

Duty Free Tariff Preference Scheme (DFTP) for Least Developed Countries

Customs Related Issues

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DFTP- An Introduction

- The scheme was announced by Prime Minister Manmohan Singh on 8th April 2008 at India- Africa Forum Summit
- Preferential market access to all 50 LDCs (34 are in Africa)
- Covers 92.5% of total exports from LDCs.
- Covers 94% of total tariff lines.

Product & Trade Coverage

Category	No. of items (at 6-digit HS level)	% of total tariff line
Duty Free list	4430	85%
Positive list	468	9%
Exclusion list	326	6%
Total	5224	100%

Salient Features

- Positive list of 468 sub-headings at 6-digit HS level – Margin of Preference
- Exclusion list of 326 sub-headings at 6-digit HS level
- On rest of the items tariff to be phased out in linear manner in 5 years
- Tariff concessions operationalised under Notification 96/2008 Customs dated August 13th 2008
- Concession on the ‘applied rate’.
- Subject to origin proof

Procedure for availing benefit

- In order to get covered under the DFTP scheme, the individual LDC members will have to give a Letter of Intent (LoI) to the Government of India, Department of Commerce, that they wish to be covered under this scheme and that they would comply with the provisions of the scheme

Rules of Origin

- Notified as the Customs Tariff (Determination of Origin of Products under the Duty Free Tariff Preference Scheme for Least Developed Countries) Rules on August 13 2008.
- Simple and transparent

Qualifying origin criteria

- Products wholly produced or obtained; or
- For products not wholly produced or obtained, based on criteria of
 - **Change in tariff heading at 4 digit level**
 - **30% local value addition**
 - **Final process of manufacture to be performed within the territory of the exporting country.**

Rules of Origin

- Certain specified operations considered insufficient working or processing to confer originating status.
- Concessions to be granted if the imported consignments are supported by certificate of origin in the prescribed format issued by a government authority designated by an exporting beneficiary country.

Rules of Origin

- Beneficiary countries are required to submit the names and addresses of their respective issuing authority well in advance.
- Certificate of Origin to be presented to the Customs at the time of importation.
- Name and signature of the issuing authority on the Certificate should match with the details already submitted.
- All columns properly filled.

List of LDCs

Afghanistan	Angola	Bangladesh
Benin	Bhutan	Burkina Faso
Burundi	Cambodia	Cape Verde
Central African Republic	Chad	Comoros
Congo	Djibouti	Equatorial Guinea
Eritrea	Ethiopia	Gambia
Guinea	Guinea-Bissau	Haiti
Kiribati	Lao People's Democratic Republic	Lesotho
Liberia	Madagascar	Malawi

List of LDCs....contd.

Maldives	Mali	Mauritania
Mozambique	Myanmar	Nepal
Niger	Rwanda	Samoa
São Tomé and Príncipe	Senegal	Sierra Leone
Soloman Islands	Somalia	Sudan
Timor Leste	Togo	Tuvalu
Uganda	Tanzania	Vanuatu
Yemen	Zambia	

List of LDCs already covered

Benin	Burkina Faso	Cambodia
Eritrea	Ethiopia	Gambia
Madagascar	Malawi	Mozambique
Myanmar	Rwanda	Samoa
Sudan	United Republic of Tanzania	Lao People's Democratic Republic
Uganda		

Indian Customs Organizational Structure

- Central Board of Excise and Customs under Department of Revenue, Ministry of Finance – at the apex.
- Over 100 ports; 30 Air Cargo Complexes; Inland Container Depots.
- Formations headed by Commissioners of Customs
- Automation implemented in all major formations covering 90% of trade.

Useful links

- www.cbec.gov.in
- www.icegate.gov.in

THANK YOU