Press Release

Subject: Implementation of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 with effect from 21st September 2020

The Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR, 2020), notified on 21st August, 2020, shall come into force from 21st September, 2020 upon completion of the 30 day period that was given to importers and other stakeholders to familiarize themselves with new provisions.

2. CAROTAR, 2020 implements the commitment of Finance Minister in her Budget Speech 2020 to protect the domestic industry from misuse of FTAs. Finance Minister had said "*Undue 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.*"

3. CAROTAR, 2020 read with CBIC Circular No. 38/2020-Cus, dated 21st August, 2020 supplement the existing operational certification procedures prescribed under different trade agreements (FTA/ PTA/ CECA/ CEPA). 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.

4. 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.

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

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