



Advance Licence / Authorisation Scheme for exports to be made in F.Y 2009-2014

Advance Authorisation: An Advance Authorisation is issued to allow duty free import of inputs (all raw materials), which are physically incorporated in export product (making normal allowance for wastage). In addition to these inputs, fuel, oil, energy, catalysts which are consumed / utilised to obtain export product, may also be allowed.

Entitlement: Advance Authorisation can be issued either to a manufacturer exporter or merchant exporter tied to supporting manufacturer(s) for:

- i) Physical exports (including exports to SEZ); and/ or
- ii) Intermediate supplies; and /or
- iii) Supply of goods to specified projects as per Foreign Trade Policy (FTP);
- iv) Supply of 'stores' on board of foreign going vessel / aircraft subject to condition that there is specific SION in respect of item(s) supplied.

In addition to supply of goods to specified projects mentioned in policy in force, an Advance Authorisation can also be availed by sub-contractor to such projects, provided name of subcontractor(s) appears in main contract.

Fulfillment: Advance Authorisations requires exports with a minimum value addition of 15%, except for items in Gems & Jewellery sector. Exports to SEZ Units/ supplies to Developers / Co-Developers, irrespective of currency of realization, are also considered under export obligation (EO).

Fulfillment Period: EO must be fulfilled within 24 months commencing from Advance Licence issue date.

Advantage: Advance Authorisations are exempted from payment of basic customs duty, additional customs duty, education cess, anti- dumping duty and safeguard duty, if any. However, imports for certain supplies covered are not be exempted from payment of applicable anti-dumping and safeguard duty, if any as per policy in force

Please get in touch with us for any further questions. Thank you.

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