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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

IndiaCode

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, August 20, 2010/*Sravana* 29, 1932 *(Saka)*

The following Act of Parliament received the assent of the President on the 19th August, 2010, and is hereby published for general information:—

THE FOREIGN TRADE (DEVELOPMENT AND REGULATION) AMENDMENT ACT, 2010

No. 25 OF 2010

[19*th August,* 2010.]

An Act to amend the Foreign Trade (Development and Regulation) Act, 1992.

BE it enacted by Parliament in the Sixty-first Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Foreign Trade (Development and Regulation) Amendment Act, 2010.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amendment of section 2.

2. In section 2 of the Foreign Trade (Development and Regulation) Act, 1992 (hereinafter referred to as the principal Act), 22 of 1992.—

(*a*) for clause (*e*), the following shall be substituted, namely:—

'(*e*) "import" and "export" means,—

(*I*) in relation to goods, bringing into, or taking out of, India any goods by land, sea or air;

(*II*) in relation to services or technology,—

(*i*) supplying, services or technology—

(*A*) from the territory of another country into the territory of India;

(*B*) in the territory of another country to an Indian service consumer;

(*C*) by a service supplier of another country, through commercial presence in India;

(*D*) by a service supplier of another country, through presence of their natural persons in India;

(*ii*) supplying, services or technology—

(*A*) from India into the territory of any other country;

(*B*) in India to the service consumer of any other country;

(*C*) by a service supplier of India, through commercial presence in the territory of any other country;

(*D*) by a service supplier of India, through presence of Indian natural persons in the territory of any other country:

Provided that "import" and "export" in relation to the goods, services and technology regarding Special Economic Zone or between two Special Economic Zones shall be governed in accordance with the provisions contained in the Special Economic Zones Act, 2005.'; 28 of 2005.

(*b*) after clause (*i*), the following clauses shall be inserted, namely:—

'(*j*) "services" means service of any description which is made available to potential users and includes all the tradable services specified under the General Agreement on Trade in Services entered into amongst India and other countries who are party to the said Agreement:

Provided that, this definition shall not apply to the domain of taxation;

(*k*) "service supplier" means any person who supplies a service and who intends to take benefit under the foreign trade policy;

(*l*) "specified goods or services or technology" means the goods or services or technology, the export, import, transfer, re-transfer, transit and trans-shipment of which is prohibited or restricted because of imposition of conditions on the grounds of their being pertinent or relevant to India as a Nuclear Weapon State, or to the national security of India, or to the furtherance of its foreign policy or its international obligations under any bilateral, multilateral or international treaty, convenant, convention or arrangement relating to weapons of mass destruction or their means of delivery to which India is a party or its agreement with a foreign country under the foreign trade policy formulated and notified under section 5 of the Act;

(*m*) "technology" means any information (including information embodied in software), other than information in the public domain, that is capable of being used in—

(*i*) the development, production or use of any goods or software;

(*ii*) the development of, or the carrying out of, an industrial or commercial activity or the provision of service of any kind.

Explanation.— For the purpose of this clause—

(*a*) when technology is described wholly or partly by reference to the uses to which it (or the goods to which it relates) may be put, it shall include services which are provided or used, or which are capable of being used in the development, production or use of such technology or goods;

(*b*) "public domain" shall have the same meaning as assigned to it in clause (*i*) of section 4 of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005.'.

21 of 2005.

3. In the principal Act, in sub-heading below "Chapter II", for the words "EXPORT AND IMPORT POLICY", the words "FOREIGN TRADE POLICY" shall be substituted. Amendment of title of Chapter II.

4. In section 3 of the principal Act,— Amendment of section 3.

(*a*) in sub-section (*2*),—

(*i*) for the words "import or export of goods", the words "import or export of goods or services or technology" shall be substituted;

(*ii*) after sub-section (*2*), the following proviso shall be inserted, namely:—

"Provided that the provisions of this sub-section shall be applicable, in case of import or export of services or technology, only when the service or technology provider is availing benefits under the foreign trade policy or is dealing with specified services or specified technologies.".

