

The Foreign Trade (Regulation) Rules, 1993

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The Foreign Trade (Regulation) Rules, 1993¹

In exercise of the powers conferred by Section 19 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992), the Central Government hereby makes the following rules, namely—

1. Short title and commencement.—(1) These rules may be called the Foreign Trade (Regulation) Rules, 1993.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.—In these rules unless the context otherwise requires,—

- (a) “Act” means the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992);
- (b) “charitable purpose” includes relief of the poor, education, medical relief, and the advancement of any other object of general public utility;
- ²[(c) “importer” or “exporter” means a person who imports or exports goods or services or technology and holds a valid Importer-exporter Code Number granted under Section 7;]
- ³[(d) “licensing authority” means an authority authorised under sub-section (2) of Section 9 to grant or renew a licence, certificate, scrip or any instrument bestowing financial or fiscal benefits under these rules;]
- ⁴[(e) “policy” means the foreign trade policy formulated and announced by the Central Government under Section 5;]
- (f) ⁵[* * *]
- ⁶[(f)] “section” means a section of the Act;
- ⁷[(g)] “special licence” means a licence granted under sub-section (2) of Section 8;

1 . Ministry of Commerce (Directorate General of Foreign Trade), Noti. No. 791(E), dated 30th December, 1993, published in the Gazette of India, Extra., Part II, Section 3(i), dated 30th December, 1993.

2. Subs. by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:
‘(c) “importer” or “exporter” means a person who imports or exports goods and holds a valid importer-exporter code number granted under Section 7;’

3. Subs. by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:
‘(d) “licensing authority” means an authority authorised by the Director-General under sub-section (2) of Section 9 to grant or renew a licence under these rules;’

4. Subs. by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:
‘(e) “policy” means the export and import policy formulated and announced by the Central Government under Section 5;’

5. Deleted by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to deletion it read as:
‘(f) “schedule” means a schedule appended to these rules;’

6. Renumbered for “(g)” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

7. Renumbered for “(h)” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

⁸[(h)] “value” has the meaning assigned to it in clause (41) of Section 2 of the Customs Act, 1962 (52 of 1962);

⁹[(i)] words and expression used in these rules and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Grant of special licence.—(1) Where the importer-exporter code number granted to any person has been suspended or cancelled under sub-section (1) of Section 8, the Director-General may, having regard to the following factors, grant to him a special licence, namely—

- (1) that the denial of a special licence is likely to affect the foreign trade of India adversely; or
- (2) that the suspension or cancellation of the importer-exporter code number is likely to lead to non-fulfilment of any obligation by India under any international agreement;

(2) The special licence granted to any person under sub-rule (1) shall be non-transferable.

¹⁰**4. Application for grant of licence, certificate, scrip or any instrument bestowing financial or fiscal benefits.**—A person may make an application for the grant of a licence, certificate, scrip or any instrument bestowing financial or fiscal benefits to import or export goods or services or technology in accordance with the provisions of the policy or an order made under Sections 5 and 3 of the Act respectively.]

5. Fee.—(1) Every application for a ¹¹[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] to import shall be accompanied by the fee specified in the ¹²[Policy].

(2) The mode of deposit of fee shall be as specified in the ¹³[Policy].

(3) No fee shall be payable in respect of any application made by:

- (a) the Central Government, a State Government or any department or any office of the Government;
- (b) any local authority for the bona fide import of ¹⁴[goods or services or technology] required by it for official use;
- (c) any institution set-up for educational, charitable or missionary purposes, for the import of ¹⁵[goods or services or technology] required for its use;

8. *Renumbered* for “(i)” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

9. *Renumbered* for “(j)” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

10. *Subs.* by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:

“4. *Application for grant of licence.*—A person may make an application for the grant of a licence to import or export goods in accordance with the provisions of the policy or an order made under Section 3.”

11. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

12. *Subs.* for “Schedule” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

13. *Subs.* for “Schedule” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

14. *Subs.* for “goods” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

15. *Subs.* for “goods” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).



