FTAs - Rules of Origin to help importers; to be effective from Monday

## By TIOL News Service

## WW DELHI, SEPT 19, 2020: HE

ustoms (Administration of $F$ es of Origin under Trade Agreements) Rules, 2020 (CAROTAR, 2020), notified on 21 st August, 2020, shall me into force from Septem er 21, 2020 upon completion of the 30 day period that was given to importers and other stakeholders to miliarize themselves with ne provisions.

CAROTAR, 2020 implements the commitment of Finance Minister in her Budget Speech 2020 to protect the domestic industry from misuse of FTAs.Â Finance Minister had said,
â€œUndue claims of FTA benefits have posed threat to domestic industry. Such imports require stringent checks. In this context, suitable provisions are being incorporated in the Customs Act, 1962.â€•

CAROTAR, 2020 read with CBIC Circular No. 38/2020-Cus
, dated 21 st August, 2020 supplement the existing operational certification procedures prescribed under different trade agreements (FTA/ PTA/ CECA/ CEPA).A An importer is now required to do due diligence before importing the goods to ensure that they meet the prescribed originating criteria. A list of minimum information which the importer is required to possess has also been provided in the rules along with general guidance. Also, an importer would now have to enter certain origin related information in the Bill of Entry, as available in the Certificate of Origin.

The new Rules will support the importer to correctly ascertain the country of origin, properly claim the concessional duty and assist Customs authorities in smooth clearance of legitimate imports under FTAs. Hence, the CBIC has been actively engaging with stakeholders through webinars and other means to guide them on compliance with the new Rules and to clarify any doubts that they may have.

The new Rules would strengthen the hands of the Customs in checking any attempted misuse of the duty concessions under FTAs.
Â

