

Advance Authorization

- 1) Inputs, which are physically incorporated in the export product, can be imported duty free
- 2) AA issued for inputs and export items given under SION(Standard Input Output Norms), Also issued on the basis of ad hoc norms or self declared norms.(pl see para 4.7 of HBP for more details)
- 3) – prohibited & canalized item not allowed
- 4) Export obligation to be fulfilled within 18 months from the issue date of authorization
- 5) AA and materials imported are non transferable (Actual user condition) even after completion of export obligation. However product manufactured out of duty free materials can be disposed off, once EO is completed.
- 6) Validity of Authorisation – 12 months
- 7) Notification No: 96/2009 – Cus dt 11.9.09
- 8) Raw materials are imported before exports – called Ad. Authorization
- 9) Previously known as DEEC – Discontinued from 2002
- 10) Exempted from basic customs duty, CVD, ADD, safeguard duty , Ed – Cess and SAD
- 11) 15% value addition to be achieved (except for certain items).

12) Issued to manufacturer Export or merchant Exporter tied to supporting manufacturer for Physical Exports, Intermediate supplies, supply under deemed Exports and supply of stores to foreign going vessel/aircraft.

13) If duty paid material is used in the manufacture, then drawback on brand rate is available.

14) **Advance Authorization for Annual Requirement** - issued for annual requirement. Exporters having past export performance (in at least preceding two years) is entitled for this scheme. Entitlement up to 300% of FOB value of physical export or FOR value of deemed export in preceding licensing year or 1 crore, which ever is higher.