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GOVERNMENT OF INDIA MINISTRY OF FINANCE (DEPARTMENT OF REVENUE) NOTIFICATION No. 22/2020-Customs

New Delhi dated the 12th May, 2020

G.S.R.....(E).— Whereas the Directorate General of Trade Remedies (hereinafter referred to as the 'designated authority') in the matter concerning imports of "Refined Bleached Deodorized Palmolein and Refined Bleached Deodorized Palm Oil" (hereinafter referred to as the 'subject goods'), falling under tariff item [1511 90 10] or tariff item [1511 90 20] of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), initiated an investigation in terms of rule 9 of the India Malaysia Comprehensive Economic Cooperation Agreement (Bilateral Safeguard Measures) Rules, 2017 (hereinafter referred to as the said rules) *vide* notice of initiation Case No. (SG) 04/2019, dated the 14th August 2019, published in the Gazette of India, Extraordinary, Part-I, Section 1, dated the 14th August 2019.

And Whereas, in the preliminary findings issued *vide* notification (Bilateral Safeguard Investigation) case no (SG) 04/2019, dated the 26th August 2019, published in the Gazette of India, Extraordinary, Part-I, Section 1 dated the 26th August, 2019, the designated authority came to a preliminary conclusion that critical circumstances exist where delay in imposition of safeguard measures would cause irreparable damage to the domestic producers and recommended an increase in rate of duty of customs by 5 percent, for a period of 180 days, on imports of subject goods, originating in Malaysia and imported under India-Malaysia Comprehensive Economic Cooperation Agreement (hereinafter referred to as the 'CECA').

And Whereas, on basis of the aforesaid findings of the designated authority, the Central Government imposed provisional Bilateral Safeguard Duty on the subject goods *vide* notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 29/2019-Customs, dated the 4th September 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 632 (E), dated the 4th September 2019 by making further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.53/2011-Customs, dated the 1st July, 2011, published in the Gazette of India, *vide* number G.S.R. 499 (E), dated the 1st July, 2011.

And Whereas, the designated authority in its final findings issued vide notification (Bilateral Safeguard Investigation) case no (SG) 04/2019, dated the 28th February 2020, published in the Gazette of India, Extraordinary, Part-I, Section 1, dated the 28th February 2020 has noted and made the following conclusions namely: -

(a) when the investigation was underway, the Government amended the import policy of items under HS Code 151190 10 (Refined Bleached Deodorised palm oil, HS Code 151190 20 (Refined Bleached Deodorised Palmolein) and HS Code 151190 90 (others) *vide* Notification No. 39/2015-2020, dated the 8th January 2010 thus placing the subject goods under "Restricted" category.

- (b) that basic customs duty under Free Trade Agreement between the Governments of Member States of the Association of South East Asian Nations (hereinafter referred to as the 'ASEAN FTA') and the Republic of India (which includes Malaysia) and CECA has also changed w.e.f. 1st January, 2020 and the difference between crude palm oil and Refined Palmolein or Palm Oil is 7.5% in both these Agreements.
- (c) safeguard duty in the present agreement without similar duty under ASEAN FTA would mean a futile safeguard duty, as the consumers would utilise benefit under ASEAN FTA.
- (d) in view of the above stated facts, it is considered that the bilateral safeguard duty imposed *vide* notification no. 29/2019-customs, dated 4th September, 2019 under the CECA on the import of Refined Bleached Deodorised Palm Oil" and "Refined Bleached Deodorised Palmolein" for a period of 180 days from the date of imposition of the provisional duty is sufficient in the present circumstances and it may not be necessary to impose safeguard duty beyond the current period of 180 days.

and has confirmed the Preliminary Findings issued vide Notification No. 22/4/2019, dated the 26^{th} August, 2019 and recommend that: -

- (a) bilateral safeguard duty may be imposed on imports of subject goods from the subject country in the form and manner described in the Preliminary findings issued *vide* Notification No. 22/4/2019 dated the 26th August, 2019 under the CECA on the import of Refined Bleached Deodorised Palm Oil" and "Refined Bleached Deodorised Palmolein" for a period of 180 days from the date of imposition of the provisional duty by the Central Government issued *vide* Notification No. 29/2019-Customs dated the 4th September, 2019.
- (b) in view of the above conclusions, no further extension of bilateral safeguard duty is required.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) read with rule 9 of the said Rules, the Central Government, after considering the aforesaid final findings of the designated authority, hereby confirms the imposition of bilateral safeguard duty on the subject goods falling under tariff item [1511 90 10] or tariff item [1511 90 20] of the First Schedule to the Customs Tariff Act, originating in Malaysia and imported under India-Malaysia Comprehensive Economic Cooperation Agreement for a period of 180 days from the date of initial imposition of such duty (i.e. the 4th of September 2019), and was notified *vide* notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 29/2019-Cus dated 4th September 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 632 (E), dated the 4th September 2019.

[F. No. 354/132/2019-TRU]

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