

IMPORT LICENSING SYSTEM OF INDIA

Replies by INDIA to the questions from the UNITED STATES

The following communication, dated 7 October 2008 is being circulated at the request of the delegation of India

India thanks United States for the questions on its Import Licensing System dated 24 July 2008 and circulated in document G/LIC/Q/IND/11.

Questions for India on the Import Licensing Questionnaire

1. While we appreciate that India has included an indicative list of products subject to import licences in paragraph 2 of its Questionnaire response, we note that the complete list of products requiring import licenses is established in the book entitled ITC (HS) Classification of Export and Import Items 2004-2009, a 2006 version of which the GOI has provided to the Secretariat. Is the 2006 version provided to the Secretariat still current? If not, we would greatly appreciate if India could provide the Secretariat with copy of the current version.

Reply

The latest edition to be published on paper is the edition of 2006. However, the updated version is available at the DGFT web-site.

2. Also, we note that at the April 2008 meeting of the Import Licensing Committee, India indicated that the ITC (HS) Classification of Export and Import Items is now available on the Directorate General of Foreign Trade website. However, while there is an indication on the homepage (<http://dgft.delhi.nic.in/>) that the ITC (HS) is available at the "Downloads" link, we continue to be unable to access the list. The specific link to the entire ITC (HS) Classification on DGFT's website has not been operational for more than a year. When do you expect that the ITC (HS) Classification document on the download's section of DGFT's website will become available again? Alternatively, if the entire ITC (HS) is located elsewhere on the DGFT's website, we would appreciate guidance on where exactly we can locate the document.

Reply

Schedule 1 of the ITC (HS) which deals with import into India has been placed on the DGFT web-site. It is available at the link that is mentioned in the question.

3. We reiterate our request that India update its questionnaire submission to provide product-specific replies to the questionnaire. This could help to clarify many of our existing questions.

Reply

ITC (HS) provides product specific import restrictions.

4. In particular, we would appreciate it if India would clarify whether import licences are automatic or non-automatic. Section 6.VIII of G/LIC/N/3/IND/9 only indicates that "applications will be examined as soon as they are received".

Reply

License is issued if the conditions mentioned in the Foreign Trade Policy are satisfied.

5. For instance, in the case of non-automatic licences, could India estimate the expected duration of obtaining the import license for each product? If this cannot be estimated, could India provide a reason why this information cannot be provided?

Reply

In case the applications fulfil all the prescribed criteria for issue of an import license, such licenses are issued almost within a period of 15 days from the expiry of last date of receipt of applications.

6. Furthermore, we would appreciate a clarification of how fees are charged on import licences. According to the answer to question 12 in G/LIC/N/3/IND/9, "Fees are charged on applications for licenses according to the value of imports to be made." How does this fee determination relate to GATT Article VIII, which requires that such fees be limited to the "approximate cost of services rendered"?

Reply

Total fee collected does not exceed the cost of service rendered. Ad valorem levy facilitates collecting fee on the basis of "ability to pay" i.e. small importers pay a less than proportionate share.

Boric Acid Import Requirements

7. The United States notes that India maintains import licensing requirements for boric acid. However, G/LIC/N/3/IND/9 makes no mention of boric acid, or for that matter, chemicals or pesticides, as being subject to licenses. Furthermore, the United States is also unaware of a notification to the Import Licensing Committee of this licensing requirement. Does India intend to make a notification to the Committee regarding the requirements for importing boric acid?

Reply

The import policy requirements on import of boric acid are mentioned in the ITC (HS) available on DGFT web-site.

Non-insecticidal Boric Acid

8. The United States would also appreciate further clarification as to India's import permit requirements for non-insecticidal boric acid. Please explain the process by which the necessary

import licenses or permits can be obtained for non-insecticidal boric acid, as well as any necessary no-objection certificates.

Reply

The import of Boric Acid for non-insecticidal use is allowed on the basis of an import permit issued by the Registration Committee (RC). The permit is issued on the basis of a recommendation / end use certificate from the concerned Administrative Ministry / Department of Government of India/ District Industries Centers of the State Governments/ State Directors of Industries. Department of Agriculture has issued an exhaustive list of the agencies which can issue the end-use certificates. The applicant, desiring to import boric acid, has to make an application to the RC in the prescribed proforma.

9. Are end-use certificates or import permits required for the importation of any chemicals (other than boric acid) that might be covered by the Insecticides Act and for which there also are non-insecticidal uses?

Reply

An end-use certificate is a pre-requisite for making an application to the RC for grant of an import permit for import of an insecticide for non-insecticidal use. It is applicable to all the insecticides that are proposed to be imported for non-insecticidal use.

10. Are there any permit requirements for non-insecticidal boric acid that is manufactured locally?

Reply

Since local manufacturers do not import boric acid, they require no import permit. However, unlike importers, who are regulated by a simple system of import permits for non insecticidal uses, the domestic manufacturers and traders are subjected to the rigorous requirement of obtaining registration before CIB&RC.

11. We would also appreciate additional information on who is required to submit the application for the import permit. Is the permit system applicable to traders, end users, or both? More specifically, what is the process by which traders (who are not necessarily the end users) can apply for an import permit for non-insecticidal boric acid?

Reply

Any person who can furnish the complete information as required in the application proforma can apply for grant of import permit.

12. However, it is our understanding that the Ministry of Agriculture still requires import permits and no-objection certificates for non-insecticidal boric acid. Please confirm if this is true.

Reply

Yes.
