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**POST GRADUATE DEPARTMENT OF BUSINESS LAW****Subject: LAW RELATING TO FOREIGN TRADE**

Trade is a crucial process for sustaining & augmenting the economic growth and progress of a Nation. Foreign trade is an avenue for inflow of foreign exchange as well as one of the pathways for India to become a prominent competitor in the global market. Import & export of goods & services, traversing international precincts are the two important mechanisms of foreign trade. Hence, it is pivotal to proliferate these components. An all-encompassing development of India's foreign trade is essential towards manifesting these targets. These aspects make it indispensable that Students of a Masters program [M.L.] in Business Law gain adequate knowledge in the Law relating to Foreign Trade, which is one of the major mechanisms in achieving the afore mentioned aspirations of our Nation. In India, the main legislation concerning foreign trade is the Foreign Trade (Development and Regulation) Act, 1992. This Legislation postulates for enhancing exports, regulating foreign trade and allied matters. The new Foreign Trade Policy of 2009-14, takes an inclusive view aiming for a holistic development of foreign trade in India and provides a blueprint for the expansion of this sector.

In view of the above perspectives, the broad objectives of this course may be formulated as follows:

- a) To understand the Legal dimensions of the law relating to foreign trade, with reference to India.
- b) To enable Students to comprehend & appreciate the process of export-import of goods-services, the resultant inflows & outflows of foreign exchange & the role these play towards establishing India as one of the significant players in the global trade market.
- c) To familiarize Students with the organizational set-up, functioning, lending & accountability aspects of various export promotional schemes, exemptions, special zones & units, authorities established under the Act and associated matters.

**I. INTRODUCTION:**

- i. International Trade-Need & importance of International Trade-Theories of International Trade.
- ii. Basic necessity for export & import in India-India's Foreign Trade Policy-Pre-Liberlization & Post Liberlization era in Foreign Trade
- iii. Control by State over Foreign Trade in India.
- iv. Powers of Reserve Bank of India in controlling Foreign Trade, within India.
- v. Automatic Approval Scheme.

**II. INTERNATIONAL ORGANIZATIONS & FOREIGN TRADE:**

- i. WTO & GATT.
- ii. Dispute Settlement Mechanisms.
- iii. Transfer of technology.
- iv. Tariff & Non-Tariff restrictions.
- v. Dumping of discarded technology & goods in international market-Anti-Dumping.
- vi. Quota Restrictions-Subsidies & Countervailing Duties.
- vii. Permissible & Quarantine Regulations.

**III. STATE MECHANISMS TO REGULATE FOREIGN TRADE IN INDIA:**

- i. Foreign Trade Development & Regulation Act, 1992.
- ii. Director General of Foreign Trade (DGFT)-Board of Trade (BoT)-Central Excise Authority (CEA)-Export Import Bank of India-Export Credit Gurantee Corporation of India Ltd.

## Dr. KUMUDHA RATHNA

- iii. Currency Transfer-Borrowing & Lending of money in Foreign Currency-Repatriation & surrender of Foreign Securities-Investment in Indian Banks.
- iv. Investment in Foreign Countries-Establishment of business outside India.
- v. Promotional Measures:
  - a. Export Promotion Councils.
  - b. Export Oriented Units (EOUs) - Electronic Hardware Technology Parks (EHTPs) – Software Technology Parks (STPs) & Bio-Technology Parks (BTPs).
  - c. Export Promotion Capital Goods Scheme (EPCGS).
  - d. Special Economic Zones (SEZs).
  - e. Free Trade & Warehousing Zones (FTWZs).
- vi. Duty Exemption/Remission Schemes:
  - a. Duty Free Import Authorization (DFIA).
  - b. Advance Licence Scheme.
  - c. Duty Entitlement Pass Book (DEPB).
  - d. Duty Drawback Scheme.

### IV. **FOREIGN TRADE-SPECIALIZED SECTORS:**

- i. Agricultural Products.
- ii. Textile & Clothing.
- iii. Jewellery.
- iv. Joint Venture-FII-NRI-FDI-ADR, GDR & FCCB.
- v. Service Sector.

### V. **CUSTOMS & PREVENTION OF SMUGGLING:**

- i. The Customs Act, 1962.
- ii. The Conservation of Foreign Exchange & Prevention of Smuggling Activities Act, 1974 (COFEPOSA).
- iii. Prohibition on importation & exportation of goods.
- iv. Money laundering.
- v. Control of smuggling activities in import & export trade.
- vi. Levy of & exemption from Customs Duties.
- vii. Clearance of imported & to be exported goods.
- viii. Conveyance & Warehousing of goods.



### **READING MATERIAL:**

#### **A. Statutory Material:**

1. Foreign Trade Development & Regulation Act, 1992.
2. The Customs Act, 1962.
3. The Conservation of Foreign Exchange & Prevention of Smuggling Activities Act, 1974.
4. WTO & GATT.

#### **B. Reference Material:**

1. Government of India. Handbook of Import Export Procedures Government of India Import and Export Policy (1997-2002)
2. Foreign Trade Development and Regulation Act, 1992 - Rules.
3. Customs Manual.
4. International Trade Law and Practice- Lew, Julton D.M and Clive Stand brook (eds), Euromoney Publications, London, 2009.
5. Export Trade – The Law and Practice of International Trade- Schmothoff C.R, 2008.