(d) an applicant for the import of any ¹⁶[goods or services or technology] (other than a vehicle) if the import of the ¹⁷[goods or services or technology] is for his personal use which is not connected with trade or manufacture.

(4) The fee once received will not be refunded except in the following circumstances, namely—

- (i) where the fee has been deposited in excess of the specified scale of fee; or
- (ii) where the fee has been deposited but no application has been made; or
- (iii) where the fee has been deposited in error but the applicant is exempt from payment of fee.

6. Conditions of ¹⁸[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits].—(1) It shall be deemed to be a condition of every ¹⁹[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] for export that—

- (i) no person shall transfer or acquire by transfer any ²⁰[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] issued by the licensing authority except in accordance with the provisions of the policy;
- (ii) the ²¹[goods or services or technology] for the export of which the ²²[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] is granted shall be the property of the licensee at the time of the export.

(2) The licensing authority may issue a ²³[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] for import subject to one or more of the following conditions, namely—

- (a) that the ²⁴[goods or services or technology] covered by the ²⁵[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] shall not be disposed of except in accordance with the provisions of the policy or in the manner specified by the licensing authority in the ²⁶[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits];

16. *Subs.* for “goods” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).
 17. *Subs.* for “goods” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).
 18. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).
 19. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).
 20. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).
 21. *Subs.* for “goods” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).
 22. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).
 23. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).
 24. *Subs.* for “goods” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).
 25. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).
 26. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).



- (b) that the applicant for a ²⁷[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] shall execute a bond for complying with the terms and conditions of the ²⁸[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits].
- (3) It shall be deemed to be a condition of every ²⁹[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] for import that—
- (a) no person shall transfer or acquire by transfer any ³⁰[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] issued by the licensing authority except in accordance with the provisions of the policy;
- (b) the ³¹[goods or services or technology] for the import of which a ³²[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] is granted shall be the property of the licensee at the time of import and up to the time of clearance through customs;
- (c) the ³³[goods or services or technology] for the import of which a ³⁴[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] is granted shall be new ³⁵[goods or services or technology], unless otherwise stated in the ³⁶[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits];
- (d) the ³⁷[goods or services or technology] covered by the ³⁸[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] for import shall not be exported without the written permission of the Director-General.
- (4) Any person importing ³⁹[goods or services or technology] from the United States of America in accordance with the terms of the Indo-US Memorandum of Understanding on Technology Transfer shall also comply with all the conditions and assurances specified in the import certificate issued in terms of such memorandum, and such other assurances given by the person importing those ⁴⁰[goods or services or technology] to the Government of the United States of America through the Government of India.

27. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

28. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

29. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

30. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

31. Subs. for "goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

32. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

33. Subs. for "goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

34. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

35. Subs. for "goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

36. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

37. Subs. for "goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

38. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

39. Subs. for "goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

40. Subs. for "goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

7. ⁴¹[Refusal to grant licence, certificate, scrip or any instrument bestowing financial or fiscal benefits and recovery of benefits].—(1) The Director-General or the licensing authority may for reasons to be recorded in writing, refuse to grant or renew a ⁴²[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] if—

- (a) the applicant has contravened any law relating to customs or foreign exchange;
- (b) the application for the ⁴³[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] does not substantially conform to any provision of these rules;
- (c) the application or any document used in support thereof contains any false or fraudulent or misleading statement ⁴⁴[or where any person makes or abets or attempts to make any export or import in contravention of any provision of the Act or any rules and orders made thereunder or the Policy];
- (d) it has been decided by the Central Government to canalise the export or import of ⁴⁵[goods or services or technology] and distribution thereof, as the case may be, through special or specialised agencies;
- (e) any action against the applicant is for the time being pending under the Act or rules and orders made thereunder;
- ⁴⁶(f) the applicant is or was a partner in a partnership firm (including a limited liability partnership) or is or was a Director or a company or a proprietor of a proprietor ship firm having controlling interest against which any action is for the time being pending under the Act or rules and Orders made thereunder;]
- (g) the applicant fails to pay any penalty imposed on him under the Act;
- (h) the applicant has tampered with a ⁴⁷[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits];
- (i) the applicant or any agent or employee of the applicant with his consent has been a party to any corrupt or fraudulent practice for the purposes of obtaining any other ⁴⁸[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits];