(*b*) after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*4*) without prejudice to anything contained in any other law, rule, regulation, notification or order, no permit or licence shall be necessary for import or export of any goods, nor any goods shall be prohibited for import or export except, as may be required under this Act, or rules or orders made thereunder.".

5. For section 5 of the principal Act, the following section shall be substituted, namely:— Substitution of new section for section 5.

"5. The Central Government may, from time to time, formulate and announce, by notification in the Official Gazette, the foreign trade policy and may also, in like manner, amend that policy: Foreign Trade Policy.

Provided that the Central Government may direct that, in respect of the Special Economic Zones, the foreign trade policy shall apply to the goods, services and technology with such exceptions, modifications and adaptations, as may be specified by it by notification in the Official Gazette.".

6. In section 6 of the principal Act, in sub-section (*2*), for the words "export and import policy", the words "foreign trade policy" shall be substituted. Amendment of section 6.

7. In section 7 of the principal Act, the following proviso shall be inserted, namely:— Amendment of section 7.

"Provided that in case of import or export of services or technology, the Importer-exporter Code Number shall be necessary only when the service or technology provider is taking benefits under the foreign trade policy or is dealing with specified services or specified technologies.".

Amendment of section 8.

8. In section 8 of the principal Act,—

(*A*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Where—

(*a*) any person has contravened any of the provisions of this Act or any rules or orders made thereunder or the foreign trade policy or any other law for the time being in force relating to Central excise or customs or foreign exchange or has committed any other economic offence under any other law for the time being in force as may be specified by the Central Government by notification in the Official Gazette; or

(*b*) the Director General or any other officer authorised by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or has brought disrepute to the credit or the goods of, or services or technology provided from, the country; or

(*c*) any person who imports or exports specified goods or services or technology, in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy,

the Director General or any other officer authorised by him may call for the record or any other information from that person and may, after giving to that person a notice in writing informing him of the grounds on which it is proposed to suspend or cancel the Importer-exporter Code Number and after giving him a reasonable opportunity of making a representation in writing within such reasonable time as may be specified in the notice and, if that person so desires, of being heard, suspend for a period, as may be specified in the order, or cancel the Importer-exporter Code Number granted to that person.";

(*B*) in sub-section (*2*), for the words "import or export any goods", the words "import or export any goods or services or technology" shall be substituted.

Amendment of section 9.

9. In section 9 of the principal Act,—

(*a*) in sub-sections (*1*), (*3*), (*4*) and (*5*), for the word "licence", wherever it occurs, the words "licence, certificate, scrip or any instrument bestowing financial or fiscal benefits" shall be substituted;

(*b*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) The Director General or an officer authorised by him may, on an application and after making such inquiry as he may think fit, grant or renew or refuse to grant or renew a licence to import or export such class or classes of goods or services or technology as may be prescribed and, grant or renew or refuse to grant or renew a certificate, scrip or any instrument bestowing financial or fiscal benefit, after recording in writing his reasons for such refusal.".

Insertion of new Chapter IIIA.

10. After Chapter III of the principal Act, the following Chapter shall be inserted, namely:—

'CHAPTER IIIA

QUANTITATIVE RESTRICTIONS

Power of Central Government to impose quantitative restrictions.

9A. (*1*) If the Central Government, after conducting such enquiry as it deems fit, is satisfied that any goods are imported into India in such increased quantities and under such conditions as to cause or threaten to cause serious injury to domestic industry, it may, by notification in the Official Gazette, impose such quantitative restrictions on the import of such goods as it may deem fit:

Provided that no such quantitative restrictions shall be imposed on any goods originating from a developing country so long as the share of imports of such goods from that country does not exceed three per cent. or where such goods originate from

more than one developing country, then, so long as the aggregate of the imports from all such countries taken together does not exceed nine per cent. of the total imports of such goods into India.

(*2*) The quantitative restrictions imposed under this section shall, unless revoked earlier, cease to have effect on the expiry of four years from the date of such imposition:

Provided that if the Central Government is of the opinion that the domestic industry has taken measures to adjust to such injury or threat thereof and it is necessary that the quantitative restrictions should continue to be imposed to prevent such injury or threat and to facilitate the adjustments, it may extend the said period beyond four years:

Provided further that in no case the quantitative restrictions shall continue to be imposed beyond a period of ten years from the date on which such restrictions were first imposed.

