

**ADVISORY ON INTRODUCTION OF SPECIAL ADVANCED
AUTHORISATION SCHEME.**

Attention of Importers/Exporters/Trade/CBs is invited to CBEC Board Circular No.037/2016-Cus dt.13th August 2016 on introduction of Special Advanced Authorisation Scheme in combination with AIR drawback under para 4.04A of [FTP 2015-20](#).

2. To give effect to this scheme, the Notification No. 45/2016-Customs dated 13th August, 2016 has been issued providing exemption to fabrics (including interlining) from import duty subject to conditions specified therein. Further, Notification No. 110/2016-Customs (NT) dated 13th August, 2016 has been issued providing, subject to the specified conditions, the alternative All Industry Rates (AIRs) of drawback in the Drawback Schedule for the exports made against the Special Advance Authorisation in discharge of export obligations in terms of Notification No. 45/2016-Customs dated 13th August, 2016. These notifications may be downloaded from cbec.gov.in.

3. It is to be noted that while the Special Advance Authorisation would continue to be **issued under scheme code 03 which may be used for import**. The same scheme code may be used if the SB is to be used only against discharge of Advance Authorisation. However, to utilize in combination of other schemes such as AIR drawback, EPCG during export, two more new export scheme codes have been introduced in ICES.

4. Scheme code 62 (Drawback & Spl AA(Para 4.04A of FTP)):

Exporters availing AIR Drawback along with Special Advance Authorisation under 4.04A (045/2016), needs to declare export scheme code as 62 in their shipping bill. Advance Authorisation details may be entered in relevant DEEC table. The drawback declaration would be as follows:

4a. AIR Drawback Rate under scheme code 62:

In drawback declaration column, relevant tariff item has to be suffixed with suffix 'C' or suffix 'D' for the situation when Cenvat facility has not been availed or when Cenvat facility has been availed, respectively, instead of the usual suffix 'A' or suffix 'B'.

4b. Provisional drawback on brand rate under scheme code 62:

For exporters exercising option to claim Brand Rate of duty drawback in terms of rule 7 of the Drawback Rules 1995 with the Special Advance Authorization, the procedure in Annexure 1 with Circular No. 29/2015-Cus dated 16.11.2015 has relevance. However, the exporter shall have to declare the figure '9807' as identifier (in the shipping bill under the Drawback details) followed by the tariff item number of the goods as shown in column (1) of the Schedule and followed by the character 'D'.

Based on this, the shipping bill shall be processed for payment of provisional drawback amount equivalent to the Customs portion of these alternative AIRs.

5. Scheme Code 63 (EPCG, Drawback & Special AA(4.04A)):

All the procedure stated above, would hold good. Additionally Exporter would be able to use it for discharge of EPCG in this shipping bill.

Above changes would be effective from 1st September, 2016. Suitable public notices and standing order should be issued for guidance of the trade and officers in this regard. Difficulties, if any, may be brought to notice of DGoS (nsm.ices@icegate.gov.in).