41. Subs. for "Refusal of licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

42. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

43. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

44. Added by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

45. Subs. for "goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

46. Subs. by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:

"(f) the applicant is or was a managing partner in a partnership firm, or is or was a Director of a private limited company, having controlling interest against which any action is for the time being pending under the Act or rules and orders made thereunder;"

47. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

48. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

- (j) the applicant is not eligible for a ⁴⁹[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] in accordance with any provision of the policy;
- (k) the applicant fails to produce any document called for by the Director-General or the licensing authority;
- (l) in the case of a ⁵⁰[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] for import, no foreign exchange is available for the purpose;
- (m) the application has been signed by a person other than a person duly authorised by the applicant under the provisions of the policy;
- ⁵¹[(n) the applicant has attempted to obtain or has obtained or has erroneously claimed Terminal Excise Duty, duty drawback, cash assistance benefits admissible to Importer-exporter Code holder or any other similar benefits from the Central Government or any agency authorised by the Central Government in relation to exports made by him on the basis of any false, fraudulent or misleading statement or any document which is false or fabricated or tampered with.]

(2) The refusal of a ⁵²[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] under sub-rule (1) shall be without prejudice to any other action that may be taken against an applicant by the licensing authority under the Act.

⁵³[(3) In case of any erroneous payment of Terminal Excise Duty, duty drawback, cash assistance benefits admissible to Importer-exporter Code holder or any other similar benefits from the Central Government or any agency authorised by the Central Government in relation to exports made by him, the Director General or the licensing authority may, after giving to that person a notice in writing informing him of the details of erroneous payment for which recovery or adjustment of arrears or claims is to be made and after giving a reasonable opportunity of making a representation in writing within such time, as specified therein and, if that person so desires, of being heard, authorise:

- (a) recovery of benefits as arrears of land revenue; or
- (b) by adjustment against future claims

after recording reasons in writing, provided the Adjudicating Authority is satisfied with the facts relating to erroneous payment.]

49. *Subs.* for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

50. *Subs.* for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

51. *Subs.* by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:

"(n) the applicant has attempted to obtain or has obtained cash compensatory support, duty drawback, cash assistance benefits allowed to registered exporters or any other similar benefits from the Central Government or any agency authorised by the Central Government in relation to exports made by him on the basis of any false, fraudulent or misleading statement or any document which is false or fabricated or tampered with."

52. *Subs.* for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

53. *Ins.* by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

8. Amendment of ⁵⁴[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits].—The licensing authority may of its own motion or on an application by the licensee, amend any ⁵⁵[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] in such manner as may be necessary or to rectify any error or omission in the ⁵⁶[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits].

9. Suspension of a ⁵⁷[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits].—(1) The Director-General or the licensing authority may by order in writing, suspend the operation of a ⁵⁸[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] granted to—

⁵⁹[(a) any person, if an order of detention or conviction has been made against such person under the provisions of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974) or the Prevention of Money Laundering Act, 2002 (15 of 2003) or Foreign Exchange Management Act, 1999 (42 of 1999);]

⁶⁰[(b) a partnership firm (including a limited liability partnership) or a company or a firm or any other entity, if the person referred to in clause (a) is a partner or a whole time director or managing director or a proprietor, as the case may be, of such firm or company:]

Provided that the order of suspension shall cease to have effect in respect of the aforesaid person or, as the case may be, ⁶¹[a partnership firm (including a limited liability partnership) or company or a firm or any other entity], when the order of detention made against such person,—

- (i) being an order of detention to which the provisions of Section 9 of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974) do not apply, has been revoked on the report of Advisory Board under Section 8 of that Act or before receipt of the report of the Advisory Board or before making a reference to the Advisory Board; or
- (ii) being an order of detention to which the provisions of Section 9 of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974) apply, has been revoked on the report of the Advisory Board under Section 8 read

54. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

55. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

56. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

57. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

58. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

59. *Subs.* by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:

“(a) any person, if an order of detention has been made against such person under the provisions of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974); or”

60. *Subs.* by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:

“(b) a partnership firm or a private limited company, if the person referred to in clause (a) is a partner or a whole time director or managing director, as the case may be, of such firm or company:”

61. *Subs.* for “the partnership firm or company” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

with sub-section (2) of Section 9 of that Act or before receipt of such report;

(iii) has been set aside by a court of competent jurisdiction.

