

Advance Authorisation (AA) Scheme

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Advance Authorisation Scheme

Advance Authorisation (AA) Scheme Latest News

Recently, the government put limits on the quantity of gold that can be imported under the Advance Authorisation (AA) Scheme.

About Advance Authorisation (AA) Scheme

- It allows **duty free import of inputs**, which are physically **incorporated in an export product**.
- In addition to any inputs, **packaging material, fuel, oil and catalysts** which are consumed/utilized in the process of production of export products, are also allowed.
- The inputs imported are exempt from duties like,
 - **Basic Customs Duty, Additional Customs Duty, Education Cess**, Anti-dumping duty, Safeguard Duty and Transition Product-Specific Safeguard duty, Integrated tax, and Compensation Cess, wherever applicable, subject to certain conditions.
- An **export obligation** is usually **set as a condition** for issuing Advance Authorization.
- **Advanced Authorization Issued to**

- **Manufacturer Exporters:** Entities engaged in manufacturing goods for export.
- **Merchant Exporters tied to Supporting Manufacturer(s):** Traders who do not manufacture themselves but procure goods from a supporting manufacturer for export.
- **The Advanced Authorization shall be issued for**
 - Physical exports
 - Intermediate supply
 - Supplies made to specified categories of deemed exports
 - Supply of 'stores' on board of a foreign-going vessel/aircraft, provided that there are specific **Standard Input Output Norms (SION)** in respect of items supplied.
- Advance Authorization **is valid for 12 months** from the date of issue of such Authorization.
- It is overseen by the **Directorate General of Foreign Trade (DGFT)**.

Source: FE

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