



# Bill Summary

## The Foreign Trade (Development and Regulation) Amendment Bill, 2009

- The Foreign Trade (Development and Regulation) Amendment Bill, 2009 was introduced in the Rajya Sabha on November 25, 2009 by the Minister of Commerce and Industry, Shri Anand Sharma. The Bill was referred to the Department related Standing Committee on Commerce (Chairperson: Shri Shanta Kumar), which is expected to table its report within three months.
- The Foreign Trade (Development and Regulation) Act, 1992 (Principal Act) seeks to develop and regulate foreign trade by facilitating imports and exports from India. The Bill seeks to amend the Principal Act to incorporate safeguard measures by imposing quantitative restrictions; to tighten export or trade control in case of dual-use goods and related technologies and to provide for establishing controls similar to the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005.
- The definition of “import” and “export” has been expanded to include “technology” and “services” (including financial services) so that incentive schemes and other provisions of the Foreign Trade policy can be administered.
- The Bill enables the central government to impose restrictions on increased import of any article if it causes or threatens to cause serious injury or overall impairment to the position of the domestic industry.
- No quantitative restriction shall be imposed on goods originating from a developing country (notified by the central government) as long as the share of import of that good is up to three per cent. In case of more than one developing country, the total imports should not exceed nine per cent. The quantitative restriction shall become invalid after four years unless the central government feels it is necessary to continue with restrictions. However, no quantitative restriction shall remain valid beyond 10 years from the date on which the restriction was imposed.
- The Bill enhances penalty for contravening the provisions regarding import and export. It also prescribes penalty for signing any declarations knowing that it is false. If the penalty imposed by the Act is not paid by any person, it may be recovered in the prescribed manner.
- The Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 shall apply to export of specified goods, services or technology (any goods or services or technology whose import or export or transfer is restricted or conditions have been imposed on grounds of their being relevant to India as a nuclear weapon state or to the national security of India or any international treaty to which India is a party).
- A person cannot export any material, equipment and technology knowing that such material is intended to be used to manufacture biological, chemical or nuclear weapons or other nuclear explosive device.
- If any person contravenes provisions related to specified goods, the penalties under the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 shall be applicable.
- The central government has the power to examine the decisions of the Director General of Foreign Trade. The Director General has similar powers with regard to any subordinate officer. However, a decision cannot be changed unless certain specified conditions are met.

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