(2) The Director-General or the licensing authority may by an order in writing suspend the operation of any ⁶²[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] granted under these rules, where proceedings for cancellation of such ⁶³[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] has been initiated under Rule 10.

10. Cancellation of a ⁶⁴[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits].—The Director-General or the licensing authority may by an order in writing cancel any ⁶⁵[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] granted under these rules, if—

- (a) the ⁶⁶[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] has been obtained by fraud, suppression of facts or misrepresentation; or
- (b) the ⁶⁷[licensee or transferee] has committed a breach of any of the conditions of the ⁶⁸[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits]; or
- (c) the ⁶⁹[licensee or transferee] has tampered with the ⁷⁰[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] in any manner; or
- (d) the ⁷¹[licensee or transferee] has contravened any law relating to customs or foreign exchange or the rules and regulations relating thereto.

⁷²**[11. Declaration as to value, quantity and quality of imported goods or services or technology.**—On the importation into, or exportation out of, any customs ports of any goods or goods connected with services or technology, whether liable to duty or not, the owner of such goods shall in the Bill of Entry

62. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

63. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

64. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

65. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

66. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

67. *Subs.* for “licensee” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

68. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

69. *Subs.* for “licensee” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

70. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

71. *Subs.* for “licensee” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

72. *Subs.* by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:

“11. *Declaration as to value and quality of imported goods.*—On the importation into, or exportation out of, any customs ports of any goods, whether liable to duty or not, the owner of such goods shall in the Bill of Entry or the Shipping Bill or any other documents prescribed under the Customs Act 1962, state the value, quality and description of such goods to the best of his knowledge and belief and in case of exportation of goods, certify that the quality and specification of the goods as stated in those documents, are in accordance with the terms of the export contract entered into with the buyer or consignee in pursuance of which the goods are being exported and shall subscribe a declaration of the truth of such statement at the foot of such Bill of Entry or Shipping Bill or any other documents.”

or the Shipping Bill or any other documents prescribed under the Customs Act, 1962 (52 of 1962), state the value, quantity, quality and description of such goods or goods connected with services or technology to the best of his knowledge and belief and in case of exportation of goods or services or technology, certify that the quality and specification of the goods or goods connected with services or technology as stated in those documents, are in accordance with the terms of the export contract entered into with the buyer or consignee in pursuance of which the goods or goods connected with services or technology are being exported and shall subscribe a declaration of the truth of such statement at the foot of such Bill of Entry or Shipping Bill or any other documents.]

12. Declaration as to importer-exporter code number.—On the importation into or exportation out of any customs port of any goods ⁷³[or goods connected with services or technology] the importer or exporter shall in the Bill of Entry of Shipping Bill or, as the case may be, in any other documents prescribed by rules made under the Act or the Customs Act, 1962 (52 of 1962), state the importer-exporter code number allotted to him by the competent authority ⁷⁴[Any person using someone else's Importer-exporter Code shall be held liable for violation of this rule and shall accordingly be liable for penalty under sub-section (2) of Section 11].

13. ⁷⁵[Utilisation of imported goods or services or technology].—(1) No person shall use any imported ⁷⁶[goods or services or technology] allotted to him by the State Trading Corporation of India or any other agency recognised by the Central Government in a manner and for the purpose, otherwise than as declared by him in his application for such allotment or in any document submitted by him in support of such application.

⁷⁷[(2) No person shall dispose of any good or goods connected with services or technology imported by him against a licence, certificate, scrip or any instrument bestowing financial or fiscal benefits except in accordance with the terms and conditions of such licence, certificate, scrip or any instrument bestowing financial or fiscal benefits.]

