Standing Committee Report Summary
The Foreign Trade (Development and Regulation) Amendment Bill, 2009


- The Committee recommends that various fiscal benefits or instruments should be separately defined in the act itself.

- The Bill seeks to regulate trade in services and technology in addition to goods. The Committee noted the government should take adequate precautions to ensure that the interpretation of various provisions of the Bill do not adversely affect the growth of various service sectors, particularly the IT Sector, in view of its importance in the national economy.

- The Bill provides for the imposition of Quantitative Restrictions on imports which cause serious injury to domestic industry. The Committee recommends that this should be made amply clear in the law by substituting the word “article” with “goods”. The Committee suggests that an effective mechanism should be put in place for consultation with affected or likely to be affected parties, before imposing Quantitative Restrictions. The Committee further recommends that it should be ensured that the Rules framed under this provision be displayed on the website of the Department of Commerce.

- In order to ensure that there is proper coordination between various Departments of the Government and to protect the interests of small scale and micro industries, the Committee recommends that a High Powered Committee, headed by the Secretary or the Additional Secretary in the Department of Commerce be constituted, with senior representatives from the Department of Revenue, Ministry of Micro, Small and Medium Enterprises, Department of Industrial Policy & Promotion, and other Ministries dealing with the major items of import, to periodically review the imposition of Quantitative Restrictions.

- The Committee recommends that there should be appropriate legal safeguards for imposing Quantitative Restrictions in respect of agricultural goods. The Department of Commerce should also examine the feasibility of imposing Quantitative Restrictions on the import of goods which are hazardous to human health and environment.

- The Committee recommends that the search and seizure should be permitted only with the approval of a very senior officer of the Directorate General of Foreign Trade.

- The Committee recommends that the Bill be passed after taking into account the suggestions made by it.