rbi.org.in)).

**Yours faithfully**

**(Nanda S. Dave)**  
**Chief General Manager**

For complete master direction please find below link:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10833&Mode=0>

# INCOME TAX UPDATES

DGIT(S)-ADG(S)-2/e-filing notification/106/2016

Government of India  
Ministry of Finance  
Central Board of Direct Taxes  
Directorate of Income Tax (Systems)  
Notification No. 1 of 2017

New Delhi, 17th January, 2017

## **Procedure for registration and submission of statement of financial transactions (SFT) as per section 285BA of Income-tax Act, 1961 read with Rule 114E of Income-tax Rules, 1962**

Section 285BA of the Income Tax Act, 1961 (hereunder referred to as the "Act") requires specified reporting persons to furnish statement of financial transaction. Rule 114E of the Income Tax Rules, 1962 (hereunder referred to as the "Rules") specifies that the statement of financial transaction required to be furnished under sub-section (1) of section 285BA of the Act shall be furnished in Form No. 61A. The nature and value of transaction to be furnished by the reporting person under Rule 114 E is enclosed as *Annexure A*.

2. As per sub rule (6)(a) of Rule 114E, every reporting person/entity shall communicate to the Principal Director General of Income-tax (Systems) the name, designation, address and telephone number of the Designated Director and the Principal Officer and obtain a registration number. The procedure for registration for statement of financial transactions (SFT) was specified in Notification No. 13 dated 30th December, 2016. The functionality for submission of statement of financial transactions has now been enabled and the earlier instruction is being updated.

3. As per sub rule (4) (a) of Rule 114E, the statement of financial transactions shall be furnished through online transmission of electronic data to a server designated for this purpose under the digital signature of the person specified in sub-rule (7) and in accordance with the data structure specified in this regard by the Principal Director General of Income tax (Systems). The Post Master General or a Registrar or an Inspector General has the option to furnish the statement in a computer readable media, being a Compact Disc or Digital Video Disc (DVD), along with verification in Form-V on paper. The statement of financial transactions shall be furnished on or before the 31st May, immediately following the financial year in which the transaction is registered or recorded. The statement of financial transaction in respect of Cash deposits during the period 1<sup>st</sup> April, 2016 to 8th November, 2016 and 9<sup>th</sup> November, 2016 to 30th December, 2016 shall be furnished on or before the 31st day of January, 2017.

4. As per sub-rule (4)(b) of Rule 114E Principal Director General of Income-tax (Systems) shall specify the procedures, data structures and standards for ensuring secure capture and transmission of data, evolving and implementing appropriate security, archival and retrieval policies.

5. In exercise of the powers delegated by Central Board of Direct Taxes ('Board') under sub rule (4)(a) and (4)(b) of Rule 114E of the Income tax Rules 1962, the Principal Director General of Income-tax (Systems) hereby lays down the following procedures:

a) **Registration and Generation of Income Tax Department Reporting Entity Identification Number (ITDREIN):** The reporting person/entity is required to get registered with the Income Tax Department by logging in to the e-filing website (<https://incometaxindiaefiling.gov.in/>) with the log in ID used for the purpose of filing the Income Tax Return of the reporting person/entity. A link to register reporting person/entity has been provided under “My Account>Manage ITDREIN”. Once ITDREIN is generated, the reporting person/entity will receive a confirmation e-mail on the registered e-mail ID and SMS at registered mobile number. There will be no option to de-activate ITDREIN, once ITDREIN is created.

b) **Registration of designated director and principal officer:** The reporting person/entity will be required to submit the details of designated director and principal officer. The designated director and principal officer will receive a confirmation e-mail with an activation link. An SMS alongwith OTP (One time Password) will also be sent to the registered Mobile Number. For completion of registration, the designated director and principal officer should click on the Activation link, enter the Mobile PIN (OTP), Password and Confirm Password and click on Activate Button. On success, the registration will be complete.

c) **Submission of Form 61A:** Every reporting person/entity is required to submit the Statement of Financial Transaction (SFT) in Form 61A. The prescribed schema for Form 61A can be downloaded from the e-filing website home page under “Schema” tab and a utility to prepare Form 61A XML file can be downloaded from the e-filing website home page under forms (other than ITR) tab. General and transaction specific guidelines for preparation of SFT in the specified format is enclosed as *Annexure B* and *Annexure C* respectively. The designated director is required to login to the e-filing website with the ITDREIN, PAN (of the designated director) and password. The form is required to be submitted using a Digital Signature Certificate of the designated director.

