Circular No.19 / 2003-Cus.
27th March, 2003

No.450/108/98-Cus.IV
Government of India
Ministry of Finance & Company Affairs
Department of Revenue
(Central Board of Excise & Customs)

Subject: Exemption from Declarations - Goods sent for testing abroad subject to re-import - instructions reg.

I am directed to state that Reserve Bank of India, vide regulation 4(k) of Notification No.FEMA 36/2001-RB, dated the 27th February, 2001, waived the requirement of declaration on GR form in respect of goods sent outside India (i) for testing subject to their re-import into India or (ii) repair and re-import subject to certain conditions. A copy of notification No. FEMA 36/2001-RB, dated 27.2.2001 is enclosed for ready reference.

2. You are, therefore, requested to instruct all concerned suitably.

D. S. Garbyal
Under Secretary to the Govt. of India

ANNEXURE

RESERVE BANK OF INDIA
(EXCHANGE CONTROL DEPARTMENT)
CENTRAL OFFICE
MUMBAI 400 001

Notification No.FEMA 36/2001-RB dated February 27, 2001

In exercise of the powers conferred by clause (a) of sub-section (1) and sub-section (3) of Section 7, sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in partial modification of its Notification No. FEMA 23/2000-RB dated 3rd May 2000, Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 as amended from time to time, namely:-

1.	(i)	These Regulations may be called the Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2001.	
	(ii)	They shall come into force with immediate effect.	
2.	In the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 (hereinafter referred as to "the said Regulations",		
	(i)	in Regulation 4,	
		(a)	in clause (i), after the words "Export Processing Zones", the words "Electronic Hardware Technology Parks, Electronic Software Technology Parks" shall be inserted;

		(b)	after clause (i), the following clause shall be inserted, namely:-
			"(ia) goods listed at items (1), (2) and (3) of clause (i) to be re-exported by units in Special Economic Zones, under intimation to the Development Commissioner of Special Economic Zones / concerned Assistant Commissioner or Deputy Commissioner of Customs."
		(c)	after clause (j), the following clauses shall be inserted, namely:-
			"(k) goods sent outside India for testing subject to re-import into India;
			(l) defective goods sent outside India for repair and re-import provided the goods are accompanied by a certificate from an authorized dealer in India that the export is for repair and re-import and that the export does not involve any transaction in foreign exchange;
			(m) exports permitted by the Reserve Bank, on application made to it, subject to the terms and conditions, if any, as stipulated in the permission."
	(ii)	in Regulation 6 of the said Regulations, in sub-regulation (3), for clause (i), the following clause shall be substituted, namely:-	
		"(i) The declaration in Form SOFTEX in respect of export of computer software and audio/video/television software shall be submitted in triplicate to the designated official of Ministry of Information Technology, Government of India at the Software Technology Parks of India (STPIs) or at the Free Trade Zones (FTZs) or Export Processing Zones (EPZs) or Special Economic Zones (SEZs) in India."	
	(iii)	in Regulation 9 of the said Regulations,	
		(a)	the existing Regulation shall be numbered as "(1)".

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		(b)	after sub-regulation (1) as so numbered, the following sub-regulation shall be inserted, namely:-
			"(2) (a) Where the export of goods or software has been made by a unit situated in a Special Economic Zone, then notwithstanding anything contained in sub-regulation (1), the amount representing the full export value of goods or software shall be realized and repatriated to India within twelve months from the date of export;
			Provided that the Reserve Bank may for a sufficient and reasonable cause shown, extend the said period of twelve months.
			(b) The Reserve Bank may for reasonable and sufficient cause direct that the unit shall cease to be governed by sub-regulation (2);
			Provided that no such direction shall be given unless the unit has been given a reasonable opportunity to make a representation in the matter.
			(c) On such direction, the unit shall be governed by the provisions of sub-regulation (1), until directed otherwise by the Reserve Bank."
	(iv)	in the Schedule to the said Regulations, for the "Software Export Declaration (SOFTEX) Form", the Form shall be substituted by the form as set out in the Annexure.	

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D. P. Sarda
Executive Director