

**Government of India
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhavan, New Delhi-110011**

Policy Circular No. 28 (RE-2010)/2009-14

Dated: 15 April, 2011

To
All Regional Authorities
FIEO and All EPCs

Subject:- Clarification about requirement of “Declaration of Intent” for EOU shipping bills for claiming Chapter 3 scheme benefits.

1. Para 3.11.8 of HBPv1 2009-14 (earlier Para 3.23.8 in RE-2008) provides for “Declaration of Intent” to be made on “free shipping bills” in order to claim Chapter 3 benefits.
2. Earlier, DGFT had clarified on 4.3.2010 that EOU shipments fall under the “free shipping bills” category. The trade and industry has, however, contended that the Department of Revenue does not treat EOU shipping bills as “free shipping bills”. On this issue, consultations have been held with Department of Revenue who have confirmed that EOU shipping bills are examined as per stipulated norms. Thus, the EOU shipping bills are not treated as “free shipping bills”. Hence, DGFT clarification dated 4.3.2010 is withdrawn.
3. Be advised that shipments made by EOUs for the period 1.4.2008 till 31.12.2010 would not require “Declaration of Intent” for claiming Chapter 3 benefit. Be further advised that Policy Circular No. 40/2009-14 dated 16.7.2010 would continue to be in force for exports made on or after 1.1.2011 in terms of Para 3.11.8 of HBPv1 as amended by Public Notice No.82/2009-14 dated 16.7.2010.
4. All RAs are advised to finalize rejected claims of EOUs for the period 1.4.2008 till 31.12.2010 in terms of clarification under para 3 above. A grace period of one month is given from the date of this Policy Circular, for filing claims with RA, to EOUs who have not filed claims on time.
5. This issues with approval of DGFT.

Effect of this Policy Circular:

EOUs are eligible for Chapter 3 benefits without “Declaration of Intent” on shipping bills for the period 1.4.2008 till 31.12.2010.

Sd/-
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