14. Prohibition regarding making, signing of any declaration, statement or documents.—(1) No person shall make, sign or use or cause to be made signed or used any declaration, statement or document for the purposes of obtaining a ⁷⁸[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] or importing ⁷⁹[any goods or services or technology or goods connected with such

73. Added by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

74. Added by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

75. Subs. for "Utilisation of imported goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

76. Subs. for "goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

77. Subs. by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:

"(2) No person shall dispose of any goods imported by him against a licence except in accordance with the terms and conditions of such licence."

78. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

79. Subs. for "any goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

services or technology] knowing or having reason to believe that such declaration, statement or document is false in any material particular.

(2) No person shall employ any corrupt or fraudulent practice for the purposes of obtaining any ⁸⁰[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits] or importing or exporting ⁸¹[any goods or services or technology or goods connected with such services or technology].

⁸²**15. Power to enter premises and inspect, search and seize goods, documents, things and conveyances.**—(1) Any person authorised by the Central

80. Subs. for "licence" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

81. Subs. for "any goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

82. Subs. by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:

"15. *Power to enter premises and inspect, search and seize goods, documents, things and conveyances.*—(1) Any person authorised by the Central Government under sub-section (1) of Section 10 (hereinafter called the authorised person) may, at any reasonable time enter any premises in which—

- (i) any imported goods or materials which are liable to confiscation under the provision of the Act; or
- (ii) any books of accounts or documents or things which, in his opinion, will be useful for, or relevant to any proceedings under the Act, are suspected to have been kept or concealed and may inspect such goods, materials, books of accounts, documents or things and may take such notes or extracts therefrom as he may think fit.

(2) If the authorised person has reasons to believe that—

- (i) any imported goods or materials liable to confiscation under the Act; or
- (ii) any books of accounts or documents or things which, in his opinion, will be useful for, or relevant to, any proceedings under the Act,

are secreted in any premises he may enter into and search such premises for such goods, materials, books of accounts, documents or things.

(3)(a) If the authorised person has reason to believe that any imported goods or materials are liable to confiscation under the Act, he may seize such goods or materials together with the package, covering or receptacle, if any, in which such goods or materials are found to have been mixed with any other goods or materials:

Provided that where it is not practicable to seize any such goods or materials, the authorised person may serve on the owner of the goods or materials an order that he shall not remove, part with or otherwise deal with the goods or materials except with the previous permission of the authorised person.

(b) Where any goods or materials are seized under clause (a) and no notice in respect thereof is given within six months of the seizure of the goods or materials, the goods or materials shall be returned to the person from whose possession they were seized:

Provided that the aforesaid period of six months may, on sufficient cause being shown, be extended by the Director-General for a further period not exceeding six months.

(c) The authorised person may seize any books of accounts or documents or things which in his opinion, will be useful for, or relevant to, any proceedings under the Act.

(d) The person from whose custody any documents are seized under this sub-rule, shall be entitled to make copies thereof or take extracts therefrom in the presence of the authorised person.

(e) In any person legally entitled to the books of account or other documents or things seized under this sub-rule objects, for any reason, to the retention by the authorised person of the books of account or the documents or things, he may move an application to the Central Government stating therein the reasons for such objection, request for the return of the books of account or documents or things.

(f) On receipt of the application under clause (e), the Central Government may, after giving the applicant an opportunity of being heard, pass such order as it may think fit.

(g) Where any document is produced or furnished by any person or has been seized from the custody or control of any person under the Act or has been received from any place outside India in the course of the investigation for any contravention referred to in Section 11 by any person and such document is tendered in evidence against the person by whom it is produced or from whom it was seized or against such person or any other person who is jointly proceeded against, the adjudicating authority, shall, notwithstanding anything to the contrary contained in any other law for the time being in force,—

Government under sub-section (1) of Section 10 (hereinafter called the authorised person) may, at any reasonable time—