(*3*) The Central Government may, by rules provide for the manner in which goods, the import of which shall be subject to quantitative restrictions under this section, may be identified and the manner in which the causes of serious injury or causes of threat of serious injury in relation to such goods may be determined.

(*4*) For the purposes of this section—

(*a*) "developing country" means a country notified by the Central Government in the Official Gazette, in this regard;

(*b*) "domestic industry" means the producers of goods (including producers of agricultural goods)—

(*i*) as a whole of the like goods or directly competitive goods in India; or

(*ii*) whose collective output of the like goods or directly competitive goods in India constitutes a major share of the total production of the said goods in India;

(*c*) "serious injury" means an injury causing significant overall impairment in the position of a domestic industry;

(*d*) "threat of serious injury" means a clear and imminent danger of serious injury.'.

Amendment of section 10.

11. In section 10 of the principal Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The Central Government may, by notification in the Official Gazette, authorise any person for the purposes of exercising such powers with respect to,—

(*a*) entering such premises where the goods are kept, stored or processed, manufactured, traded or supplied or received for the purposes of import or export and searching, inspecting and seizing of such goods, documents, things and conveyances connected with such import and export of goods;

(*b*) entering such premises from which the services or technology are being provided, supplied, received, consumed or utilised and searching, inspecting and seizing of such goods, documents, things and conveyances connected with such import and export of services and technology,

subject to such requirements and conditions and with the approval of such officer, as may be prescribed:

Provided that the provisions of clause (*b*) shall be applicable, in case of import of export of services or technology, only when the service or technology provider is availing benefit under the foreign trade policy or is dealing with specified services or specified technologies.

Subsitution of new section for section 11.

12. For section 11 of the principal Act, the following section shall be substituted, namely:—

Contravention of provisions of this Act, rules, orders and foreign trade policy.

11. (*1*) No export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the foreign trade policy for the time being in force.

(*2*) Where any person makes or abets or attempts to make any export or import in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy, he shall be liable to a penalty of not less than ten thousand rupees and not more than five times the value of the goods or services or technology in respect of which any contravention is made or attempted to be made, whichever is more.

(*3*) Where any person signs or uses, or causes to be made, signed or used, any declaration, statement or document submitted to the Director General or any officer authorised by him under this Act, knowing or having reason to believe that such declaration, statement or document is forged or tampered with or false in any material particular, he shall be liable to a penalty of not less than ten thousand rupees or more than five times the value of the goods or services or technology in respect of which such declaration, statement or document had been submitted, whichever is more.

(*4*) Where any person, on a notice to him by the adjudicating Authority, admits any contravention, the Adjudicating Authority may, in such class or classes or cases and in such manner as may be prescribed, determine, by way of settlement, an amount to be paid by that person.

(*5*) A penalty imposed under this Act may, if it is not paid by any person, be recovered by any one or more of the following modes, namely:—

(*a*) the Director General may deduct or require any officer subordinate to him to deduct the amount payable under this Act from any money owing to such person which may be under the control of such officer; or

(*b*) the Director General may require any officer of customs to deduct the amount payable under this Act from any money owing to such person which may be under the control of such officer of customs, as if the said amount is payable under the Customs Act, 1962; or 52 of 1962.

(*c*) the Director General may require the Assistant Commissioner of Customs or Deputy Commissioner of Customs or any other officer of Customs to recover the amount so payable by detaining or selling any goods (including the goods connected with services or technology) belonging to such person which are under the control of the Assistant Commissioner of Customs or Deputy Commissioner or Customs or any other officer of Customs, as if the said amount is payable under the Customs Act, 1962; or 52 of 1962.

