

Self Ratification Scheme

- i. Where there is no SION/valid Adhoc Norms for an export product and where SION has been notified but exporter intends to use additional inputs in the manufacturing process, eligible exporter can apply for an Advance Authorisation under this scheme on self declaration and self ratification basis. RA may issue Advance Authorisations and such cases need not be referred to Norms Committees for ratification of norms. Application under this scheme shall be made along with a Certificate from Chartered Engineer in the prescribed format.
- ii. A Certificate from a Chartered Engineer who has been not been penalised in the last five years under FT(D&R) Act 1992, Customs Act 1962, Central Excise Act 1944, GST Acts and allied acts and rules made there under shall only be accepted for grant of Authorisation under this scheme.
- iii. Detailed procedure for administering the scheme shall be prescribed in the Handbook of Procedures.
- iv. An exporter (manufacturer or merchant) who holds AEO Certificate under Common Accreditation Programme of CBEC is eligible to opt for this scheme.
- v. The scheme shall not be available for the following export products.
 - a) All items covered under Chapter-1 to 24 and Chapter-71 of ITC(HS) Classification;
 - b) Biotechnology items and related products; and
 - c) SCOMET items.
- vi. The scheme shall not be available for the following inputs.
 - a) All vegetable / edible oils classified under Chapter-15 and all types of oilseeds classified under Chapter-12 of ITC (HS) book;
 - b) All types of cereals classified under Chapter-10 of ITC (HS) book;
 - c) Horn, hoof and any other organ of animal;

- d) Wild animal products, organs and waste thereof;
- e) Honey;
- f) All items with basic customs duty of 30% or more;
- g) All types of fruits/ nuts/ vegetables classified under Chapter-7 and Chapter-8 of ITC (HS) book;
- h) Items covered under heading 2515, 2516, 3301, 3302,3303 6801 and 6802 of ITC(HS) Classification;
- i) Items covered under Chapter 50 to 63 of ITC(HS) classification.
- j) Acetic Anhydride, Ephedrine and Pseudoephedrine;
- k) Vitamins;
- l) Biotechnology items and related products;
- m) Insecticides, Rodenticides, Fungicides, herbicides, Anti sprouting products, and plant growth regulators, disinfectants and similar products of all forms, types and grades;
- n) Waste/Scrap of all types; and
- o) Second hand goods.

vii. Inputs imported shall be subject to pre import condition and they shall be physically incorporated in the export product (making normal allowance for wastage).

In case of local

procurement under invalidation/ARO, the inputs shall be procured prior to manufacture of export item and shall be physically incorporated in the export product.

viii. Wherever value of by-products and recoverable wastage generated during manufacturing process is more than 5% of CIF value, corresponding quantity of main input shall be reduced from the entitlement to the extent that value of disallowed quantity is equal to the value of by-products and recoverable wastage generated during manufacturing process.

ix. DGFT or any person authorised by him may conduct audit of the manufacturer. The

frequency and manner of audit shall be prescribed by DGFT in Handbook of Procedures. The manufacturer shall be required to provide the necessary facility to verify the books of account/other documents as required, give information and assistance for timely completion of the audit. Non-availability of production and consumption documents/data shall be treated as misdeclaration and indulgence in fraudulent activities and shall be penalised under FT(D&R) Act, as amended and rules made there under.

x. DGFT or any person authorised by him may initiate special audit, considering the nature and complexity of the case and revenue of government, if he is of the opinion at any stage of

scrutiny/enquiry/investigation that the norms have not been claimed correctly or the excess benefit has been availed. Special audit can be conducted even if the manufacturer has already been audited before.

xi. If the audit results in detection of misdeclaration and/or instances of claiming of inputs which are not used in manufacturing process or excess quantity of inputs than consumed, demand and recovery actions will be initiated in addition to initiation of action against the authorisation holder, manufacturer and Chartered Engineer in terms of Foreign Trade Development and Regulation Act 1992 and/or Customs Act 1962, as amended and rules made there under.

xii. In cases where Chartered Engineer has not exercised due diligence or has willfully become party to misdeclaration action will be initiated under against such person under FT(D&R) Act 1992, as amended and rules made there under. In addition, such cases shall also be referred to 'The Institute of Engineers India for taking action as warranted under the bylaws of the institute.

xiii. All the provisions applicable for Advance Authorisation Scheme shall be applicable to this scheme also in so far they are not inconsistent with this scheme.

