

Duty Free Import Authorisation (DFIA)

I. This scheme is in existence from 1st May, 2006. A Duty Free Import Authorisation is issued to allow duty free import of inputs which are used in the manufacture of the export product (making normal allowance for wastage) and fuel, energy, catalyst etc. which are consumed or utilised in the course of their use to obtain the export product.

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 20% value addition shall be required for issuance of such Authorisation.

V. Once export obligation has been fulfilled, request for transferability of the Authorisation or the inputs imported against it may be made before the Regional Authority. Once, transferability is endorsed, the Authorisation holder will be at liberty to transfer the duty free inputs, other than fuel and any other item (s) notified by DGFT for this purpose.