d) **Submission of correction statement:** In case filer subsequently discovers any defect in the statement so furnished, he is required to remove the defect by submitting. Further, the defects in the statement so furnished will be communicated separately by the prescribed authority. Sub-section (4) of Section 285BA requires the filer to rectify the defect with the time allowed and submit a correction statement.

e) **Security, archival and retrieval policies:** The reporting person/entity is required to document and implement appropriate information security policies and procedures with clearly defined roles and responsibilities to ensure security of submitted information and related information/documents. The reporting person/entity is also required to document and implement appropriate archival and retrieval policies and procedures with clearly defined roles and responsibilities to ensure that submitted information and related information/documents are available promptly to the competent authorities.

(S. S. Rathore)  
Pr. DGIT (Systems), CBDT

For annexure please find below link:

[http://www.incometaxindia.gov.in/communications/notification/systemnotification1\\_2017.pdf](http://www.incometaxindia.gov.in/communications/notification/systemnotification1_2017.pdf)

**MINISTRY OF FINANCE  
(Department of Revenue)  
(Central Board of Direct Taxes)  
NOTIFICATION  
New Delhi, the 18th January, 2017**

**INCOME TAX**

S.O. 177(E).—In exercise of the powers conferred by sub-section (23EC) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby specifies the NCDEX Investor (Client) Protection Fund Trust (PAN: AABTN7481R) set up by the National Commodity and Derivatives Exchange Limited, Mumbai a commodity exchange, for the purposes of the said clause for the assessment year 2013-14 and subsequent assessment years.

[Notification No. 4 /2017/F. No. 173/51/2013-ITA-I]  
DEEPSHIKHA SHARMA, Director

**Explanatory Memorandum:**-Interests of no person shall be adversely affected by such retrospective effect.

## CUSTOM UPDATES

**Circular No. 03/2017-Customs  
F.No.528/121/2016-STO (TU)  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs**

227B, North Block  
New Delhi, the 16<sup>th</sup> January, 2017

To,

All Principal Chief Commissioners/ Chief Commissioners of Customs/Customs (Preventive)  
Principal Director General/ Director General, DRI  
All Principal Chief Commissioners/Chief Commissioners of Customs & Central Excise  
All Principal Commissioners/Commissioners of Customs/Customs (Preventive)  
All Principal Commissioners/Commissioners of Customs & Central Excise

Sir/Madam,

**Subject: - Import of point of sale (PoS) terminal devices, its cells & batteries and labelling requirements thereof-reg.**

The government has vide notification No. 35/2016-Central Excise, dated 28.11.16 exempted excise duty on Point of Sale (PoS) devices and also goods required for their manufacture. These devices are already exempted from customs duty. PoS devices are indispensable in a cashless digital payment ecosystem.

2. Ministry of Electronics and Information Technology (MeitY) have stated that Point of sale (PoS) Terminal devices and sealed secondary cell/batteries containing alkaline or other non-acid electrolytes for use in portable applications are covered under the scope of Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2012 with effect from 13.5.2015 & 1.6.2016 respectively for mandatory BIS registration.

3. MeitY have relaxed the import conditions of Point of Sale (PoS) terminal devices and cells/batteries fitted in these devices to the following extent.

- a) Import of non-labelled registered PoS devices shall be allowed subject to the condition that the importer shall put standard logo on each carton at the port instead of each separate PoS Terminal device along with the declaration to the Customs confirming that each terminal device would be labelled after clearance but before sale /distribution in the Indian market. Customs may release the consignments of PoS devices based on the declaration along with the details of model/ Serial nos. of the PoS terminal devices inside the cartons.
- b) Special permission for import of batteries and cells coming along (fitted) with the BIS registered PoS terminals if the said cells /batteries are either registered with BIS as per IS 16046 or are certified as per the International standard IEC 62133: 2012. Spares shall not be allowed under this relaxation.

Both the above exemptions from the regulatory requirements shall be valid till 31.3.17 or till further orders issued by MeitY.