- (a) enter and search any premises where the goods or materials which are liable to confiscation under the provisions of the Act are suspected to have been kept or concealed, stored or processed, manufactured, traded or supplied or received for the purposes of import or export or where any books of accounts or documents or things [including 'computer resource' as defined under the Information Technology Act, 2000 (21 of 2000), hereinafter referred to as IT Act, containing information in the form of 'electronic record' which, in his opinion, shall be useful for, or relevant to any proceedings under the Act are suspected to have been kept or concealed; or
- (b) enter and search any premises from which the services or technology or goods connected with such services or technology which are liable to confiscation under the provisions of the Act, are suspected to have been provided, supplied, received, consumed or utilised for the purpose of import or export or where any books of accounts or documents or things [including 'computer resource' as defined under the IT Act, containing information in the form of 'electronic record' which, in his opinion, shall be useful for, or relevant to any proceedings under the Act are suspected to have been kept or concealed:

Provided that provisions of clause (b) shall be applicable, in case of import or 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;

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- (i) presume, unless the contrary is proved, that the signature and every other part of such document which purports to be in the handwriting of any particular person of which the adjudicating authority may reasonably assume to have been signed by or to be in the handwriting of any particular person, is under the person's handwriting, and in the case of a document executed or attested, it was executed or attested by the person by whom it purports to have been so executed or attested;
 - (ii) admit the document in evidence notwithstanding that it is not duly stamped, if such document is otherwise admissible in evidence.

(4) The authorised person, may, if he has reason to suspect that any conveyance or animal is being or is about to be used for the transportation of any imported goods or material which are liable to confiscation under the Act, and that by such transportation any provision of the Act has been, is being or is about to be contravened at any time, stop such conveyance or animal or in the case of aircraft compel it to land, and—

- (a) rummage and search the conveyance or any part thereof;
- (b) examine and search any goods or material in the conveyance or on the animal;
- (c) if it becomes necessary to stop any conveyance or animal, he may use all lawful means for stopping it and where such means fail, the conveyance or animal may be fired upon,

and where he is satisfied that it is necessary so to do to prevent the contravention of any provision of the Act or of the rules and orders made thereunder or the policy or condition of any licence, he may seize such conveyance or animal.

Explanation.—Any reference in this rule to a conveyance shall, unless the context otherwise requires, be construed as including a reference to an aircraft, vehicle or vessel.”

- (c) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clauses (i) and (ii) where the keys thereof are not available;
 - (d) search any person who has got out of, or is about to get into, or is in the premises, if the authorised officer has reason to suspect that such person has secreted about his person any such books of account or documents [including documents maintained in the form of 'electronic record' as defined under the IT Act] or things which, in his opinion, shall be useful for, or relevant to any proceedings under the Act; and
 - (e) may inspect such goods or goods connected with services or technology, materials, books of accounts, documents or things [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] and may take such notes, copies or extracts therefrom as he may think fit or require any person who is found to be in possession or control of any books of account or other documents [including documents maintained in the form of 'electronic record'], to afford the authorised officer the necessary facility to inspect such books of account or other documents.
- (2) If the authorised person has reasons to believe that—
- (i) any imported goods or materials or goods or material for export (including goods or materials connected with services or technology) are liable to confiscation under the Act; or
 - (ii) any books of accounts or documents or things [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] which, in his opinion, will be useful for or relevant to, any proceedings under the Act,

are secreted in any premises, he may enter into and search such premises for such goods, materials (including goods or materials connected with services or technology), books of accounts, documents or things or 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'.

(3)(a) If the authorised person has reason to believe that any imported goods or materials or goods or materials for export or goods or materials [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] connected with import or export of services or technology are liable to confiscation under the Act, he may seize such goods or materials together with the package, covering or receptacle, if any, in which such goods or materials are found to have been mixed with any other goods or materials:

Provided that where it is not practicable to take physical possession of any such goods or materials and remove it to a safe place due to its volume, weight or other physical characteristics or due to its being of a dangerous nature, the authorised officer may serve an order on the owner or the person who is in immediate possession or control of such imported goods or materials or goods or materials for export or goods or materials connected with import or export of services or



technology that he shall not remove, part with or otherwise deal with such goods or materials, except with the previous permission of the authorised officer and action of the authorised officer shall be deemed to be seizure of such valuable article or thing under this clause;

