

## **10. Duty Free Import Authorisation (DFIA):**

- 10.1 The Duty Free Import Authorisation (DFIA) scheme introduced in 2006 is similar to Advance Authorisation scheme in many aspects. DFIA has a minimum value addition requirement of 20%. Once export obligation is completed, transferability of authorisation/ material imported against the authorisation is permitted. However, once the transferability has been endorsed, the inputs can be imported/domestically source only on payment of Additional Customs duty/Central Excise duty. The DFIA Authorizations are issued only for products for which SION have been notified. There is a requirement that in case the facility of rebate under Rules 18 or 19(2) of the Central Excise Rules, 2002 or CENVAT facility under the Cenvat Rules, 2004 has been availed, then the duty free imported goods have to be used in the manufacture of the dutiable goods.

- 10.2 After the annual supplement 2013 to the FTP, the exemption from anti-dumping duty and safeguard duty is not available in case materials are imported against a DFIA made transferable. In case imported materials are transferred the importer is to pay an amount equal to the anti-dumping and safeguard duty leviable on the material, with interest. These aspects apply subject to specified conditions. The DFIA is implemented by Notification No.98/2009-Cus dated 11-09-2009.
- 10.3 The monitoring of export obligation is also essential in the DFIA scheme.

[Refer Circulars No.11/2009-Cus., dated 25-2-2009 and  
No.6/2011-Cus dated 18-1-2011]