4. Difficulties, if any in the implementation of this Circular may be brought to the knowledge of the Board.

**Yours faithfully,**

**(Zubair Riaz)**  
**Director (Customs)**



GOVERNMENT OF INDIA  
 MINISTRY OF FINANCE  
 (DEPARTMENT OF REVENUE)  
 (CENTRAL BOARD OF EXCISE AND CUSTOMS)

**Notification No.5/2017 - Customs (N.T.)**

New Delhi, dated the 19th January, 2017  
 29 Pausha, 1938 (SAKA)

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Central Board of Excise and Customs No.1/2017-CUSTOMS (N.T.), dated 05th January, 2017, except as respects things done or omitted to be done before such supersession, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed hereto, into Indian currency or vice versa, shall, with effect from 20th January, 2017, be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

**SCHEDULE-I**

S. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	For Export Goods)
1.	Australian Dollar	52.35	50.40
2.	Bahrain Dinar	187.35	174.90
3.	Canadian Dollar	52.25	50.70
4.	Danish Kroner	9.95	9.60
5.	EURO	73.75	71.45
6.	Hong Kong Dollar	8.90	8.70
7.	Kuwait Dinar	230.85	216.20
8.	New Zealand Dollar	49.55	47.85
9.	Norwegian Kroner	8.20	7.90
10.	Pound Sterling	85.15	82.40
11.	Singapore Dollar	48.55	47.05
12.	South African Rand	5.20	4.85
13.	Saudi Arabian Riyal	18.80	17.60
14.	Swedish Kroner	7.75	7.50
15.	Swiss Franc	68.90	66.55
16.	UAE Dirham	19.20	18.00
17.	US Dollar	69.10	67.40

18.	Chinese Yuan	10.10	9.80
19.	Qatari Riyal	19.20	18.15

**SCHEDULE-II**

(1)	Foreign Currency (2)	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
		(3)	
		(a) (For Imported Goods)	(b) (For Export Goods)
1.	Japanese Yen	60.55	58.60
2.	Kenya Shilling	67.90	63.55

[F.No. 468/01/2017-Cus.V]

(Kshitendra Verma)  
Under Secretary to the Govt. of India  
TELE: 011-2309 5541

[TO BE PUBLISHED IN PART II, SECTION 3, SUB-SECTION (i) OF THE GAZETTE OF  
INDIA (EXTRAORDINARY)] GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
(CENTRAL BOARD OF EXCISE AND CUSTOMS)

Notification No. 1/2017-CUSTOMS  
New Delhi, 20th January, 2017

G.S.R (E) 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. 153/93-Customs, dated the 13th August, 1993, namely:-

In the said notification,

(1) in the paragraph for the conditions, the following conditions shall be substituted,-

“ (i) the importer (hereinafter referred to as the Infrastructure Service Provider or the ISP) shall produce a certificate to the Assistant Commissioner or the Deputy Commissioner of Customs from the concerned Director of the Software Technology Parks Society set up by the Government of India, Department of Electronics, to the effect that the said imported goods are to be installed or used in the premises of the ISP and that the importer of such goods has been authorised by the said Inter-Ministerial Standing Committee for Hundred Percent Export Oriented Units in the Electronics Hardware Technology Parks (EHTP) and Software Technology Parks (STP) appointed by the notification of the Government of India in the Ministry of Industry, Department of Industrial Development No. S.O. 117(E), dated the 22nd February, 1993;

(ii) the goods shall only be used for the purpose of export of software by the STP Units located in the premises of the ISP;

(iii) the ISP executes a bond before the Assistant Commissioner or the Deputy Commissioner of Customs binding himself to,-

(a) install the said goods in his premises and use them in connection with the export of software by the STP Units located in the premises;

(b) not to remove the said goods from the premises without the approval of Assistant Commissioner or Deputy Commissioner of Customs;

(c) pay on demand, an amount equal to the duty leviable on the said goods as are not proved to the satisfaction of the Assistant Commissioner or Deputy Commissioner of Customs to have been used for the purposes for which the said goods were imported; and

(d) follow the procedure as may be prescribed by the Assistant Commissioner or Deputy Commissioner of Customs for the receipt, storage, use and removal of the goods;

(iv) subject to the permission being granted by the Director of the Software Technology Park, the Assistant Commissioner or Deputy Commissioner of Customs, may allow an ISP to re-export the said goods;

(v) without prejudice to any other provision contained in this notification, the Assistant Commissioner of Customs or Deputy Commissioner of Customs may, in accordance with the Foreign Trade Policy, allow the ISP to clear the goods specified in the Annexure to this notification on payment of duty on the depreciated value thereof and at the rate in force on the date of clearance. The depreciation shall be allowed in straight line method as specified below, namely: -