(b) where any goods or materials or goods or materials [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] connected with services or technology are seized under clause (a) and no notice in respect thereof is given within six months of the seizure of the goods or materials or goods or materials connected with services or technology, the goods or materials shall be returned to the person from whose possession they were seized;

Provided that the aforesaid period of six months may, on sufficient cause being shown, be extended by the Director General for a further period not exceeding six months;

(c) the authorised person may seize any books of accounts or documents or things [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] which in his opinion, will be useful for, or relevant to, any proceedings under the Act;

(d) the person from whose custody any documents are seized under this sub-rule, shall be entitled to make copies thereof or take extracts therefrom in the presence of the authorised person including documents maintained in the form of 'electronic record' as defined under the IT Act;

(e) if any person legally entitled to the books of account or other documents or things [including 'computer resource' as defined under the IT Act] seized under this sub-rule objects, for any reason, to the retention by the authorised person of the books of account or the documents or things, he may move an application to the Central Government stating therein the reasons for such objection, request for the return of the books of account or documents or things;

(f) on receipt of the application under clause (e), the Central Government may, after giving the applicant an opportunity of being heard, pass such order as it may think fit;

(g) where any document or book of accounts or goods or materials [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] is/are produced or furnished by any person or have been seized from the custody or control of any person under the Act or have been received from any place outside India in the course of the investigation for any contravention referred to in Section 11 by any person and such document is tendered in evidence against the person by whom it is produced or from whom it was seized or against such person or any other person who is jointly proceeded against, the Adjudicating Authority shall, notwithstanding anything to the contrary contained in any other law for the time being in force, presume, unless the contrary is proved—

- (i) that such books of account, other documents, goods and materials [including 'computer resource' as defined under the IT Act containing information in the form of 'electronic record'] belong to or belongs to such person(s);
- (ii) that the contents of such books of account and other documents [including 'electronic record' as defined under the IT Act] are true;
- (iii) that the signature and every other part of such document which purports to be in the handwriting of any particular person of which the Adjudicating Authority may reasonably assume to have been signed by or to be in the handwriting of any particular person, is under the person's handwriting, and in the case of a document executed or attested, it was executed or attested by the person by whom it purports to have been so executed or attested; and
- (iv) admit the document in evidence notwithstanding that it is not duly stamped, if such document is otherwise admissible in evidence.

(4) The authorised person, may, if he has reason to suspect that any conveyance or animal is being or is about to be used for the transportation of any imported goods or material or goods or materials for export or goods or material connected with services or technology which are liable to confiscation under the Act, and that by such transportation any provision of the Act has been, is being or is about to be contravened at any time, stop such conveyance or animal or in the case of aircraft compel it to land, and—

- (a) rummage and search the conveyance or any part thereof;
- (b) examine and search any goods or material or goods or materials connected with services or technology in the conveyance or on the animal;
- (c) if it becomes necessary to stop any conveyance or animal, he may use all lawful means for stopping it and where such means fail, the conveyance or animal may be fired upon,

and where he is satisfied that it is necessary so to do to prevent the contravention of any provision of the Act or of the rules and orders made thereunder or the Policy or condition of any licence, certificate, scrip or any instrument bestowing financial or fiscal benefits, he may seize such conveyance or animal.

Explanation.—Any reference in this rule to a conveyance shall, unless the context otherwise requires, be construed as including a reference to an aircraft, vehicle or vessel.

(5) The authorised officer may requisition the services of any police officer or of any officer of the Central Government, or of both, to assist him for all or any of the purposes specified in sub-rules (1) to (4) and it shall be the duty of every such officer to comply with such requisition.]