(*d*) if the amount cannot be recovered from such person in the manner provided in clauses (*a*), (*b*) and (*c*),—

(*i*) the Director General or any officer authorised by him may prepare a certificate signed by him specifying the amount due from such person and send it to the Collector of the District in which such person owns any property or resides or carries on business and the said Collector on receipt of such certificate shall proceed to recover from such person the amount specified thereunder as if it were an arrear of land revenue; or

(*ii*) the Director General or any officer authorised by him (including an officer of Customs who shall then exercise his powers under the Customs Act, 1962) and in accordance with the rules made in this behalf, 52 of 1962. detain any movable or immovable property belonging to or under the control of such person, and detain the same until the amount payable is paid, as if the said amount is payable under the Customs Act, 1962; and in

case, any part of the said amount payable or of the cost of the distress or keeping of the property, remains unpaid for a period of thirty days next after any such distress, may cause the said property to be sold and with the proceeds of such sale, may satisfy the amount payable and costs including cost of sale remaining unpaid and shall render the surplus, if any to such person.

(*6*) Where the terms of any bond or other instrument executed under this Act or any rules made thereunder provide that any amount due under such instrument may be recovered in the manner laid down in sub-section (*5*), the amount may, without prejudice to any other mode of recovery, be recovered in accordance with the provisions of that sub-section.

(*7*) without prejudice to the provisions contained in this section, the Importer-Exporter Code Number of any person who fails to pay any penalty imposed under this Act, may be suspended by the Adjudicating Authority till the penalty is paid or recovered, as the case may be.

(*8*) Where any contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy has been, is being, or is attempted to be, made, the goods (including the goods connected with services or technology) together with any package, covering or receptacle and any conveyances shall, subject to such conditions and requirements as may be prescribed, be liable to confiscation by the Adjudicating Authority.

(*9*) The goods (including the goods connected with services or technology) or the conveyance confiscated under sub-section (*8*) may be released by the Adjudicating Authority, in such manner and subject to such conditions as may be prescribed, on payment by the person concerned of the redemption charges equivalent to the market value of the goods or conveyance, as the case may be."

Insertion of new sections 11A and 11B.

13. After section 11 of the principal Act, the following sections shall be inserted, namely:—

Crediting sums realised by way of penalties in Consolidated Fund of India.

"11A. All sums realised by way of penalties under this Act shall be credited to the Consolidated Fund of India.

Empowering Settlement Commission for regularisation of export obligation default.

11B. Settlement of customs duty and interest thereon as ordered by the Settlement Commission as constituted under section 32 of the Central Excise Act, 1944, shall be deemed to be a settlement under this Act.". 1 of 1944.

Amendment of section 14.

14. In section 14 of the principal Act, for the word "goods" at both the places where it occurs, the words and brackets "goods (including the goods connected with services or technology)" shall be substituted.

Insertion of a new Chapter IVA.

15. After Chapter IV of the principal Act, following Chapter shall be inserted, namely:—

"CHAPTER IVA

CONTROLS ON EXPORT OF SPECIFIED GOODS, SERVICES AND TECHNOLOGY

Controls on export of specified goods, services and technology.

14A. (*1*) In regard to controls on export of specified goods, services and technology referred to in this Chapter, the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 shall apply to exports, transfers, re-transfers, brought in transit, trans-shipment of, and brokering in specified goods, technology or services. 21 of 2005.

(*2*) All terms, expressions or provisions of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 shall apply to the specified goods, services or technology with such exceptions, modifications and adaptations as may be specified by the Central Government by notification in the Official Gazette. 21 of 2005.

(*3*) The Central Government may, by notification in the Official Gazette, direct that any of the provisions of this Chapter—

(*a*) shall not apply to any goods, services or technologies, or

(*b*) shall apply to any goods, services or technologies with such exceptions, modifications and adaptations as may be specified in the notification.

Transfer controls.

14B. (*1*) The Central Government may, by notification in the Official Gazette, make rules in conformity with the provisions of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 for, or, in connection with, the imposition of controls in relation to transfer of specified goods, services or technology. 21 of 2005.

(*2*) No goods, services or technology notified under this Chapter shall be exported, transferred, re-transferred, brought in transit or transshipped except in accordance with the provisions of this Act, the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 or any other relevant Act. 21 of 2005.

Catch-all controls.

14C. No person shall export any material, equipment or technology knowing that such material, equipment or technology is intended to be used in the design or manufacture of a biological weapon, chemical weapon, nuclear weapon or other nuclear explosive device, or in their missile delivery systems.

Suspension or cancellation of a licence.