- for every quarter in the first year @ 4%
- for every quarter in the second year @ 3%
- for every quarter in the third year @ 3%
- for every quarter in the fourth and fifth year @ 2.5 % and thereafter for every quarter @ 2%

Explanation, -

- (1) For the purpose of computing the rate of depreciation for any part of a quarter, a full such quarter shall be taken into account;
  - (2) there shall be no upper limit for such depreciation and depreciation upto 100% could be allowed;
  - (3) The period of depreciation shall be calculated:
    - i. from the date of commencement of operations, as certified by the Director of the Software Technology Park, to the date of clearance of the goods; or
    - ii. where such goods have been received in an operational ISP premises, from date of their installation as certified by the Director of the Software Technology Park, by a STP unit, to the date of clearance.”;
- (2) in the Annexure, under heading “V OTHER ITEMS”, against serial number 2, for the words, “Chief Executive” the word, “Director” shall be substituted.”

**F. No. DGEP/EoU/STP/28/2016**

**(Temsunaro Jamir)**

**Under Secretary to the Government of India**

Note. - The principal notification No. 153/1993 Customs, dated the 13th August, 1993 was published in the Gazette of India, Extraordinary, Part II, section 3, Sub-section (i) vide number G.S.R. 554(E), dated the 13th August, 1993 and was last amended by Notification No.5/2007- Customs, dated 15th January, 2007, published in the Gazette of India, Extraordinary, Part II, section 3, Sub-section (i) vide number G.S.R. 27(E), dated 15th January, 2007.

## DGFT UPDATES

TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY  
PART-II, SECTION—3, SUB SECTION (ii)

**GOVERNMENT OF INDIA**  
MINISTRY OF COMMERCE AND INDUSTRY  
DEPARTMENT OF COMMERCE

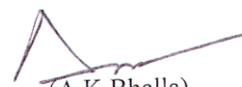
**NOTIFICATION No.35/2015-2020**  
New Delhi, 17 January, 2017

S.O. (E): In exercise of powers conferred by Section 3 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government hereby amends the Import Policy Conditions of arecanut under Exim Code 0802 80 of Chapter 8 of ITC (HS) 2012, Schedule 1 (Import Policy) as under:

2. The CIF value of Areca Nuts under the following Exim Codes of Chapter 8 of ITC (HS) 2012, Schedule 1 (Import Policy) is revised from the present 'Rs.162/- and above per Kilogram' to 'Rs.251/- and above per Kilogram'. The revised entries shall be as under:

Exim Code	Item Description	Policy	Policy Conditions
	<b>Areca Nuts:</b>		
0802 80 10	Whole	Free	Provided CIF value is <b>Rs.251/- and above per Kilogram.</b>
0802 80 20	Split	Free	Provided CIF value is <b>Rs.251/- and above per Kilogram.</b>
0802 80 30	Ground	Free	Provided CIF value is <b>Rs.251/- and above per Kilogram.</b>
0802 80 90	Other	Free	Provided CIF value is <b>Rs.251/- and above per Kilogram.</b>

**2. Effect of this Notification:** The minimum price for import of Areca Nuts is enhanced from existing Rs. 162/- to Rs.251/- per Kilogram.

  
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(Issued from File No.01/89/180/0043/AM-01/PC-2 (A)(Vol-II))

To be published in the Gazette of India Extraordinary Part-II, Section -3, Sub-Section (ii)  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade  
Udyog Bhawan

Notification No. 36 /2015-2020  
New Delhi, Dated: 17 January, 2017

**Subject: Notification of ITC (HS), 2017 - Schedule-1 (Import Policy)**

**S.O. (E):** In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (as amended from time to time) read with paragraph 2.01 of the Foreign Trade Policy, 2015-2020, the Central Government hereby notifies 'Indian Trade Classification (Harmonised System) of Import Items, 2017 [ITC (HS), 2017] as enclosed in the Annexure to this Notification.

2. ITC (HS), 2017 contains "Schedule 1 - Import Policy". Against each item of this schedule, the current import policy has been indicated along with policy conditions to be fulfilled, if any. The same is available in the DGFT's website [www.dgft.gov.in](http://www.dgft.gov.in).

3. This shall come into force with immediate effect.

**Effect of this Notification:** ITC (HS) 2017 Schedule-1 Import Policy is notified.

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[Issued from F.No.01/89/180/11/AM-17/PC-2A



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