



## ELP update: New steel related import policy development

September 11, 2019

Dear Reader,

We are writing to bring to your notice an important policy development with respect to imports of iron and steel products in India. On September 5, 2019 the Directorate General of Foreign Trade (**DGFT**) published a notification (please see attached) that has made amendments to the import policy of certain iron and steel products.

DGFT Notification No. 17/2015-202 (**Notification**) implements a compulsory registration system under the Steel Import Monitoring System (**SIMS**) on 215 tariff lines under Chapters 72, 73 and 86 of ITC (HS) 2017.

These products include flat-rolled products, some stranded wire, ropes, cables; certain items of springs and leaves for springs of iron and steel; tubes, pipes and hollow profiles; diesel-electric locomotives; and some parts of railways.

The Notification requires that importers who are importing iron and steel products which are listed in the Notification on or after November 1, 2019 (i.e. Bill of entry is dated on or after 1/11/2019) to comply with the following:

- Apply for an online registration not earlier than the 60th day and not later than the 15th day before the expected date of arrival of import consignment. This registration is valid for a period of 75 days.
- Pay a registration fees of INR 1 per thousand of CIF value subject to a minimum fee of INR 500/- and a maximum fee of INR 100,000.
- Enter the registration number and expiry date of registration in the bill of entry to enable Customs authorities to clear consignment.

The online registration system will be available from September 16, 2019.

### ELP comments

#### Impact:

The prior registration requirements and registration fee could potentially impact imports of iron and steel products under identified tariff lines both in terms of volume and prices, and also create burdensome compliance requirements for the importing / end-user industries in terms of process and cost.

#### Legal Issues:

While India has a right to regulate its import policy, the recent measure may draw the attention of member countries at the WTO, who could potentially perceive this move as an indirect protection to India's domestic steel industry. They could also seek explanation on how the amount of registration fee has been arrived at and whether it is commensurate to the cost of registration service incurred by India. It will be interesting to see how other exporting countries react to this development.

In the meantime, should you require any information or clarification, please do not hesitate to contact us at [insights@elp-in.com](mailto:insights@elp-in.com)

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