14D. The Director General or an officer authorised by him may, by order, suspend or cancel a licence to import of export or specified goods or services or technology without giving the holder of the licence a reasonable opportunity of being heard but such person shall be given a reasonable opportunity of being heard within six months of such order and thereupon the Director General or the officer so authorised may, if necessary, by order in writing, confirm, modify or revoke such order.

Offences and penalties.

14E. (*1*) In case of a contravention relating to specified goods, services or technologies, the penalty shall be in accordance with the provisions of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005. 21 of 2005.

(*2*) Where any person contravenes or attempts to contravene or abets, any of the provision(s) of this Chapter in relation to import or export of any specified goods or services or technology, he shall, without prejudice to any penalty which may be *imposed on him, be punishable with imprisonment for a term stipulated in the Weapons* of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005. 21 of 2005.

(*3*) No court shall take cognizance of any offence punishable under this Chapter without the previous sanction of the Central Government or any officer authorised in this behalf by the Central Government by general or special order.".

Amendment of title of Chapter V.

16. In the principal Act, in sub-heading below "CHAPTER V", for the word "REVISION", the word "REVIEW" shall be substituted.

Amendment of section 15.

17. In section 15 of the principal Act, in sub-section (*2*), in the proviso, for the word "goods", the words and brackets "the goods (including the goods connected with services or technology)" shall be substituted.

18. For section 16 of the principal Act, the following shall be substituted, namely:— Substitution of new section for section 16.

16. "The Central Government, in the case of any decision or order made by the Director General, or the Director General in the case of any decision or order made by any officer subordinate to him, may on its or his own motion or otherwise, call for and examine the records of any proceeding, for the purpose of satisfying itself or himself, as the case may be, as to the correctness, legality or propriety of such decision or order and make such orders thereon as may be deemed fit: Review.

Provided that no decision or order shall be varied under this section so as to prejudicially affect any person unless such person—

(*a*) has, within a period of two years from the date of such decision or order, received a notice to showcause why such decision or order shall not be varied; and

(*b*) has been given a reasonable opportunity of making representation and, if he so desires, of being heard in his defence.".

19. In section 17 of the principal Act, for the word "Revision" wherever it occurs, the word "Review" shall be substituted. Amendment of section 17.

20. *After section 18 of the principal Act, the following shall be inserted, namely:—* *Insertion of* new section 18A.

"18A. The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.". Application of other laws not barred.

21. In section 19 of the principal Act, in sub-section (*2*), — Amendment of section 19.

(*a*) in clause (*b*), for the word "licence", the words "licence, certificate, scrip or any instrument bestowing financial or fiscal benefits" shall be substituted;

(*b*) for clause (*c*), the following clause shall be substituted, namely:—

"(*c*) the class or classes of goods (including the goods connected with service or technology) for which a licence, certificate, scrip or any instrument bestowing financial or fiscal benefits may be granted under sub-section (*2*) of section 9;";

(*c*) in clauses (*d*) and (*e*), for the word "licence", the words "licence, certificate, scrip or any instrument bestowing financial or fiscal benefits" shall be substituted;

(*d*) after clause (*e*), the following clause shall be inserted, namely:—

"(*ea*) the matter in which goods the import of which shall be subject to quantitative restrictions, may be identified and the manner in which the causes of serious injury or causes of threat of serious injury in relation to such goods may be determined under sub-section (*3*) of section 9A;";

(*e*) in clause (*f*), for the word "goods", the words and brackets "goods (including the goods connected with the service or technology)" shall be substituted;

(*f*) in clause (*g*), for the words, brackets and figures "sub-section (*3*) of section 11", the words, brackets and figures "sub-section (*4*) of the section 11" shall be substituted;

(*g*) for clause (*h*), the following clause shall be substituted, namely:—

"(*h*) the requirements and conditions subject to which goods (including the goods connected with the service or technology) and conveyances shall be liable to confiscation under sub-section (*8*) of section 11;";

(*h*) for clause (*i*), the following clause shall be substituted, namely:—

"(*i*) the manner in which and the conditions subject to which goods (including the goods connected with the service or technology) and conveyances may be released on payment of redemption charges under sub-section (*9*) of section 11.".

V. K. BHASIN,
Secy. to the Govt. of India.

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