

Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Foreign Trade
Vanijya Bhawan, New Delhi
Policy - 4 Division

Policy Circular No. 01/2024

Dated: 12th April 2024

To

All Regional Authorities of DGFT
All Exporters/Members of Trade
All Custom Authorities

Subject: Clarification on discharge of export obligation of Advance Authorisation (AA) bearing Customs Notification No.18/2015-Customs as amended and Customs Notification No.21/2015-Customs as amended both dated 01.04.2015 by making physical exports or by making domestic supplies -reg.

This Directorate has been receiving representations on the subject cited above from time to time.

2. Accordingly, the matter is clarified as follows:

(a) Advance Authorisation Holder holding an Advance Authorisation issued on or after 01.04.2015, under Customs Notification No. 18/2015-Customs, dated 01.04.2015 has option to fulfill the export obligation either by physical exports or by making domestic supplies under para 7.02(A) (a) of FTP 2015-2020 i.e. Supply of goods against Advance Authorisation/Advance Authorisation for annual requirement/DFIA.

(b) As per the harmonious reading of Para 4.14 of FTP 2015-2020 with Customs Notification No.01/2019-Customs dated 10.01.2019 it is clarified that Advance Authorisation Holder holding an Advance Authorisation issued on or after 10.01.2019, under Customs Notification No. 18/2015-Customs, dated 01.04.2015 has options as follows:

(i) To fulfill the export obligation either by physical exports or by making domestic supplies under Para 7.02 A (a) of FTP 2015-2020 i.e. Supply of goods against Advance Authorisation/Advance Authorisation for annual requirement/DFIA.

(ii) To make supplies under para 7.02A (b) of FTP 2015-2020 i.e. supply of goods to EOU/STP/EHTP/BTP.

(iii) To make supplies under para 7.02(A) (c) of FTP 2015-2020 i.e. supply of capital goods against EPCG authorisation provided exemption from payment of applicable Anti-Dumping Duty, Countervailing Duty, Safeguard Duty and Transition Product Specific Safeguard Duty if any has not been availed.

3. Similarly Advance Authorisation Holder holding an Advance Authorisation for deemed export issued under Customs Notification No. 21/2015-Customs dated 01.04.2015 only for above mentioned supplies with above stipulated conditions has an option to fulfill their export obligation either by way of supplies under para 7.02(A) (a), (b) & sub para (c) of FTP 2015-2020 or by making physical exports.

4. This Policy Circular is issued with the approval of the DGFT


(K.M.Harilal)

Jt. Director General of Foreign Trade