16. Settlement.—(1) The adjudicating authority may determine the amount of settlement to be paid by the person to whom a notice has been issued and who has

opted for settlement and has admitted the contravention specified in the notice, in the following cases, namely—

- (i) where it is of the opinion that the contravention of any provision of the Act or these rules or the policy has been made without mens rea or without wilful mistake or without suppression of facts, or without any collusion, or without fraud and forgery, or without an intent to cause loss of foreign exchange; or
- (ii) where the person importing the ⁸³[goods or services or technology or goods connected with such services and technology] has not met the requirements of the actual user conditions as specified in the policy and has not mis-utilised the said ⁸⁴[imported goods or services or technology]; or
- (iii) here the person importing the ⁸⁵[goods or services or technology or goods connected with such services and technology] has not fulfilled the export obligation and has not mis-utilised the said ⁸⁶[imported goods or services or technology].

(2) Where a person has opted for settlement under sub-rule (1), the settlement made by the adjudicating authority shall be final.

17. Confiscation and redemption.—(1) ⁸⁷[Any imported goods or materials or goods or materials for export or goods or materials connected with import or export of services or technology] in respect of which—

- (a) any condition of the ⁸⁸[licence, certificate, scrip or any instrument bestowing financial or fiscal benefits], or letter of authority under which they were imported, relating to their utilisation or distribution; or
- (b) any condition, relating to their utilisation or distribution, subject to which they were received from or through, an agency recognised by the Central Government; or
- ⁸⁹(c) any condition imposed under the Policy with regard to the sale, disposal, import or export of such goods or materials or goods or materials connected with services or technology;

83. *Subs.* for “goods” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

84. *Subs.* for “imported goods” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

85. *Subs.* for “goods” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

86. *Subs.* for “imported goods” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

87. *Subs.* for “Any imported goods or materials” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

88. *Subs.* for “licence” by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

89. *Subs.* by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015). Prior to substitution it read as:

“(c) any condition imposed under the policy with regard to the sale or disposal of such goods or materials;

has been, is being, or is attempted to be, contravened, shall together with any package, covering or receptacle in which such goods are found, be liable to be confiscated by the adjudicating authority, and where such goods or materials are so mixed with any other goods or materials that they cannot be readily separated, such other goods or materials shall also be liable to be so confiscated:

Provided that where it is established to the satisfaction of the adjudicating authority that any goods or materials which are liable to confiscation under this rule, had been imported for personal use, and not for any trade or industry, such goods, or materials shall not be ordered to be confiscated.”

has been, is being, or is attempted to be contravened, shall together with any package, covering or receptacle in which such goods or goods connected with services or technology are found, be liable to be confiscated by the Adjudicating Authority, and where such goods or materials or goods or materials connected with services or technology are so mixed with any other goods or materials that they cannot be readily separated, such other goods or materials shall also be liable to be so confiscated:

Provided that where it is established to the satisfaction of the Adjudicating Authority that any goods or materials or goods or materials connected with services or technology which are liable to confiscation under this rule, had been imported for personal use, and not for any trade or industry, such goods or materials or goods or materials connected with services or technology shall not be ordered to be confiscated.]

(2) The adjudicating authority may permit the redemption of the confiscated⁹⁰[goods or materials or goods connected with services or technology] upon payment of redemption charges equivalent to the market value of such goods or materials.

18. Confiscation of conveyance.—(1) Any conveyance or animal which has been, is being, or is attempted to be used, for the transport of any⁹¹[goods or materials or goods or materials connected with services or technology] that are⁹²[imported or meant for export] and which are liable to confiscation under Rule 17, shall be liable to be confiscated by the adjudicating authority unless the owner of the conveyance or animal proves that it was, is being, or is about to be so used without the knowledge or connivance of the owner himself, his agent, if any, and the person in-charge of the conveyance or animal and that each of them had taken all reasonable precautions against such use.

(2) The adjudicating authority shall permit redemption of the confiscated conveyance or animal used for the⁹³[transport of goods or goods connected with services or technology] or passengers for hire upon payment of redemption charges equivalent to the market value of such conveyance or animal.

SCHEDULE

⁹⁴[Deleted]

90. Subs. for "goods or materials" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

91. Subs. for "goods or materials" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

92. Subs. for "imported" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

93. Subs. for "transport of goods" by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).

94. Schedule deleted by G.S.R. 300(E), dt. 17-4-2015 (w.e.f. 17-4-2015).