

DUTY EXEMPTION SCHEMES(Ch-4 of FTP/HBP)

Duty Exemption Schemes enable duty free import of inputs required for export production. A Duty Remission Scheme enables pre-export duty free inputs/post export replenishment / remission of duty on inputs used in the export product.

1. Advance Authorisation

I. An Advance Authorisation is issued to allow duty free import of inputs, which are physically incorporated in the export product. In addition, fuel, oil, energy, catalysts etc. which are consumed in the course of their use to obtain the export product, may also be allowed under the scheme.

II. The Authorisation shall be issued on the basis of inputs and export items given under Standard Input and Output Norms (SION). The import entitlement shall be limited to the quantity mentioned in SION.

III. Such Authorisation can be issued either to a manufacturer exporter or merchant exporter tied to supporting manufacturer(s)

IV. A minimum 15% value addition shall be required for issuance of such Authorisation

V. Once export obligation has been fulfilled, request for redemption of the Authorisation or the inputs imported against it may be made before the Regional Authority.

Advance Authorisation can be issued for:-

- a. Physical Exports;
- b. Intermediate Supplies;
- c. Deemed Exports;